

Registered number: 233722

HART & CLOUGH LTD
ABBREVIATED FINANCIAL STATEMENTS
30 SEPTEMBER 1998

STUART B LODGE & CO
CHARTERED ACCOUNTANTS
Bradford



HART & CLOUGH LTD

COMPANY INFORMATION

30 September 1998

INCORPORATED	In England and Wales on 1 October 1928.
NUMBER	233722
DIRECTORS	Mrs B A H Clough P M Clough
SECRETARY	P M Clough
REGISTERED OFFICE	Summerville Road Bradford West Yorkshire BD7 1PZ
BANKERS	Royal Bank of Scotland 45 Bank Street Bradford West Yorkshire BD1 1TS
SOLICITORS	Gordons Wright & Wright 14 Piccadilly Bradford West Yorkshire BD1 3LX
AUDITORS	Stuart B Lodge & Co Chartered Accountants 44 Bradford Road Idle Bradford BD10 9PE

HART & CLOUGH LTD

DIRECTORS' REPORT

30 September 1998

The directors present their report and the abbreviated financial statements for the Year ended 30 September 1998

Principal activity

The principal activity of the company is that of general printers.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £775,030.

Results and dividends

The results for the Year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £21,507 was paid during the year. No final dividend is proposed.

Fixed assets

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 10.

Directors

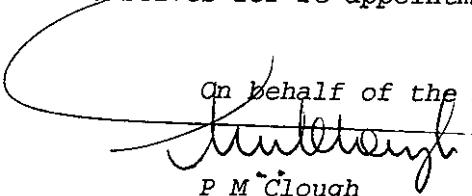
The directors of the company during the Year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30 September 1998 Ordinary shares	1 October 1997 Ordinary shares
Mrs B A H Clough	1	1
P M Clough	815	815

Auditors

Stuart B Lodge & Co have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board


P M Clough
Secretary

Summerville Road
Bradford
West Yorkshire BD7 1PZ

19 December 1998

HART & CLOUGH LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial Year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Mrs B A H Clough
Director

11 December 1998

HART & CLOUGH LTD**Auditors' report to
Hart & Clough Ltd
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 5 to 17, together with the financial statements of the company for the Year ended 30 September 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

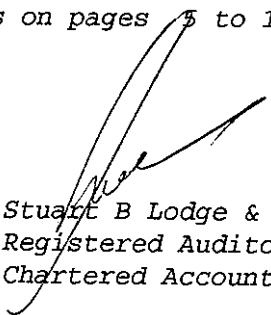
Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered 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 financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 17 are properly prepared in accordance with those provisions.

Bradford



Stuart B Lodge & Co
Registered Auditor
Chartered Accountants

21 December 1998

HART & CLOUGH LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the Year ended 30 September 1998

	Note	1998 £	1997 £
Gross profit		555,410	523,791
Net operating expenses			
Distribution costs		(32,141)	(26,321)
Administrative expenses		(452,640)	(468,749)
Other operating income		30,000	30,000
Operating profit	3	100,629	58,721
Investment income	5	45,619	41,029
Interest payable	6	(17,744)	(22,400)
Profit on ordinary activities before taxation		128,504	77,350
Taxation	8	(25,639)	(7,030)
Profit on ordinary activities after taxation		102,865	70,320
Dividends	9	(21,507)	(19,219)
Retained profit for the Year	21	81,358	51,101

Movements in reserves are shown in note 21.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1998 or 1997 other than the profit for the Year.

HART & CLOUGH LTD

ABBREVIATED BALANCE SHEET

at 30 September 1998

	Note	£	1998	£	1997	£
Fixed assets						
Tangible assets	10		465,482		499,308	
Investments	12		354,593		336,592	
			<u>820,075</u>		<u>835,900</u>	
Current assets						
Stocks	13	45,074		39,403		
Debtors	14	258,076		324,362		
Cash at bank and in hand		327,413		117,020		
			<u>630,563</u>		<u>480,785</u>	
Creditors: amounts falling due within one year	15	(485,324)		(366,953)		
Net current assets			<u>145,239</u>		<u>113,832</u>	
Total assets less current liabilities			<u>965,314</u>		<u>949,732</u>	
Creditors: amounts falling due after more than one year	16	(181,990)		(247,923)		
Provision for liabilities and charges	17	(8,294)		(8,137)		
			<u>775,030</u>		<u>693,672</u>	
Capital and reserves						
Called up share capital	20	3,076		3,076		
Profit and loss account	21	771,954		690,596		
Total shareholders' funds	19		<u>775,030</u>		<u>693,672</u>	
Attributable to equity shareholders			<u>775,030</u>		<u>693,672</u>	

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 5 to 17 were approved by the board of directors on 14 December 1998 and signed on its behalf by:

B A H Clough

Mrs B A H Clough
Director

HART & CLOUGH LTD

CASH FLOW STATEMENT

for the Year ended 30 September 1998

	Note	1998		1997	
		£	£	£	£
Net cash inflow from operating activities	23	318,471		24,675	
Returns on investments and servicing of finance					
Interest received		14,019		9,829	
Interest paid		(5,344)		(5,318)	
Interest element of finance lease rental payments		(12,400)		(17,082)	
Other returns		31,600		31,200	
			27,875		18,629
Taxation					
Corporation tax paid			(8,573)		(27,276)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(46,899)		(47,221)	
Advances on new hire purchase contracts		11,950		12,000	
Sale of tangible fixed assets		7,500		14,250	
			(27,449)		(20,971)
Equity dividends paid			310,234		(4,943)
			(21,507)		(19,219)
			288,817		(24,162)
Financing					
Other loan repayments		(12,823)		(9,512)	
Capital element of finance lease rentals		(47,602)		(87,809)	
			(60,425)		(97,321)
Increase/(decrease) in cash		228,392		(121,483)	

HART & CLOUGH LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1998

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Consolidation

The company and its subsidiaries comprise a medium size group. The company has taken advantage of the exemption under section 248 of the Companies Act 1985, not to prepare consolidated financial statements.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold property	1% Straight line
Leasehold land and buildings	Not provided
Plant and machinery	15% Straight Line
Motor vehicles	25% Straight Line
Fixtures and fittings	20% Straight Line

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to profit and loss as they are incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions - Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

HART & CLOUGH LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1998

2 Turnover

The turnover for the Year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

3 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting		
Profit on sale of assets	5,193	6,139
and after charging		
Staff costs (note 4)	526,121	508,849
Auditors' remuneration	3,800	3,600
Depreciation of tangible fixed assets (note 10)		
owned assets	78,416	108,686

4 Directors and employees

	1998 £	1997 £
Staff costs including directors' emoluments		
Wages and salaries	450,105	430,076
Social security costs	43,666	44,899
Pension costs	32,350	33,874
	526,121	508,849

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £32,350 (1997 £33,874). Contributions totalling £432 (1997 £2,251) were payable to the fund at 30 September 1998 and are included in creditors.

Average monthly number employed including executive directors:

	Number	Number
Production staff	15	15
Office and management	2	2
Administration staff	6	6
	23	23

HART & CLOUGH LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1998

4 Directors and employees (continued)

	1998	1997
Directors	£	£
Emoluments	72,166	68,017
Company contributions to money purchase pension schemes	10,754	12,454
	<u>82,920</u>	<u>80,471</u>

The directors also received emoluments of £25,000 (1997 £22,000) from other group companies.

During the Year the following number of directors:

Accrued retirement benefits under:

Money purchase pension schemes

Number	Number
1	1
<u>1</u>	<u>1</u>

5 Investment income

	1998	1997
	£	£
Interest receivable	14,019	9,829
Rents receivable	12,000	12,000
Dividends from group companies	19,600	19,200
	<u>45,619</u>	<u>41,029</u>

6 Interest payable

	1998	1997
	£	£
Other interest	5,344	5,318
Hire purchase interest	12,400	17,082
	<u>17,744</u>	<u>22,400</u>

7 Included in other operating income:

	1998	1997
	£	£
Management Charges	<u>30,000</u>	<u>30,000</u>

HART & CLOUGH LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1998

8 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 22.2% (1997 22.5%)	24,698	17,048
Group relief	-	(4,455)
Deferred taxation	157	(5,563)
	<u>24,855</u>	<u>7,030</u>
Under provision in earlier years	784	-
	<u>25,639</u>	<u>7,030</u>

9 Dividends

	1998 £	1997 £
Interim dividend on ordinary shares	<u>21,507</u>	<u>19,219</u>

Included in the above fixed assets is plant, machinery and motor vehicles acquired under hire purchase contracts with a net book value of £138,822 (1997 £355,595) and historical cost of £200,535 (1997 £508,225). On which, during the year depreciation was charged of £28,958 (1997 £47,753).

10 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1 October 1997	141,824	847,285	63,813	249,762	1,302,684
Additions	24,949	21,950	-	-	46,899
Disposals	(24,774)	-	-	-	(24,774)
30 September 1998	<u>141,999</u>	<u>869,235</u>	<u>63,813</u>	<u>249,762</u>	<u>1,324,809</u>
Depreciation					
1 October 1997	58,981	685,071	46,359	12,967	803,378
Charge for Year	35,631	32,450	8,567	1,768	78,416
Disposals	(22,467)	-	-	-	(22,467)
30 September 1998	<u>72,145</u>	<u>717,521</u>	<u>54,926</u>	<u>14,735</u>	<u>859,327</u>
Net book amount					
30 September 1998	<u>69,854</u>	<u>151,714</u>	<u>8,887</u>	<u>235,027</u>	<u>465,482</u>
1 October 1997	<u>82,843</u>	<u>162,214</u>	<u>17,454</u>	<u>236,795</u>	<u>499,306</u>

HART & CLOUGH LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1998

11 Land and buildings

	1998 £	1997 £
Freehold	161,961	163,795
Long leasehold	73,000	73,000
	<u>234,961</u>	<u>236,795</u>

Long leaseholds are those leaseholds with more than 50 years unexpired

The historical cost of leasehold land and buildings included above at a valuation of £73,000 (1997 £73,000) was £110,229 (1997 £110,229).

12 Fixed asset investments

	Woods (Bradford) Ltd £	Allanwood Press Ltd £	Amadeus Press Ltd £	Total £
Ordinary Shares				
Cost and Book Value				
1 October 1997	177,276	10,000	149,316	336,592
Additions in Year	-	-	18,000	18,000
	<u>177,276</u>	<u>10,000</u>	<u>167,316</u>	<u>354,592</u>
30 September 1998	<u>177,276</u>	<u>10,000</u>	<u>167,316</u>	<u>354,592</u>
Percentage of capital held	100%	100%	100%	
Nature of Business	Print finishers	Dormant	Printers	
Capital & Reserves	£301,212	£10,539	£580,083	
Profit for year	£9,708	Dormant	£85,264	

13 Stocks

	1998 £	1997 £
Work in Progress	27,016	19,313
Consumable stock	18,058	20,090
	<u>45,074</u>	<u>39,403</u>

HART & CLOUGH LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1998

14 Debtors

	1998	1997
	£	£
Amounts falling due within one year		
Trade debtors	233,370	288,831
Amounts owed by group undertakings	17,043	6,754
Other debtors	-	6,175
Prepayments and accrued income	7,663	22,602
	<u>258,076</u>	<u>324,362</u>

15 Creditors: amounts falling due within one year

	1998	1997
	£	£
Trade creditors	55,650	76,328
Other loans	7,604	12,731
Amounts owed to group undertakings	273,113	164,985
Corporation tax	24,698	7,789
Other taxation and social security	17,093	19,075
Other creditors	1,390	2,891
Accruals and deferred income	64,845	36,803
Obligations under finance leases and hire purchase contracts - note 16	40,931	46,351
	<u>485,324</u>	<u>366,953</u>

Included within trade creditors, are amounts for goods supplied under retention of title clauses.

16 Creditors: amounts falling due after more than one year

	1998	1997
	£	£
Other loans	46,027	53,723
Amounts owed to group undertakings	70,757	98,762
Obligations under finance leases	65,206	95,438
	<u>181,990</u>	<u>247,923</u>

HART & CLOUGH LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1998

- 16 Creditors: amounts falling due
after more than one year (continued)

Maturity of debt

In one year or less, or on demand

- see note 15

7,604 12,731

Between one and two years

8,304 7,491

Between two and five years

29,786 27,622

In five years or more

7,937 18,610

53,631 66,454

Amounts falling due**after more than five years:**

Other loans

7,937 18,610

**Obligations under finance leases
and hire purchase contracts**These are repayable over varying periods
by monthly instalments as follows:

In the next year - see note 15

40,931 46,351

In the second to fifth years

65,202 95,438

106,133 141,789

- 17 Provision for liabilities and charges

	1997	Profit and loss account	Other movements	1998
	£	£	£	£
Deferred taxation (notes 8 and 18)	(8,137)	(157)	-	(8,294)

- 18 Deferred taxation

	1998		1997	
	Potential liability	Provision made	Potential liability	Provision made
	£	£	£	£
Corporation tax deferred by				
Capital allowances in excess of depreciation	9,554	9,554	8,137	8,137
Other timing differences	-	(1,260)	-	-
	9,554	8,294	8,137	8,137

The potential liability and provision are based on a corporation tax rate of 21% (1997 22.5%).

HART & CLOUGH LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1998

19 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial Year	102,865	70,320
Dividends	(21,507)	(19,219)
Net addition to shareholders' funds	81,358	51,101
Opening shareholders' funds	693,672	642,571
Closing shareholders' funds	775,030	693,672

20 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
£1 ordinary shares	5,000	5,000	5,000	5,000
Allotted called up and fully paid				
£1 ordinary shares	3,076	3,076	3,076	3,076

21 Profit and loss account

	1998 £
1 October 1997	690,596
Retained profit for the Year	81,358
30 September 1998	771,954

HART & CLOUGH LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1998

22 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 30 September 1998

	1998	1997
	Land and	Land and
	Buildings	Buildings
	£	£
Expiring		
After five years	3,375	3,375

Capital Commitments

The company has authorised capital purchases of £34,000, which had not been contracted for at the 30 September 1998.

Year 2000 Issues

The company has identified that it has certain computer hardware which is not millennium compliant. The amount for replacing these systems is included within capital commitments.

23 Notes to the cash flow statement

Reconciliation of operating profit to operating cash flows

	1998	1997
	£	£
Operating profit	100,629	58,721
Depreciation charges	78,416	108,686
Profit on sale of fixed assets	(5,193)	(6,139)
Increase in stocks	(5,671)	(3,905)
Decrease/(increase) in debtors	66,286	(42,784)
Increase/(decrease) in creditors	84,004	(89,904)
Net cash inflow		
from operating activities	318,471	24,675

HART & CLOUGH LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1998

24 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash in hand, at bank	117,020	210,393	-	327,413
Increase in cash in year		210,393		
Debt due within 1 year	(12,731)	12,731	(7,604)	(7,604)
Debt due after 1 year	(53,723)	92	7,604	(46,027)
Finance leases	(141,789)	47,602	11,950	(106,137)
Debt repayments in year		60,425		
Total	(91,223)	270,818	11,950	167,645

Reconciliation of net cash flow to movement in net debt

	1998 £	1997 £
Increase/(decrease) in cash in the Year	210,393	(121,489)
Cash outflow from decrease in debt and lease financing	48,475	85,321
Change in net debt resulting from cash flows	258,868	(36,168)
Net debt at 1 October 1997	(91,223)	(55,055)
Net debt at 30 September 1998	167,645	(91,223)

25 Related party transactions

Amounts owed to and from group undertakings are shown under debtors and creditors (see notes 14 to 16).

During the year the company derived income from group undertakings of £83,556.