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Company Registration No. 233722 (England and Wales)

HART & CLOUGH LTD
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002



HART & CLOUGH LTD

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HART & CLOUGH LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2002

The directors present their report and financial statements for the year ended 30 September 2002.

Principal activities and review of the business

The principal activity of the company continued to be that of general printers. The principal activity of its only trading subsidiary continued to be that of print finishers.

The results for the year and the financial position at the year end were considered satisfactory by the directors who look forward to continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £23,610. The directors do not recommend payment of a final dividend.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Directors

The following directors have held office since 1 October 2001:

R M Clough
B A H Clough
P M Clough

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 September 2002	1 October 2001
B A H Clough	1	1
P M Clough	715	715
R M Clough	100	100

	2002	2001
Charitable donations	£	£

During the year the company made the following payments:

Charitable donations	1,054	1,010
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Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Stuart B Lodge & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

HART & CLOUGH LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

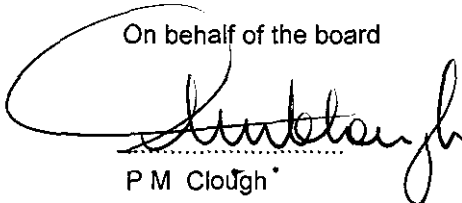
Directors' responsibilities

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 then 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



.....
P M Clough*

Director
.....

HART & CLOUGH LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HART & CLOUGH LTD

We have audited the financial statements of Hart & Clough Ltd on pages 4 to 17 for the year ended 30 September 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

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.

Opinion

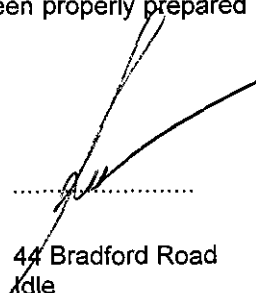
In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Stuart B Lodge & Co

Chartered Accountants

Registered Auditor

(1 JANUARY 2003)


44 Bradford Road
Idle
Bradford
West Yorkshire
BD10 9PE

HART & CLOUGH LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2002

	Notes	2002 £	2001 £
Gross profit		1,070,414	995,324
Distribution costs		(37,984)	(40,776)
Administrative expenses		(896,154)	(870,990)
Other operating income		-	18,826
Operating profit	2	136,276	102,384
Other interest receivable and similar income		5,797	4,455
Interest payable and similar charges	3	(42,721)	(58,866)
Profit on ordinary activities before taxation		99,352	47,973
Tax on profit on ordinary activities	4	4,575	1,345
Profit on ordinary activities after taxation		103,927	49,318
Dividends	5	(23,610)	(22,477)
Retained profit for the year	15	80,317	26,841

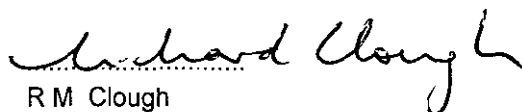
HART & CLOUGH LTD

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	6	1,298,190		1,381,955	
Investments	7	354,593		354,593	
		<u>1,652,783</u>		<u>1,736,548</u>	
Current assets					
Stocks	8	90,260		117,085	
Debtors	9	583,896		694,993	
Cash at bank and in hand		137,473		68	
		<u>811,629</u>		<u>812,146</u>	
Creditors: amounts falling due within one year	10	(464,275)		(509,127)	
Net current assets		<u>347,354</u>		<u>303,019</u>	
Total assets less current liabilities		<u>2,000,137</u>		<u>2,039,567</u>	
Creditors: amounts falling due after more than one year	11	(1,167,143)		(1,282,315)	
Provisions for liabilities and charges	12	-		(4,575)	
		<u>832,994</u>		<u>752,677</u>	
Capital and reserves					
Called up share capital	14	3,076		3,076	
Profit and loss account	15	829,918		749,601	
Shareholders' funds - equity interests	16	<u>832,994</u>		<u>752,677</u>	

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

The financial statements were approved by the Board on 23 Dec '02


R M Clough
Director

HART & CLOUGH LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2002

	2002 £	2001 £
Net cash inflow/(outflow) from operating activities	421,152	(338,790)
Returns on investments and servicing of finance		
Interest received	5,797	4,455
Interest paid	(42,721)	(58,866)
Net cash outflow for returns on investments and servicing of finance	(36,924)	(54,411)
Taxation	2,502	-
Capital expenditure		
Payments to acquire tangible assets	(73,250)	(152,282)
Receipts from sales of tangible assets	32,815	6,900
Net cash outflow for capital expenditure	(40,435)	(145,382)
Equity dividends paid	(23,610)	(22,477)
Net cash inflow/(outflow) before management of liquid resources and financing	322,685	(561,060)
Financing		
Other new long term loans	1,000	47,594
Other new short term loans	1,412	52,937
Repayment of long term bank loan	(75,310)	(102,146)
Repayment of other long term loans	(21,021)	(27,450)
Repayment of other short term loans	(5,396)	(1,244)
Capital element of hire purchase contracts	(65,725)	(46,056)
Net cash outflow from financing	(165,040)	(76,365)
Increase/(decrease) in cash in the year	157,645	(637,425)

HART & CLOUGH LTD

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2002

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2002 £	2001 £
	Operating profit	136,276	102,384
	Depreciation of tangible assets	157,267	186,873
	Profit on disposal of tangible assets	(14,927)	(3,088)
	Decrease in stocks	26,825	25,814
	Decrease in debtors	99,680	617
	Increase/(decrease) in creditors within one year	16,031	(651,390)
	Net cash inflow/(outflow) from operating activities	421,152	(338,790)

2	Analysis of net debt	1 October 2001 £	Cash flow £	Other non-cash changes £	30 September 2002 £
	Net cash:				
	Cash at bank and in hand	68	137,405	-	137,473
	Bank overdrafts	(20,240)	20,240	-	-
		<u>(20,172)</u>	<u>157,645</u>	<u>-</u>	<u>137,473</u>
	Debt:				
	Finance leases	(98,912)	65,725	(18,140)	(51,327)
	Debts falling due within one year	(108,865)	3,984	-	(104,881)
	Debts falling due after one year	(1,244,434)	95,331	-	(1,149,103)
		<u>(1,452,211)</u>	<u>165,040</u>	<u>(18,140)</u>	<u>(1,305,311)</u>
	Net debt	(1,472,383)	322,685	(18,140)	(1,167,838)

3	Reconciliation of net cash flow to movement in net debt	2002 £	2001 £
	Increase/(decrease) in cash in the year	157,645	(36,129)
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	165,040	(524,931)
	Change in net debt resulting from cash flows	322,685	(561,060)
	New finance lease	(18,140)	-
	Movement in net debt in the year	304,545	(561,060)
	Opening net debt	(1,472,383)	(911,323)
	Closing net debt	(1,167,838)	(1,472,383)

HART & CLOUGH LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land & buildings	1% straight line
Plant & machinery	15% - 25% straight line
Fixtures & equipment	15% - 25% straight line
Motor vehicles	25% straight line

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

HART & CLOUGH LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

2	Operating profit	2002	2001
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	157,267	186,873
	Operating lease rentals	3,428	3,258
	Auditors' remuneration	4,885	6,815
	and after crediting:		
	Profit on disposal of tangible assets	(14,927)	(3,088)
		<u> </u>	<u> </u>
3	Interest payable	2002	2001
		£	£
	On bank loans and overdrafts	34,686	45,535
	Hire purchase interest	6,205	10,805
	Other interest	1,830	2,526
		<u> </u>	<u> </u>
		42,721	58,866
		<u> </u>	<u> </u>

HART & CLOUGH LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

4	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	16,612	14,235
	Group relief	(16,612)	(5,320)
		<hr/>	<hr/>
	Current tax charge	-	8,915
	Deferred tax		
	Deferred tax charge/credit current year	(4,575)	(10,260)
		<hr/>	<hr/>
		(4,575)	(1,345)
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	99,352	47,973
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.50% (2001 : 20.00%)	19,374	9,595
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	318	417
	Depreciation	27,756	36,757
	Capital allowances	(22,460)	(28,378)
	Tax losses utilised	(8,376)	(391)
	Chargeable disposals	-	(3,765)
	Other tax adjustments	(16,612)	(5,320)
		<hr/>	<hr/>
		(19,374)	(680)
		<hr/>	<hr/>
	Current tax charge	-	8,915
		<hr/>	<hr/>

The company has estimated losses of £ nil (2001 : £ 42,956) available for carry forward against future trading profits.

5	Dividends	2002 £	2001 £
	Ordinary interim paid	23,610	22,477
		<hr/>	<hr/>

HART & CLOUGH LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

6 Tangible fixed assets

	Freehold land & buildings	Plant & machinery	Fixtures & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2001	1,047,352	1,402,682	87,876	163,230	2,701,140
Additions	1,650	18,159	-	71,581	91,390
Disposals	-	-	-	(83,382)	(83,382)
At 30 September 2002	1,049,002	1,420,841	87,876	151,429	2,709,148
Depreciation					
At 1 October 2001	19,542	1,176,506	43,888	79,249	1,319,185
On disposals	-	-	-	(65,494)	(65,494)
Charge for the year	10,510	90,983	19,560	36,214	157,267
At 30 September 2002	30,052	1,267,489	63,448	49,969	1,410,958
Net book value					
At 30 September 2002	1,018,950	153,352	24,428	101,460	1,298,190
At 30 September 2001	1,027,810	226,176	43,988	83,981	1,381,955

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant & machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 30 September 2002	24,784	36,501	61,285
At 30 September 2001	82,258	34,410	116,668
Depreciation charge for the year			
30 September 2002	11,628	10,987	22,615
30 September 2001	60,048	7,349	67,397

HART & CLOUGH LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 October 2001 & at 30 September 2002	354,593

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
Woods (Bradford) Ltd	England & Wales	Ordinary		100
Allanwood Press Ltd	England & Wales	Ordinary		100
Amadeus Press Ltd	England & Wales	Ordinary		100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Woods (Bradford) Ltd	123,191	(90,250)
Allanwood Press Ltd	10,539	-
Amadeus Press Ltd	654,531	-

The principal activity of Woods (Bradford) Ltd continued to be that of print finishers, the other subsidiary companies were dormant during the two years ended 30 September 2002.

8 Stocks and work in progress	2002 £	2001 £
Raw materials and consumables	45,040	57,159
Work in progress	45,220	59,926
	<u>90,260</u>	<u>117,085</u>

HART & CLOUGH LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

9 Debtors	2002 £	2001 £
Trade debtors	535,656	669,463
Corporation tax	-	11,417
Prepayments and accrued income	48,240	14,113
	<u>583,896</u>	<u>694,993</u>
10 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	75,310	95,550
Net obligations under hire purchase contracts	33,287	61,031
Trade creditors	140,545	114,257
Amounts owed to subsidiary undertakings	26,283	32,000
Corporation tax	-	8,915
Other taxes and social security costs	42,253	41,720
Directors' current accounts	11,639	17,439
Other creditors	29,571	33,555
Accruals and deferred income	105,387	104,660
	<u>464,275</u>	<u>509,127</u>

Included within trade creditors are amounts covered within reservation of title clauses.

HART & CLOUGH LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

11 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans	456,750	532,060
Other loans	27,283	48,304
Net obligations under hire purchase contracts	18,040	37,881
Amounts owed to subsidiary undertakings	665,070	664,070
	<u>1,167,143</u>	<u>1,282,315</u>
Analysis of loans		
Not wholly repayable within five years by instalments:	532,060	607,370
Wholly repayable within five years	56,854	81,859
	<u>588,914</u>	<u>689,229</u>
Included in current liabilities	(104,881)	(108,865)
	<u>484,033</u>	<u>580,364</u>
Loan maturity analysis		
In more than one year but not more than two years	99,537	107,984
In more than two years but not more than five years	228,987	241,561
In more than five years	155,509	230,819
	<u></u>	<u></u>
The Royal Bank of Scotland hold a debenture over the assets of the Company dated 26 June 1989, including a specific charge over the freehold property dated 1 November 1999.		
Net obligations under hire purchase contracts		
Repayable within one year	33,287	61,031
Repayable between one and five years	18,040	37,881
	<u>51,327</u>	<u>98,912</u>
Included in liabilities falling due within one year	(33,287)	(61,031)
	<u>18,040</u>	<u>37,881</u>

HART & CLOUGH LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 October 2001	4,575
Profit and loss account	(4,575)
	<hr/>
Balance at 30 September 2002	-
	<hr/> <hr/>

Deferred taxation provided in the financial statements is as follows:

	2002 £	2001 £
Accelerated capital allowances	-	4,575
	<hr/> <hr/>	<hr/> <hr/>

13 Pension costs

Defined contribution

The company operates a defined contribution pension 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 as shown below. Contributions totalling £4,669 (2001 - £5,147) were payable to the fund at the year end and are included in creditors.

	2002 £	2001 £
Contributions payable by the company for the year	84,899	72,233
	<hr/> <hr/>	<hr/> <hr/>

14 Share capital

	2002 £	2001 £
Authorised		
5,000 Ordinary shares of £ 1 each	5,000	5,000
	<hr/> <hr/>	<hr/> <hr/>
Allotted, called up and fully paid		
3,076 Ordinary shares of £ 1 each	3,076	3,076
	<hr/> <hr/>	<hr/> <hr/>

HART & CLOUGH LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2001	749,601
Retained profit for the year	80,317
	<hr/>
Balance at 30 September 2002	829,918
	<hr/>

16 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	103,927	49,318
Dividends	(23,610)	(22,477)
	<hr/>	<hr/>
Net addition to shareholders' funds	80,317	26,841
Opening shareholders' funds	752,677	725,836
	<hr/>	<hr/>
Closing shareholders' funds	832,994	752,677
	<hr/>	<hr/>

17 Financial commitments

At 30 September 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002 £	2001 £
Expiry date:		
Within one year	637	1,233
Between two and five years	2,636	3,082
	<hr/>	<hr/>
	3,273	4,315
	<hr/>	<hr/>

18 Directors' emoluments

	2002 £	2001 £
Emoluments for qualifying services	152,937	146,492
Company pension contributions to money purchase schemes	55,806	33,488
	<hr/>	<hr/>
	208,743	179,980
	<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2001 - 2).

HART & CLOUGH LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2002

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Production staff	26	24
Office and Management	15	12
	<u>41</u>	<u>36</u>

Employment costs

	£	£
Wages and salaries	864,868	831,796
Social security costs	86,221	89,086
Other pension costs	84,899	72,233
	<u>1,035,988</u>	<u>993,115</u>