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AUDITORS' REPORT TO THE DIRECTORS OF

JAMES HARTLEY LIMITED

In our opinion the Directors are entitled by Section 247 to 249 of the Companies Act 1985 to deliver modified financial statements in respect of the year ended 28th February 1985 and, in particular, the modified financial statements have been properly prepared in accordance with Schedule 8 to that Act. We are not required to express an audit opinion on the truth and fairness of these modified financial statements.

We reported, as auditors of James Hartley Limited to the members on the 2nd May 1986 on the Company's financial statements prepared under Section 227 of the Companies Act 1985 for the year ended 28th February 1985 and our audit opinion was as follows :

"We have audited the financial statements of pages 3 to 8 in accordance with approved auditing standards.

In common with many Businesses of similar size and organisation, the Company's system of control is dependent upon the close involvement of the Directors who are also the Shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion, the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs as at 28th February 1985 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985."

Walker & Sutcliffe
Chartered Accountants
Huddersfield

2nd May 1986



JAMES HARTLEY LIMITED

BALANCE SHEET AS AT 20th FEBRUARY 1985

FIXED ASSETS	1985	1984
Tangible Fixed Assets	17220	20719
Investments	43865	34500
	<u>61095</u>	<u>55219</u>
CURRENT ASSETS		
Stock	27578	29839
Debtors and Prepayments	1425	70012
Cash at Bank and in Hand	52242	10851
Amount due from Subsidiary Company	140048	81944
	<u>221293</u>	<u>192646</u>
CREDITORS : Amounts falling due within one year	(161795)	(151936)
NET CURRENT ASSETS	59498	40710
NET ASSETS	<u>£120593</u>	<u>£95929</u>
CAPITAL AND RESERVES		
Share Capital	24000	24000
Retained Profits	96593	71929
	<u>£120593</u>	<u>£95929</u>

In preparing these modified accounts:

"We have relied upon the exemptions for individual financial statements contained in Sections 247 and 249 of the Companies Act 1985 because, under that Act, the Company is entitled to benefit from those exemptions as a small Company."

G.S. Chima

G.S. Chima

S.S. Khela

S.S. Khela

} Directors

2nd May 1986

JAMES HARTLEY LIMITED

NOTES TO ACCOUNTS AT 28th FEBRUARY 1985

1. ACCOUNTING POLICIES

- a) The accounts are prepared under the historical cost convention.
- b) Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life.

The current rates of depreciation in use are :-

Fixtures and Fittings	15% p.a.
Motor Vehicles	25% p.a.

- c) Stocks are stated at the lower of cost and net realisable value.

2. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and FullyPaid</u>
Ordinary Shares of £1 each	<u>30000</u>	<u>24000</u>

3. CONTINGENT LIABILITY

The Company has given an unlimited guarantee in favour of the bank in respect of the bank borrowing of Wiltex by Wilson Limited.