

ACCOUNTANTS REPORT TO THE MEMBERS OF HARTSTON LIMITED  
REG NO 2908219

Pursuant to Paragraph 10 of Schedule 8 to the Companies Act 1985

We have examined the attached accounts which have been modified from the financial statements of the company for the year ended 30th April 1998. The scope of our work was limited to determining whether the company is entitled to the benefit of sections 247 to 249 of the Companies Act 1985 and to an examination of the modified accounts and the annual financial statements on which they are based to confirm compliance with Schedule 8 to that Act.

In our opinion the directors are entitled under sections 247 to 249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 30th April 1998 and the attached modified accounts have been properly prepared in accordance with Schedule 8 to that Act.

On the 8th June 1998 we reported, as reporting accountants of the company, to the members on the full financial statements prepared under section 227 of the Companies Act 1985 for the year ended 30th April 1998 and our report was as follows:-

We have examined, without carrying out an audit, the financial statements for the year ended 30th April 1998.

**Respective responsibilities of the directors and auditors**

As described in the Directors' Report, the company directors are responsible for the preparation of the financial statements and they believe that the company is exempt from an audit. It is our responsibility to examine the financial statements and, based on our examination, to report our opinion, as set out below, to the shareholders.

**Basis of opinion**

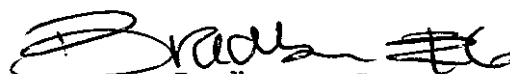
We have conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. The examination consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we consider necessary for the purpose of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the financial statements. Therefore our examination does not provide any assurance that the accounting records and the financial statements are free from material misstatement.

**Opinion**

In our opinion:-

- a) The financial statements are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- b) Having regard only to, and on the basis of the information contained in those accounting records, the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act;
- c) The company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time, within that year fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



Bradburn & Co.,  
Chartered Accountants,  
53 Seymour Terrace,  
Seymour Street,  
Liverpool. L3 5PE.

8th June 1998



HARTSTON LIMITED

BALANCE SHEET AS AT 30TH APRIL 1998

	Note	1998 £	1997 £
<u>FIXED ASSETS</u>			
Tangible Assets	3	17,503	22,850
		<u>17,503</u>	<u>22,850</u>
<u>CURRENT ASSETS</u>			
Stock		7,247	8,250
Debtors		16,950	39,314
Bank Balance		-	790
		<u>24,197</u>	<u>48,354</u>
<u>CREDITORS</u>			
Amounts falling due within one year		<u>30,941</u>	<u>52,536</u>
NET CURRENT LIABILITIES		(6,744)	(4,182)
		<u>10,759</u>	<u>18,668</u>
<u>CREDITORS</u>			
Amounts falling due after one year		<u>(4,285)</u>	<u>(8,435)</u>
		<u>£6,474</u>	<u>£10,233</u>
<u>REPRESENTING</u>			
Share Capital	2	2	2
Profit and Loss Account		6,472	10,231
		<u>£6,474</u>	<u>£10,233</u>

In the directors' opinion the company was entitled under section 249A(2) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 1998.

No member of the company has requested an audit.

The directors are responsible for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each year in accordance with the requirements of section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

In preparation of these financial statements the directors have relied upon the exemptions of individual accounts provided by section 246 and they have done so on the grounds that the company is entitled to those exemptions as a small company.

Approved by the Board

on 8th June 1998

and signed on their behalf by  Director.

## HARTSTON LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1998

#### 1 ACCOUNTING POLICIES

##### Accounting Convention

The accounts have been prepared under the Historical Cost Convention.

##### Depreciation

Depreciation is calculated to write off the cost, less the estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods used are as follows:-

Fixtures and Fittings	-	15% reducing balance
Motor Vehicles	-	25% reducing balance

##### Stock

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

##### Taxation

Taxation charged against profits is calculated at the small company rate in force for the period covered by these accounts. No provision is made for deferred taxation.

##### Cash Flow Statement

The company is entitled to the exemptions in Sections 246 to 249 of the Companies Act 1985 for a small company. The Company is entitled, therefore to the exemption provided in paragraph 8a of Financial Reporting Standard No.1 and has not provided a cash flow statement.

#### 2 SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
Authorised:-		
Ordinary shares of £1 each	£99	£99
	<hr/>	<hr/>
Issued and fully paid		
Ordinary shares of £1 each	£2	£2
	<hr/>	<hr/>

HARTSTON LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1998

3 TANGIBLE FIXED ASSETS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
<u>COST</u>		
Balance brought forward	34,651	13,451
Additions	-	21,200
Disposals	-	-
	<hr/>	<hr/>
Balance carried forward	34,651	34,651
	<hr/>	<hr/>
<u>DEPRECIATION</u>		
Balance brought forward	11,801	4,785
Charge	5,347	7,016
Disposals	-	-
	<hr/>	<hr/>
Balance carried forward	17,148	11,801
	<hr/>	<hr/>
Net Book Value	<u>£17,503</u>	<u>£22,850</u>