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REPORT OF THE AUDITORS TO A A DESIGN LIMITED PURSUANT TO PARAGRAPH 24 OF  
SCHEDULE 8 TO THE COMPANIES ACT 1985.

We have examined the abbreviated accounts on pages 3 to 5 together with the financial statements of A. A. Design Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st March 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 31st March 1996, and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 19th June 1996 we reported, as auditors of A. A. Design Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st March, 1996, and our audit report was as follows:-

"We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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.



REPORT OF THE AUDITORS TO A. A. DESIGN LIMITED PURSUANT TO PARAGRAPH 24 OF  
SCHEDULE 8 TO THE COMPANIES ACT 1985

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

Sheffield

19th June 1996

Company registered No:- 01568847

*Wells Richardson*

Wells Richardson

Registered Auditor

Chartered Accountants

A A DESIGN LIMITEDBALANCE SHEET AS AT 31ST MARCH 1996

(Abbreviated in accordance with Schedule 8 of the Companies Act 1985)

|   | <u>Note</u> | <u>1996</u>     | <u>1995</u>     |
|---|-------------|-----------------|-----------------|
| FIXED ASSETS  |             |                 |                 |
| Tangible assets   | 2           | 142,387         | 143,433         |
| CURRENT ASSETS  |             |                 |                 |
| Work in progress  |             | 33,571          | 26,716          |
| Debtors   | 3           | 77,169          | 38,739          |
| Cash at bank and in hand                                |             | <u>21,763</u>   | <u>9,355</u>    |
|   |             | 132,503         | 74,810          |
| PREPAYMENTS AND ACCRUED INCOME                          |             | <u>8,142</u>    | <u>5,838</u>    |
|   |             | 140,645         | 80,648          |
| CREDITORS: amounts falling due within one year          | 4           | <u>174,397</u>  | <u>109,123</u>  |
| NET CURRENT LIABILITIES                                 |             | <u>(33,752)</u> | <u>(28,475)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES                   |             | 108,635         | 114,958         |
| CREDITORS: amounts falling due after more than one year | 4           | <u>46,389</u>   | <u>60,155</u>   |
|   |             | <u>£ 62,246</u> | <u>£ 54,803</u> |
|   |             | =====           | =====           |
| CAPITAL AND RESERVES                                    |             |                 |                 |
| Called up share capital                                 | 5           | 5,000           | 5,000           |
| Profit and loss account                                 |             | <u>57,246</u>   | <u>49,803</u>   |
| Shareholders' funds                                     |             | <u>£62,246</u>  | <u>£ 54,803</u> |
|   |             | =====           | =====           |

The directors have taken advantage of the exemptions conferred on small companies by Schedule 8 Part III of the Companies Act 1985, because in the opinion of the directors the company qualifies as such a company.

The directors have taken advantage of the special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

These abbreviated accounts were approved by the board of directors on 19th June, 1996



A. R. Thompson - Director

The notes on pages 4 and 5 form part of these abbreviated accounts

A A DESIGN LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1996

(Abbreviated in accordance with Schedule 8 of the Companies Act 1985)

1. ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Turnover

Turnover represents net provision of services, excluding value added tax.

(c) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost over the estimated useful life of the asset. The straight line method is used and the annual rates are:-

|                              |   |                    |
|------------------------------|---|--------------------|
| Long leasehold property      | - | 2%                 |
| Office fixtures and fittings | - | 15%                |
| Computers and equipment      | - | 33 $\frac{1}{3}$ % |

A full year's depreciation is charged on all assets in use at the end of the accounting period irrespective of the date of purchase.

(d) Hire purchase and operating leases

Assets held under hire purchase agreements are capitalised at their cost value and depreciated over their estimated useful life. Hire purchase interest is charged to profit and loss over the period of the agreement. Payments in respect of operating leases are charged to profit and loss in full.

(e) Work in progress

Work in progress has been evaluated by the directors at the lower of cost and net realisable value. Cost comprises the direct cost of work done and the attributable proportion of all appropriate overheads.

(f) Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

(g) Cash flow statements

The company has taken advantage of the exemption in financial reporting standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

(h) Pension schemes

The contributions payable in respect of the company's pension scheme are charged to profit and loss as incurred. The scheme is administered by an insurance company and the assets of the scheme are independent of the company's finances.

A A DESIGN LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1996

(Abbreviated in accordance with Schedule 8 of the Companies Act 1985)

(continued)

| 2. FIXED ASSETS | <u>At 31st<br/>March<br/>1995</u> | <u>Additions<br/>in<br/>year</u>  | <u>Disposals<br/>in<br/>year</u> | <u>At 31st<br/>March<br/>1996</u> |
|-----------------|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| At cost         |                                   |                                   |                                  |                                   |
| Tangible        | £192,094<br>=====                 | £ 8,765<br>=====                  | £ 3,878<br>=====                 | £196,981<br>=====                 |
|                 | <u>At 31st<br/>March<br/>1995</u> | <u>Provided<br/>this<br/>year</u> | <u>On<br/>disposals</u>          | <u>At 31st<br/>March<br/>1996</u> |
| Depreciation    |                                   |                                   |                                  |                                   |
| Tangible        | £ 48,661<br>=====                 | £ 9,811<br>=====                  | £ 3,878<br>=====                 | £ 54,594<br>=====                 |
| Net book value  | £143,433<br>=====                 |                                   |                                  | £142,387<br>=====                 |

3. DEBTORS

The aggregate amount of debts falling due after more than one year is £Nil (1995 £1,000).

4. CREDITORS

Creditors includes a mortgage of £13,857 (1995 £12,821) due within one year and £46,389 (1995 £60,155) due after more than one year which is secured.

5. CALLED UP SHARE CAPITAL

|                                   | <u>1996</u>       | <u>1995</u>       |
|-----------------------------------|-------------------|-------------------|
| Authorised                        |                   |                   |
| 50,000 ordinary shares of £1 each | £ 50,000<br>===== | £ 50,000<br>===== |
| Allotted, issued and fully paid   |                   |                   |
| 5,000 ordinary shares of £1 each  | £ 5,000<br>=====  | £ 5,000<br>=====  |

6. RELATED PARTY TRANSACTIONS

- (a) The company reimbursed A. A. Design Properties Limited, a company falling under the common control of the directors, for computing services provided during the year totalling £10,225. No amounts were outstanding as at 31st March 1996.
- (b) The company provided secretarial and drawing office services for A. A. Design Properties Limited during the year totalling £1,895, of which £996 remained outstanding as at 31st March 1996.