

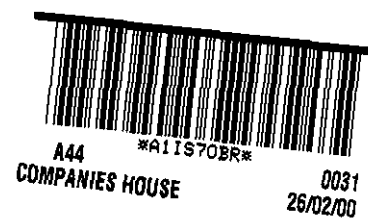
Company Registration Number: 1678653
England and Wales

ADEL (C & C) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1999

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REPORT OF THE AUDITORS TO**ADEL (C & C) LIMITED****Under section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages 2 to 5 together with the full statutory accounts of the company for the year ended 30th June 1999 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 (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

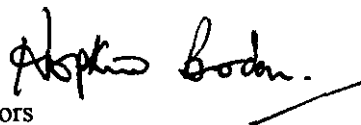
Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 statutory accounts.

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 5 have been properly prepared in accordance with those provisions.

Hopkins Boden
Chartered Accountants and Registered Auditors



342 Glossop Road
Sheffield
S10 2HW

17th November 1999

ADEL (C & C) LIMITED

BALANCE SHEET

AS AT 30TH JUNE 1999

	Notes	1999 £	1998 £
FIXED ASSETS	2		
Intangible Assets		400,000	-
Tangible Assets		108,578	12,417
		<u>508,578</u>	<u>12,417</u>
CURRENT ASSETS			
Stock		993,094	188,623
Debtors		111,831	31,557
Cash in hand		33,913	25,840
		<u>1,138,838</u>	<u>246,020</u>
CREDITORS:			
Amounts falling due within one year		(1,394,509)	(129,874)
NET CURRENT LIABILITIES (1998 - ASSETS)		<u>(255,671)</u>	<u>116,146</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		252,907	128,563
CREDITORS:			
Amounts falling due after more than one year		(69,530)	(6,000)
		<u>£183,377</u>	<u>£122,563</u>
CAPITAL AND RESERVES			
Called up Share capital	3	90	90
Profit and loss account		183,287	122,473
		<u>£183,377</u>	<u>£122,563</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the Board of Directors on 17th November 1999 and were signed on its behalf by:

J S ADKIN - Director



ADEL (C & C) LIMITED

NOTES TO THE ACCOUNTS - 30TH JUNE 1999

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 designed to write down tangible fixed assets over their estimated useful lives:-

Fixtures and fittings	- 20% reducing balance
Motor vehicles	- 25% straight line

The intangible asset of purchased goodwill was not amortised in this year's accounts as it was purchased in the latter half of the year. In future years goodwill will be amortised over its estimated useful life.

(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 (C & C) LIMITED

NOTES TO THE ACCOUNTS - 30TH JUNE 1999 (Continued)

2. FIXED ASSETS

	Intangible Assets	Tangible Assets	Total
COST	£	£	£
At 1st July 1998	-	60,249	60,249
Additions	400,000	114,883	514,883
Disposals	-	(11,875)	(11,875)
At 30th June 1999	<u>400,000</u>	<u>163,257</u>	<u>563,257</u>
DEPRECIATION			
At 1st July 1998	-	47,832	47,832
Charge for the year	-	16,466	16,466
On disposals	-	(9,619)	(9,619)
At 30th June 1999	<u>-</u>	<u>54,679</u>	<u>54,679</u>
NET BOOK VALUE			
At 30th June 1999	<u>£400,000</u>	<u>£108,578</u>	<u>£508,578</u>
At 30th June 1998	<u>£ Nil</u>	<u>£12,417</u>	<u>£12,417</u>

3. CALLED UP SHARE CAPITAL

	1999	1998
	£	£
Authorised : 100 shares of £1 each	<u>100</u>	<u>100</u>
Issued : 90 shares of £1 each	<u>90</u>	<u>90</u>

ADEL (C & C) LIMITED

NOTES TO THE ACCOUNTS - 30TH JUNE 1999 (Continued)

4. RELATED PARTY TRANSACTIONS
- TRANSACTIONS INVOLVING DIRECTORS

On 31st January 1999 the company purchased two partnerships, Adel Salon Services and Adel Leeds.

Adel Salon Services is a bulk purchasing organisation run by Mr K C Elkington and Mr J S Adkin who are the shareholders and directors of the company. It also operates a cash and carry branch in Sheffield.

Adel Leeds is a cash and carry business based in Leeds, also run by Mr K C Elkington and Mr J S Adkin.

The purchase price paid by the company for the partnerships was £474,197 which included £400,000 for goodwill based on the future profits which it is anticipated will be generated for the company by these businesses.

The company also purchases items of stock from the following companies in which Mr K C Elkington and Mr J S Adkin are substantial shareholders and directors.

Adel (Doncaster) Limited and Adel (Hull) Limited.

During the year amounts invoiced, excluding VAT, to the company by companies associated with Adel (C & C) Limited were as follows:

	1999 £	1998 £
Adel (Doncaster) Limited	22,637	17,717
Adel (Hull) Limited	646	180
	<u>£23,283</u>	<u>£17,897</u>

Amounts included in creditors at the end of the financial year were as follows:-

	£	£
Adel (Doncaster) Limited	<u>£25,054</u>	<u>813</u>

Amounts included in debtors at the end of the financial year were as follows:-

	£	£
Adel (Doncaster) Limited	8,727	-
Adel (Hull) Limited	17,286	-
	<u>£26,013</u>	<u>£ Nil</u>