

**ADAMS OF NORTHAMPTON LIMITED**  
**ABBREVIATED ANNUAL ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1995**

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## **AUDITORS' REPORT**

### **TO THE DIRECTORS' OF ADAMS OF NORTHAMPTON LIMITED**

#### **PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the Abbreviated Accounts on pages 2 to 5, together with the full financial statements of Adams of Northampton Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1995.

#### **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 2 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 December 1995, and the Abbreviated Accounts on pages 2 to 5 have been properly prepared in accordance with that Schedule.

#### **Other Information**

On 24/5/96, we reported, as auditors of Adams of Northampton Limited, to the Members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1995 and our Audit Report was as follows:

"We have audited the financial statements set out on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

#### **Respective Responsibilities of Directors and Auditors**

As described on page one 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.

#### **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.

## AUDITORS' REPORT

### TO THE DIRECTORS OF ADAMS OF NORTHAMPTON LIMITED (Cont'd...)

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.

#### Qualified opinion arising from disagreement about accounting treatment

Statement of Standard Accounting Practice Number 24 'Accounting for Pension Costs' requires pension costs to be recognised on a systematic and rational basis over the period of the employees' services. For defined benefit schemes the method of providing for these costs should be such that the regular pension cost is a substantially level percentage of the current and expected future pensionable payroll in the light of the current actuarial assumptions.

Where the cumulative contributions paid to date exceed the cumulative pension cost to date, the difference should be provided as a prepayment. This prepayment should then be charged to the Profit and Loss Account over the average expected remaining service lives of current employees in the scheme.

At the 1st January 1995 an actuarial valuation of the group pension scheme disclosed a surplus of £660000, of which approximately £32000 relates to Adams of Northampton Limited. The actuarial report also showed the average expected remaining service lives of current employees within the scheme as being 14 years.

Consequently the company should have provided a prepayment of £32000 at 1st January 1995, with a corresponding increase in retained reserves, and should then have charged £2285 of this provision to the Profit and Loss Account for the period 1st January 1995 to 31st December 1995 thereby decreasing the profit before tax and reducing the net assets by the same amount.

#### Opinion

Except for the non-compliance with SSAP 24 as stated above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

**MOORE STEPHENS**

Kings House  
40 Billing Road  
Northampton

*Moore Stephens*

**Registered Auditor  
Chartered Accountants**

*24<sup>th</sup> May 1996*

**ADAMS OF NORTHAMPTON LIMITED****BALANCE SHEET AT 31ST DECEMBER 1995**

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
<b><u>Fixed Assets</u></b>			
Tangible Assets	2	92874	97429
Investments	2	7259	7068
		<hr/>	<hr/>
		100133	104497
<b><u>Current Assets</u></b>			
Stocks		6424	6071
Debtors – less than one year		4554	4277
Debtors – more than one year	3	10000	10000
Cash at Bank and in Hand		1494	2778
		<hr/>	<hr/>
		22472	23126
<b><u>Less Creditors: Amounts falling due within one Year</u></b>			
		(61160)	(60754)
		<hr/>	<hr/>
Net Current Liabilities		(38688)	(37628)
		<hr/>	<hr/>
Total Assets Less Current Liabilities		61445	66869
<b><u>Less Creditors: Amounts falling due after more than one Year</u></b>			
	4,5	(7148)	(12148)
		<hr/>	<hr/>
		54297	54721
		=====	=====
<b><u>Represented by Capital and Reserves</u></b>			
Called Up Share Capital	6	800	800
Other Reserves		200	200
Profit and Loss Account		53297	53721
		<hr/>	<hr/>
Total Shareholders' Funds		54297	54721
		=====	=====

The directors have taken advantage of the exemptions conferred on small companies by the Companies Act 1985, Schedule 8, Part III. In the opinion of the directors the company qualifies as a small company and entitled to make use of the exemptions.

These Accounts have been prepared taking advantage of the exemptions provided by Part I of Schedule 8 of the Companies Act 1985, on the grounds that in the directors opinion, the company is entitled to those exemptions as a Small Company.

Approved by the Board of Directors  
on ..... 24/5/96 .....  
and signed on their behalf by:  
..... Director

# ADAMS OF NORTHAMPTON LIMITED

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1995

### 1. Accounting Policies

- (a) These Accounts have been prepared under the Historical Cost Convention.
- (b) Turnover represents charges to external customers exclusive of Value Added Tax and trade discounts.
- (c) Stocks and Work in Progress are valued consistently at the lower of cost (on first in first out basis) or net realisable value. Cost, where appropriate, includes a proportion of directly attributable overheads.

#### (d) Deferred Taxation

A deferral of Corporation Tax has arisen due to the different basis on which profits are arrived at for taxation purposes as compared to the basis on which profits are stated in these financial statements. Provision has been made for this taxation to the extent to which it is considered likely to become payable in the foreseeable future and at the rate eventually expected to be charged.

#### (e) Depreciation of Fixed Assets

Depreciation has been computed to write off the cost of Fixed Assets over their expected useful lives at the following rates:-

Freehold Property	2% p.a. on cost
Property Improvements	12.5% p.a. on reducing balance
Fixtures and Fittings	15% p.a. on reducing balance

A full years depreciation is charged in the year of acquisition of an asset, but none in the year of disposal.

- (f) Leasing Rentals payable on agreements which transfer substantially all the risks and rewards associated with ownership to the lessee ("finance leases") are capitalised within Fixed Assets, and the obligation to pay future rentals included in Creditors as a liability. The interest charges implicit in such a lease are written off to the Profit and Loss Account in proportion to the balance outstanding during the year.

All other leasing rentals ("operating leases") are written off to the Profit and Loss Account as incurred.

- (g) Debtors are shown after providing for any amounts which the directors consider may not be collected in full.
- (h) Pension Costs are recognised in the Profit and Loss Account as they are paid.

# **ADAMS OF NORTHAMPTON LIMITED**

## **NOTES ON ACCOUNTS (Contd.....)**

- (i) Investments which have been classified as Fixed Assets are included at cost, less any reductions in the value of those investments which are considered to be permanent.
- (j) Cash Flow Statement  
The company has taken advantage of the exemption contained within Financial Reporting Standard No. 1 from the requirement to prepare a Cash Flow Statement on the grounds that it qualifies as a Small Company as defined by Section 247 of the Companies Act 1985.

## **NOTES SUPPLEMENTING THE BALANCE SHEET**

### **2. Fixed Assets**

	<u>Tangible Assets</u>	<u>Investments</u>	<u>Total</u>
	£	£	£
<u>Cost:</u>			
At 1st January 1995	144371	7068	151439
Additions during the Year	-	191	191
	=====	=====	=====
At 31st December 1995	144371	7259	151630
	=====	=====	=====
<u>Depreciation:</u>			
At 1st January 1995	46941	-	46941
Charge for the Year	4556	-	4556
	=====	=====	=====
At 31st December 1995	51497	-	51497
	=====	=====	=====
<u>Net Book Value:</u>			
At 31st December 1995	92874	7259	100133
	=====	=====	=====
At 31st December 1994	97429	7068	104497
	=====	=====	=====

3. Included in debtors is a debt of £10000 (1994 £10000) not due within 12 months of the Balance sheet date.

### **4. Creditors**

a) Repayable	<u>1995</u>	<u>1994</u>
	<u>After</u>	<u>After</u>
	<u>12 mths</u>	<u>12 mths</u>
	£	£
Other Creditors	7148	12148
	=====	=====

**NOTES ON ACCOUNTS (Contd.....)****b) Security**

Security has been given by the company in respect of the following amounts:-

	<u>1995</u> £	<u>1994</u> £
Finance Lease Obligations	-	505
	=====	=====

5. **Loans from Participators:-** loans amounting to £7148 (1994 £12148) have been classified as other creditors; these loans are unsecured, and repayable on demand; they do not carry interest. Of these amounts, £7148 (1994 £12148) have been treated as other creditors repayable in more than 12 months on the basis that no significant amount is likely to be repaid before the end of the next accounting period, and this form of disclosure is considered necessary to prevent distortion of the financial results and position of the company.

**6. Share Capital**

	<u>Authorised</u>		<u>Allotted and Fully Paid</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Ordinary Shares of £1 each	1000	1000	1000	1000
	=====	=====	=====	=====

**7. Directors interest in Transactions**

During the year £40000 was paid to Mr T W J Adams, a director of the company. This was payable to him by virtue of his ownership of the property at 79/81 Abington Street, Northampton.