

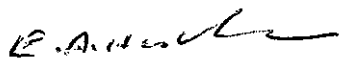
## ABBREVIATED BALANCE SHEET - 31 MARCH 1996

	Note	1996 £
<b>FIXED ASSETS</b>		
Tangible assets	2	59,399
<b>CURRENT ASSETS</b>		
Debtors and prepayments (all receivable within one year)		54,439
Stock and work in progress		32,189
		86,628
<b>CREDITORS - Amounts falling due within one year</b>	3	120,673
<b>NET CURRENT LIABILITIES</b>		(34,045)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		25,354
<b>CREDITORS - Amounts falling after more than one year</b>	3	26,381
<b>NET LIABILITIES</b>		£ (1,027)
<b>CAPITAL AND RESERVES</b>		
Called up share capital	4	2
Profit and loss account		(1,029)
<b>SHAREHOLDERS FUNDS</b>		£ (1,027)

The director has taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985 and has done so on the grounds that, in his opinion, the company is entitled to those exemptions as a small company

The director has taken advantage of the special exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and has done so on the grounds that in their opinion the company is entitled to these special exemptions as a small company.

Signed on behalf of the board on...13 January 1997



E A Hadley  
Director

The annexed notes form part of these financial statements



**S G TODD****Chartered Accountant****AUDITOR'S REPORT TO THE DIRECTORS OF HADLEY'S FENCING CONTRACTORS LIMITED  
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

I have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of Hadley's Fencing Contractors Limited prepared under section 226 of the Companies Act 1985 for the period 11 April 1994 to 31 May 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 my 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**

I have carried out the procedures I consider 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 statements. The scope of my 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**

As auditor of the company I reported to the members on 1 November 1996 on the company's financial statements prepared under section 226 of the Companies Act 1985 for the period ended 31 March 1996. My audit opinion was as follows :-

I have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 1 the company's director is responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

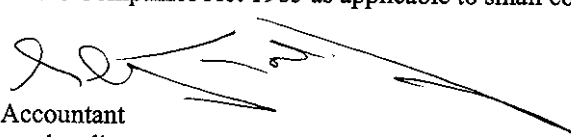
**BASIS OF OPINION**

I conducted my 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 director in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In my opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 1996 and of the loss of the company for the period then ended and have been prepared in accordance with the provisions of the Companies Act 1985 as applicable to small companies.

S G Todd   
Chartered Accountant  
and registered auditor  
Little Mount  
9b Southfield Road  
Paignton  
Devon  
TQ3 2SW

Dated.....13 January 1997

## NOTES TO THE FINANCIAL STATEMENTS - PERIOD 16 DECEMBER 1994 TO 31 MARCH 1996

## 1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below.

## a) Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention

The effect of events relating to the period ended 31 March 1996 which occurred before the date of approval of the financial statements by the Board of Director have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 March 1996 and of the results for the period ended on that date.

## b) Stock and work in progress

Stock and work in progress have been valued at the lower of cost and net realisable value. In the case of work in progress and finished goods cost comprises direct labour and materials and an appropriate proportion of production overheads according to the stage of completion.

## c) Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets by equal annual instalments over their expected useful lives, using the following rates:

Property improvements-	6% per annum
Equipment	- 15/20% per annum
Trucks	- 20% per annum
Motor cars	- 20% per annum

## d) Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors. The finance charge element of the obligation is charged to the profit and loss account over the agreement term to reflect a constant rate of interest on the reducing balance of the obligation.

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

## e) Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered likely that a net liability may crystallise. At 31 March 1996 no provision was required

## 2. TANGIBLE FIXED ASSETS

	Total £
Cost	
Assets taken over	49,182
Additions	31,925
Disposals	(9,312)
At 31 March 1996	71,795
Depreciation	
Charge for the period	12,396
At 31 March 1996	12,396
Net book value	
At 31 March 1996	£ 59,399

# HADLEY'S FENCING CONTRACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - PERIOD 16 DECEMBER 1994 TO 31 MARCH 1996

### 3. CREDITORS

The following liabilities were secured:

	1996
	£
Bank loans and overdraft	60,250
Hire purchase and similar obligations	22,631

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is

	1996
	£
Repayable by instalments	15,000

### 4. SHARE CAPITAL

The share capital of the company consisted of:

	Authorised £	Allotted called up and fully paid £
Ordinary shares of £1 each	100	2

During the period 2 shares were allotted at par

### 5. TRANSACTIONS WITH DIRECTORS

At commencement of the company's trade it purchased the business and assets from E A Hadley for a consideration of £42,189 net of liabilities taken over by the company.