

COPY

HEDLEY DAVIES & CO LIMITED

ABBREVIATED ACCOUNTS

31ST DECEMBER 1997

Registered number: 03124777

ASHMOLE & CO

Chartered Certified Accountants & Registered Auditors

Haverfordwest



HEDLEY DAVIES & CO LIMITED

ABBREVIATED ACCOUNTS

for the year ended 31st December 1997

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## AUDITORS' REPORT TO

HEDLEY DAVIES &amp; CO LIMITED

under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 31st December 1997 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (5) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. 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 to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Williamston House  
7 Goat Street  
Haverfordwest  
Pembrokeshire

Ashmole & Co  
Registered Auditors  
Chartered Certified Accountants

Date : 9 June 1998

## HEDLEY DAVIES &amp; CO LIMITED


## ABBREVIATED BALANCE SHEET

at 31st December 1997

	Note	1997 £	1996 £
<b>Fixed assets</b>			
Tangible assets	2	43,043	47,288
<b>Current assets</b>			
Debtors		83,315	47,685
Cash at bank and in hand		97,002	121,535
		<u>180,317</u>	<u>169,220</u>
Creditors: amounts falling due within one year		<u>(167,802)</u>	<u>(145,424)</u>
<b>Net current assets/(liabilities)</b>		<u>12,515</u>	<u>23,796</u>
<b>Total assets less current liabilities</b>		<u>55,558</u>	<u>71,084</u>
Creditors: amounts falling due after more than one year	3	<u>(47,347)</u>	<u>(69,895)</u>
		<u>8,211</u>	<u>1,189</u>
<b>Capital and reserves</b>			
Called up share capital	4	1,000	1,000
Profit and loss account		<u>7,211</u>	<u>189</u>
<b>Total shareholders' funds</b>		<u>8,211</u>	<u>1,189</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the financial reporting standard for smaller entities.

The abbreviated accounts on pages 2 to 4 were approved by the board of directors on 8 June 1998 and signed on its behalf by:

  
I J Ace Esq  
Director

## HEDLEY DAVIES &amp; CO LIMITED

## NOTES ON ABBREVIATED ACCOUNTS

31st December 1997

## 1 Accounting policies

**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

**Revenue and expense recognition**

It is impracticable to devise accounting policies which consistently match revenue from brokerage with the related expenses. Accordingly, the following basis are adopted:

(i) **Turnover** - turnover represents brokerage and fees which are taken to credit when debit or fee notes are issued irrespective of the inception date or period of insurance, with the exception of life commission which is credited when received. Alterations in brokerage arising from return and additional premiums and adjustment are taken into account as and when these adjustments occur.

(ii) **Expenses** - costs are written off as incurred.

**Depreciation**

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	over 7 years straight line
Telephone equipment	over 5 years straight line

**Government grants**

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments. Grants of a revenue nature are credited to income in the period to which they relate.

**Leases and hire purchase contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

**Deferred taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

HEDLEY DAVIES & CO LIMITED  
NOTES ON ABBREVIATED ACCOUNTS

31st December 1997

2 Fixed assets

	Tangible fixed assets £
Cost	
1st January 1997	55,528
Additions	12,890
Disposals	(10,495)
31st December 1997	<u>57,923</u>
Depreciation	
1st January 1997	8,240
Charge for year	8,608
Disposals	(1,968)
31st December 1997	<u>14,880</u>
Net book amount	
31st December 1997	<u><u>43,043</u></u>
1st January 1997	<u><u>47,288</u></u>

3 Debtors

Debtors due after more than one year	1997 £	1996 £
Hedley Asset Management Ltd	<u>10,000</u>	<u>-</u>

4 Creditors

Bank loans of £ 9,894 are secured. (1997 - £19,257)

5 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>