

182-0891

1.

REPORT OF THE AUDITORS TO THE DIRECTORS

OF

BAPP INDUSTRIAL SUPPLIES (HULL) LIMITED

(FOR THE PURPOSES OF PARAGRAPH 10 OF SCHEDULE  
8 TO THE COMPANIES ACT 1985)

We reported as auditors of Bapp Industrial Supplies (Hull) Limited on 15th October 1987 on the company's accounts prepared under section 227 of the Companies Act 1985 for the year ended 31st August 1987 as follows:-

" We have audited the accounts set out on pages 3 to 9 in accordance with approved Auditing Standards, having regard to the matters referred to in the following paragraph.

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 the major 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 accounts give a true and fair view of the state of affairs of the company at 31st August 1987 and of the profit and source and application of funds for the year and comply with the Companies Act 1985."

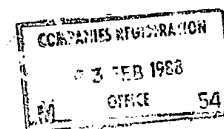
In our opinion the directors are entitled under sections 247 to 249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 31st August 1987 and in particular the modified accounts have been properly prepared in accordance with Schedule 8 to that Act.

MOORE FLETCHER & CO.

*Yours faithfully*

Sheffield, 15th October 1987

Chartered Accountants



BAPP INDUSTRIAL SUPPLIES (HULL) LIMITEDBALANCE SHEET 31st AUGUST 19871986FIXED ASSETS

	<u>Tangible assets</u>	
2,130	Plant and equipment	4,253
6,136	Motor vehicles	9,490
<u>8,266</u>		<u>13,743</u>

CURRENT ASSETS

48,043	Stocks	49,508
129,168	Debtors	113,833
<u>177,211</u>		<u>163,341</u>

CREDITORS: amounts falling due within one year

18,193	Bank overdraft	13,914
136,037	Creditors	124,303
4,401	Corporation tax	4,313
<u>158,631</u>		<u>142,530</u>

<u>18,580</u>	<u>NET CURRENT ASSETS</u>	<u>20,811</u>
<u>26,846</u>	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	<u>34,554</u>

<u>7,828</u>	<u>CREDITORS: amounts falling due after more than one year</u>	<u>4,500</u>
<u>19,018</u>		<u>30,054</u>

PROVISION FOR LIABILITIES AND CHARGES

700	Deferred taxation	900
<u>18,318</u>		<u>29,154</u>

CAPITAL AND RESERVES

100	Called up share capital	10,000
18,218	Profit and loss account	19,154
<u>18,318</u>		<u>29,154</u>

*D.R. Petty*  
*P.A. Reeve*

D.R. PETTY )  
P.A. REEVE ) Directors

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

BAPP INDUSTRIAL SUPPLIES (HULL) LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st AUGUST 1987

## 1. ACCOUNTING POLICIES

## Accounting convention

The accounts are prepared under the historical cost convention.

## Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods supplied.

## Depreciation

Depreciation of fixed assets is provided on a straight line basis at the following annual rates calculated to write off the assets over their useful lives:-

Plant and equipment	10%
Motor vehicles	20%

## Stocks

Stocks are valued at the lower of cost and net realisable value.

## Deferred taxation

Provision is made for deferred taxation calculated by the liability method to the extent that it is anticipated that a liability will arise in the foreseeable future.

## 2. SHARE CAPITAL

Authorised, allotted and fully paid	<u>1987</u>	<u>1986</u>
Ordinary shares of £1 each	10,000	100

Following a special resolution passed on 11th November 1986, the nominal capital of the company was increased to £10,000. On the same day 9,900 shares were issued to shareholders by way of a capitalisation of reserves.

## 3. APPROVAL OF ACCOUNTS

The accounts were approved by the directors on 15th October 1987.