

COMPANY NUMBER: 507403

**AUDITORS' REPORT TO THE DIRECTORS OF AIREDALE FACTORS LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Airedale Factors Limited prepared under Section 226 of the Companies Act for the year ended 30th April 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by section A of Part III of Schedule 8 to that Act, in respect of the year ended 30th April 1996 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 18th September 1996 we reported, as auditors of Airedale Factors Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30th April 1996 and our audit report was as follows:

'We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention, and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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**AUDITORS' REPORT TO THE DIRECTORS OF AIREDALE FACTORS LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (CONTINUED)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at the 30th April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Clough & Company

Date: 18th September 1996

Chartered Accountants and
Registered Auditors

15/17 Devonshire Street,
Keighley,
West Yorkshire.

AIREDALE FACTORS LIMITED

ABBREVIATED BALANCE SHEET AS AT 30TH APRIL 1996

	Notes	£	1996 £	£	1995 £
Fixed Assets					
Tangible assets	2		152,488		173,106
Current Assets					
Stocks		86,419		77,492	
Debtors		71,218		60,262	
Cash at bank and in hand		200		1,298	
			<u>157,837</u>	<u>139,052</u>	
Creditors: amounts falling due within one year	3	(96,444)		(93,693)	
Net Current Assets			<u>61,393</u>	<u>45,359</u>	
Total Assets Less Current Liabilities			<u>213,881</u>	<u>218,465</u>	
Provision for Liabilities and Charges			(100)	(100)	
Net Assets			<u>213,781</u>	<u>218,365</u>	
Capital and Reserves					
Called up share capital	4		3,000	3,000	
Profit and loss account			210,781	215,365	
Equity Shareholders' Funds			<u>213,781</u>	<u>218,365</u>	

The notes on pages 4 to 6 form part of these accounts.

In preparing these Financial Statements:

The company has claimed exemptions under Section A of Part III of Schedule 8 to the Companies Act 1985

In the opinion of the directors the company is entitled to these exemptions as a small company

The financial statements were approved by the Board on 12/9/96 and signed on its behalf by

G.B. Elstub
Director

G.B. Elstub

M.R. Elstub
Director

M. Elstub

AIREDALE FACTORS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 1996

1. Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards.

The accounting policies for dealing with items judged material or critical in stating the results for the year and the financial position of the company are:

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents the invoiced amounts of goods sold and provided, net of value added tax.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and equipment	-	15% on written down value
Fixtures, fittings and equipment	-	25% on written down value
Motor Vehicles	-	25% on written down value

1.5 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.6 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund, and amounted to £6480 (1995 : £5480).

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors considers that a liability to taxation is unlikely to materialise.

AIREDALE FACTORS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30TH APRIL 1996

2. Tangible Fixed Assets	Land and buildings freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1st May 1995	82,941	54,772	5,603	115,933	259,249
Additions	-	-	250	-	250
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1st May 1995 & At 30th April 1996	82,941	54,772	5,853	115,933	259,499
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1st May 1995	-	39,717	3,550	42,876	86,143
Charge for the year	-	2,258	345	18,265	20,868
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At 30th April 1996	-	41,975	3,895	61,141	107,011
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book values					
At 30th April 1996	82,941	12,797	1,958	54,792	152,488
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At 30th April 1995	82,941	15,055	2,053	73,057	173,106
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AIREDALE FACTORS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30TH APRIL 1996

3. Creditors	1996	1995
	£	£
Included in creditors are the following:		
Bank Borrowings:		
Due within one year	22,569	16,649

The bank borrowings are secured by floating charges over the assets of the company.

4. Share Capital	1996	1995
	£	£
Authorised equity		
3,000 Ordinary shares of £1 each	3,000	3,000
Allotted, called up and fully paid equity		
3,000 Ordinary shares of £1 each	3,000	3,000