

C.J. BROOM & SONS LIMITED

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REPORT OF THE AUDITORS TO THE DIRECTORS

In our opinion the directors are entitled under Sections 247 to 249 of the Companies Act 1985 to deliver modified accounts in respect of the period ended 30th November 1986 and in particular the modified accounts have been properly prepared in accordance with Schedule 8 to that Act.

We reported as auditors of C.J. Broom & Sons Limited to the members on 27th April 1987 on the company's accounts prepared under Section 227 of the Companies Act 1985 for the period ended 30th November 1986 as follows:

We have audited the accounts on pages 4 to 11 in accordance with approved Auditing Standards.

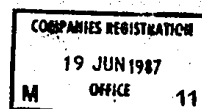
In our opinion the accounts give a true and fair view of the state of the company's affairs at 30th November 1986 and of its profit and source and application of funds for the period then ended and comply with the Companies Act 1985.

St. Cuthberts House
7 Upper King Street
Norwich

LOVEWELL BLAKE & CO.

27th April 1987

Chartered Accountants



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C.J. BROOM & SONS LIMITED

BALANCE SHEET 30TH NOVEMBER 1986

(MODIFIED IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT 1985)

	Notes	1986	1985
FIXED ASSETS			
Tangible assets		99	1,228
CURRENT ASSETS			
Stocks		103,100	-
Debtors	2	60,703	292,059
Cash and bank balance		300	51,109
		164,103	343,168
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR		126,584	315,122
NET CURRENT ASSETS		37,519	28,046
		£ 37,618	£29,274
CAPITAL AND RESERVES			
Called up share capital	3	2,000	2,000
Reserves			
Profit and loss account		35,618	27,274
		£ 37,618	£29,274

In preparing the modified accounts we have relied upon the exemptions for individual accounts contained in the Companies Act 1985. We have done so on the grounds that the company is entitled to the benefit of those exemptions as a small company.

M.C. Broom
Jennifer A. Broom

M.C. BROOM)
 J.A. BROOM) Directors

These accounts were approved by the board of directors on 27th April 1987.

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C.J. BROOM & SONS LIMITED
NOTES TO THE MODIFIED ACCOUNTS

1. Principal accounting policies(a) Basis of accounting

The accounts are prepared under the historical cost basis of accounting.

(b) Comparative figures

The comparative figures stated are in respect of the year ended 31st December 1985.

(c) Format of accounts

In the preparation of these accounts certain words used in the Companies Act 1985 formats have been omitted where they are not appropriate. This is in order to assist in giving a true and fair view as their inclusion could be misleading.

(d) Depreciation

Depreciation is provided on fixed assets at rates sufficient to write off, on a straight line basis, the cost of the assets over their expected useful lives. The principal annual rates used for this purpose, which are consistent with those of last year, are:

	%
Motor vehicles	25
Office equipment	10

(e) Deferred taxation

Provision is made for deferred taxation where in the opinion of the directors, it is likely to be payable in the foreseeable future.

2. Debtors

All the debtors fall due within one year.

3. Share capital

	<u>1986</u>	<u>1985</u>
<u>Authorised</u>		
Ordinary shares of £1 each	£2,000	£2,000
	==	==
<u>Called up share capital</u>		
Ordinary shares of £1 each	£2,000	£2,000
	==	==

C.J. BROOM & SONS LIMITED

NOTES TO THE MODIFIED ACCOUNTS (CONTINUED)

4. Transactions in which directors have an interest

During the period the company has incurred a management charge of £14,250 from Broom Boats Limited. Also in the normal course of business transactions have taken place with both Broom Boats Limited and Aquafibre International Limited, companies in which both directors have an interest.

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