

COMPANY REGISTRATION NUMBER 2792954

**KENBAY COMPACTION
SYSTEMS LIMITED**
UNAUDITED ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31ST MAY 2006



MOORE STEPHENS (SOUTH) LLP

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KENBAY COMPACTION SYSTEMS LTD
ABBREVIATED ACCOUNTS
YEAR ENDED 31ST MAY 2006

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KENBAY COMPACTION SYSTEMS LTD
ABBREVIATED BALANCE SHEET

31ST MAY 2006

	Note	2006 £	2005 £
FIXED ASSETS	2		
Tangible assets		133,935	149,807
CURRENT ASSETS			
Stocks		27,436	71,452
Debtors		248,505	120,115
Cash at bank and in hand		297,209	185,477
		<u>573,150</u>	<u>377,044</u>
CREDITORS: Amounts falling due within one year		<u>298,931</u>	<u>173,104</u>
NET CURRENT ASSETS		<u>274,219</u>	<u>203,940</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>408,154</u>	<u>353,747</u>
CREDITORS: Amounts falling due after more than one year		<u>-</u>	<u>13,472</u>
		<u>408,154</u>	<u>340,275</u>
CAPITAL AND RESERVES			
Called-up equity share capital	4	3	3
Profit and loss account		408,151	340,272
SHAREHOLDERS' FUNDS		<u>408,154</u>	<u>340,275</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 18-10-06 and are signed on their behalf by:



.....
K R COLL

KENBAY COMPACTION SYSTEMS LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST MAY 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities June 2005.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-Financial Reporting Standard for Smaller Entities (effective January 2005).

Financial Reporting Standard for Smaller Entities (effective January 2005)

The impact of adopting FRSSE (effective January 2005) is on the accounting for dividends on equity shares. Dividends are now debited to profit and loss reserves rather than the profit and loss account for the year.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 20% reducing balance basis
Fixtures & Fittings	- 20% reducing balance basis
Motor Vehicles	- 25% reducing balance basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

KENBAY COMPACTION SYSTEMS LTD
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1. ACCOUNTING POLICIES *(continued)***Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1st June 2005	217,197
Additions	29,338
Disposals	<u>(46,419)</u>
At 31st May 2006	<u>200,116</u>
DEPRECIATION	
At 1st June 2005	67,390
Charge for year	13,188
On disposals	<u>(14,397)</u>
At 31st May 2006	<u>66,181</u>
NET BOOK VALUE	
At 31st May 2006	<u>133,935</u>
At 31st May 2005	<u>149,807</u>

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3. RELATED PARTY TRANSACTIONS

The company was under the joint control of Mr K R Coll, Mr G J Byrne and Mr R C Kenealy throughout the current and previous year.

During the year the company purchased goods and services to the value of £156,049 (2005 £103,095) from Kenbay Engineering Limited, a company in which R C Kenealy and G J Byrne are materially interested as shareholders. The purchases were made on normal trading basis.

During the year the company paid rent to Mr K R Coll totalling £15,500, this was considered to be a market value.

During the year the company paid for services to the value of £20,000 from Rorken Properties Limited a company of which R C Kenealy is the majority shareholder.

During the year the company paid for services to the value of £20,716 to G J Byrne.

Included within other debtors is a balance of £1,644 due from Mrs C Coll.

4. SHARE CAPITAL**Authorised share capital:**

	2006	2005
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	3	3	3	3