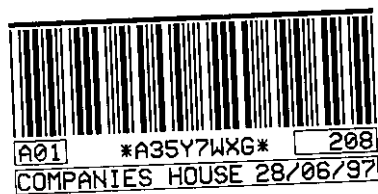


AAGAARD-HANLEY LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 1996  
Company no. 01404584



# LITHGOW, PERKINS & CO.

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CHARTERED  
ACCOUNTANTS

CROWN CHAMBERS  
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## AUDITORS' REPORT TO AAGAARD-HANLEY LIMITED

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985.

We have examined the abbreviated accounts on pages 4 to 7 together with the full financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31st August 1996.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Schedule 8A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemption claimed in the director's 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.

### Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by section 246(5) and (6) in respect of the year ended 31st August 1996, and the abbreviated accounts have been properly prepared in accordance with Schedule 8A.

  
Lithgow, Perkins & Co.

Chartered Accountants and  
Registered Auditor

23rd June 1997

AAGAARD-HANLEY LIMITED

BALANCE SHEET AS AT 31ST AUGUST 1996

	Notes	1996	1995
		£	£
FIXED ASSETS			
Tangible assets	2	454,186	465,945
CURRENT ASSETS			
Stocks		43,500	35,000
Debtors		<u>123,195</u>	<u>90,647</u>
		166,695	125,647
CREDITORS: Amounts falling due within one year	3	(296,843)	(247,651)
NET CURRENT LIABILITIES		(130,148)	(122,004)
TOTAL ASSETS LESS CURRENT LIABILITIES		324,038	343,941
CREDITORS: Amounts falling due after more than one year	4	(141,576)	(171,663)
PROVISIONS FOR LIABILITIES AND CHARGES		(53,003)	(54,963)
		(194,579)	(226,626)
		<u>129,459</u>	<u>117,315</u>
CAPITAL AND RESERVES			
Called-up share capital	5	4,615	4,615
Profit and loss account		<u>124,844</u>	<u>112,700</u>
SHAREHOLDERS' FUNDS		<u>129,459</u>	<u>117,315</u>

The directors have taken advantage, in the preparation of the abbreviated accounts, of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board :

E.A. Hanley  - Director

23rd June 1997

The notes set out on pages 4 to 7 form an integral part of these accounts

AAGAARD-HANLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST AUGUST 1996

1 ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention.

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Motor vehicles	- 25% on the reducing balance method
Fixtures & fittings	- 20% on the reducing balance method
Freehold property	- 2% on the straight line method excluding land
Plant & equipment	- 10% to 20% on the straight line method

(c) Stock and Work in Progress

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads. Net realisable value is based on estimated selling price, less any further costs of realisation.

(d) Deferred taxation

Provisions are made so that the deferred taxation account represents Corporation Tax, calculated on the liability method, in respect of the excess of tax allowances given for fixed assets over the depreciation provided, except to the extent that the directors are able to foresee that no liability is likely to arise from a reversal of the above timing differences for some considerable period.

(e) Assets leased

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged on a straight-line basis over the term of the lease.

AAGAARD-HANLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST AUGUST 1996

(f) Pensions

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

(g) Turnover

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

(h) Grants

Grants of a revenue nature are credited to income in the period to which they relate.

Capital grants are credited to a deferred income account and amortised to the profit and loss account over the expected useful lives of the fixed assets involved.

(i) Research and development

Research and development expenditure is written off as incurred.

2 TANGIBLE FIXED ASSETS

	Motor vehicles	Fixtures & fittings	Freehold property	Plant & equipment	Total
COST	£	£	£	£	£
At 1st September 1995	44,489	39,007	455,232	52,900	591,628
Additions at cost	-	78	1,894	9,328	11,300
Applicable to disposals	(9,953)	-	-	(13,795)	(23,748)
At 31st August 1996	<u>34,536</u>	<u>39,085</u>	<u>457,126</u>	<u>48,433</u>	<u>579,180</u>
DEPRECIATION					
At 1st September 1995	25,520	35,991	29,885	34,287	125,683
Charge for the year	3,507	975	7,200	6,437	18,119
Released on disposals	(5,013)	-	-	(13,795)	(18,808)
At 31st August 1996	<u>24,014</u>	<u>36,966</u>	<u>37,085</u>	<u>26,929</u>	<u>124,994</u>
NET BOOK VALUE					
At 31st August 1996	<u>10,522</u>	<u>2,119</u>	<u>420,041</u>	<u>21,504</u>	<u>454,186</u>
At 31st August 1995	<u>18,969</u>	<u>3,016</u>	<u>425,347</u>	<u>18,613</u>	<u>465,945</u>

AAGAARD-HANLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST AUGUST 1996

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings in the table above, are as follows:

	1996 £	1995 £
Net book value at 31st August 1996	<u>-</u>	<u>4,940</u>
Depreciation charge for the year	<u>-</u>	<u>1,646</u>
3 CREDITORS: Amounts falling due within one year		
	1996 £	1995 £
The following secured amounts fall due within one year:		
Bank loans and overdrafts	164,158	103,812
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>687</u>
	<u>164,158</u>	<u>104,499</u>
	1996 £	1995 £
Amounts payable by instalments due within one year hence:		
Bank loans	27,332	27,332
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>687</u>
	<u>27,332</u>	<u>28,019</u>
4 CREDITORS: Amounts falling due after more than one year		
	1996 £	1995 £
The following secured amounts fall due after more than one year:		
Bank loans	<u>100,676</u>	<u>130,763</u>
	1996 £	1995 £
Amounts payable by instalments between one and five years hence:		
Bank loans	<u>86,001</u>	<u>86,001</u>
	1996 £	1995 £
Amounts payable by instalments more than five years hence:		
Bank loans	<u>14,675</u>	<u>44,762</u>

AAGAARD-HANLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST AUGUST 1996

5	SHARE CAPITAL	Number 1996	Value 1996 £	Number 1995	Value 1995 £
	Authorised:				
	Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
	Issued and fully paid:				
	Ordinary shares of £1 each	<u>4,615</u>	<u>4,615</u>	<u>4,615</u>	<u>4,615</u>