

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
ADEL (HUDDERSFIELD) LIMITED**

We have examined the abbreviated accounts on pages 2 to 4 together with the full accounts of Adel (Huddersfield) Limited for the year ended 30th June 1997. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to exemptions claimed in the directors' statement on page 2 that the abbreviated accounts have been properly prepared from the full accounts.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemption conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 30th June 1997 and the abbreviated accounts have been properly prepared from the full accounts.

On 3rd September 1997 we reported as auditors of Adel (Huddersfield) Limited to the shareholders on the full financial statements required by section 226 of the Companies Act 1985 for the year ended 30th June 1997 and our audit report was as follows:

"We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on Page 7.

**Respective responsibilities of the Directors and Auditor**

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 these statements and to report our opinion to you.

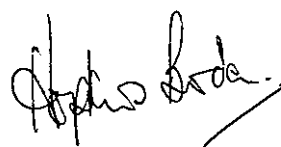
**Basis of opinion**

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 of 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 as at 30th June 1997 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."



HOPKINS BODEN

Chartered Accountants  
and  
Registered Auditors

342 Glossop Road  
SHEFFIELD  
S10 2HW

3rd September 1997



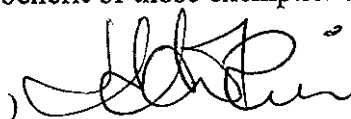

**ADEL (HUDDERSFIELD) LIMITED**  
**BALANCE SHEET AS AT 30TH JUNE 1997**

	Notes	1997 £	1996 £
TANGIBLE FIXED ASSETS		<u>20,034</u>	<u>27,560</u>
CURRENT ASSETS			
Stock		166,284	174,478
Debtors		31,301	35,216
Cash at bank and in hand		<u>25,605</u>	<u>1,987</u>
		223,190	211,681
Creditors: Amounts falling due within one year		<u>(119,817)</u>	<u>(126,251)</u>
Net Current Assets		<u>103,373</u>	<u>85,430</u>
Total assets less current liabilities		123,407	112,990
Creditors: Amounts falling due after more than one year		<u>(6,972)</u>	<u>(10,097)</u>
		<u><u>£116,435</u></u>	<u><u>£102,893</u></u>
CAPITAL AND RESERVES			
Called up share capital	2	90	90
Profit and loss account		<u>116,345</u>	<u>102,803</u>
		<u><u>£116,435</u></u>	<u><u>£102,893</u></u>

In preparing these modified statements, we have relied upon the exemptions for individual statements provided by 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.

J S ADKIN

K C ELKINGTON

)   
 ) Directors  
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The accounts were approved by the Board of Directors on 3rd September 1997.

**ADEL (HUDDERSFIELD) LIMITED****NOTES TO THE ACCOUNTS - 30TH JUNE 1997****1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

**(a) Basis of accounting**

These accounts have been prepared under the historical cost accounting convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**(b) Turnover**

Turnover is the total amount receivable by the company in the ordinary course of business from outside customers for goods and services provided, excluding Value Added Tax.

**(c) Depreciation**

Depreciation is provided at the following annual rates in order to write off tangible fixed assets over their estimated useful lives:-

Fixtures and fittings	- 20% reducing balance
Motor vehicles	- 20% straight line

**(d) Stock**

Stock is valued at the lower of cost and net realisable value.

**(e) Leases**

Where the company has substantially all the risks and rewards of ownership of an asset which is subject to a lease, then the lease is treated as a finance lease. Other leases are treated as operating leases.

Future instalments payable under finance leases, net of finance charges, are included in creditors with the corresponding asset values treated as fixed tangible assets. Payments are apportioned between the finance element, which is charged to the profit and loss account as interest, and the capital element, which reduces the outstanding obligation for future instalments.

**(f) Pensions**

Retirement benefits are funded by contributions by the company. The pension scheme is financially separate from the company.

**ADEL (HUDDERSFIELD) LIMITED****NOTES TO THE ACCOUNTS - 30TH JUNE 1997 (continued)**

<b>2. CALLED UP SHARE CAPITAL</b>		<b>1997</b>	<b>1996</b>
		<b>£</b>	<b>£</b>
Authorised	: 100 shares of £1 each	<u>100</u>	<u>100</u>
Issued	: 90 shares of £1 each fully paid	<u>90</u>	<u>90</u>