

ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1995

FOR

HARTCLIFFE LIMITED

REGISTERED NUMBER : 2582323



HARTCLIFFE LIMITED

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HARTCLIFFE LIMITED

COMPANY INFORMATION

DIRECTORS:

M Burns
M L Emery
A Matthews
P N Elliott
J Muniesa

SECRETARY:

J Muniesa

REGISTERED OFFICE:

Hilliers Chambers
21-22 High Street
Marlborough
Wiltshire SN8 1LW

REGISTERED NUMBER:

2582323

AUDITORS:

Solomon Hare
Registered Auditors
Chartered Accountants
Oakfield House
Oakfield Grove
Clifton
Bristol BS8 2BN

HARTCLIFFE LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited accounts of the company for the year ended 30 September 1995.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of screen printing.

REVIEW OF THE BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

During the year the Hartcliffe group has been restructured, as disclosed in note 23 to the accounts. It is anticipated that this will benefit the future development of Hartcliffe Limited as the directors are now able to concentrate their efforts on the core activity of the company.

RESULTS AND DIVIDENDS

The directors paid an interim dividend of £6,964 (1994: fnil) during the year, and recommend the payment of a final dividend of £24,940 (1994: £65,000). The retained profit transferred to reserves is £87,517 (1994: retained loss £170,309).

FIXED ASSETS

During the year the company purchased its trading premises at Cater Road, Bristol for £530,387.

Other movements on fixed assets are shown in note 11 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors of the company who held office during the year and their interests in the share capital of the company were:

| | Ordinary shares of £1 each at beginning and end of year |
|---------------------------------------|---------------------------------------------------------------|
| C Budd (resigned 27 September 1995) | - |
| M Burns (appointed 31 October 1994) | - |
| P Elliott | 300 |
| M Emery | - |
| P Hughes (resigned 27 September 1995) | - |
| A Matthews | 150 |
| J Muniesa | - |

The interests of M Emery and M Burns in the share capital of the company's ultimate holding company, EMBU Holdings Ltd, are disclosed in the accounts of that company. The other directors hold no such interest.

HARTCLIFFE LIMITED

REPORT OF THE DIRECTORS

DIRECTORS' INSURANCE

The company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

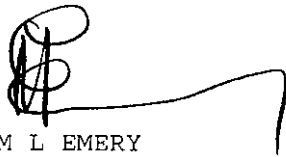
DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are required by company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period. In preparing the accounts, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments have been made. The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities. The directors are satisfied that the business is a going concern.

AUDITORS

Solomon Hare have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in dark ink, appearing to be 'M L Emery', with a long horizontal flourish extending to the right.

M L EMERY
DIRECTOR

Dated: 26.3.96

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF HARTCLIFFE LIMITED

We have audited the accounts on pages 5 to 19 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page three, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Solomon Hare
Registered Auditors
Chartered Accountants
Oakfield House
Oakfield Grove
Clifton
Bristol BS8 2BN

Dated: 26.3.96.

HARTCLIFFE LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 September 1995

| | Note | 30.9.95 £ | 30.9.94 £ |
|------------------------------------------------------|------|--------------|--------------|
| TURNOVER | 2 | 5,966,351 | 5,202,655 |
| Cost of sales | | 4,161,449 | 3,700,142 |
| | | <hr/> | <hr/> |
| GROSS PROFIT | | 1,804,902 | 1,502,513 |
| Administrative expenses | | | |
| Trading | | 1,682,650 | 1,523,859 |
| Exceptional | 3 | (135,499) | - |
| | | <hr/> | <hr/> |
| | | 257,751 | (21,346) |
| Other operating income | 4 | - | 1,779 |
| | | <hr/> | <hr/> |
| OPERATING PROFIT/(LOSS) | 6 | 257,751 | (19,567) |
| Interest payable and similar charges | 8 | 128,330 | 98,023 |
| | | <hr/> | <hr/> |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 129,421 | (117,590) |
| Tax on profit/(loss) on ordinary activities | 9 | 10,000 | (12,281) |
| | | <hr/> | <hr/> |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | 119,421 | (105,309) |
| Dividends | 10 | 31,904 | 65,000 |
| | | <hr/> | <hr/> |
| Retained profit/(loss) for year | | 87,517 | (170,309) |
| Retained profit brought forward | | 41,440 | 211,749 |
| | | <hr/> | <hr/> |
| RETAINED PROFIT CARRIED FORWARD | | 128,957 | £41,440 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| CONTINUING OPERATIONS | | | |

None of the company's activities were acquired or discontinued during the year.

The notes on pages 11 to 19 form part of these accounts

HARTCLIFFE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 30 September 1995

| | 30.9.95 £ | 30.9.94 £ |
|--------------------------------------------------------------|----------------|-----------------|
| Profit/(loss) for the financial year | 119,421 | (105,309) |
| Unrealised surplus on revaluation of certain fixed assets | 123,155 | 63,764 |
| Total recognised gains and losses for the year | <u>242,576</u> | <u>(41,545)</u> |

The notes on pages 11 to 19 form part of these accounts

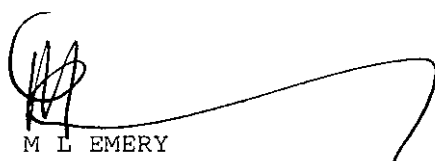
HARTCLIFFE LIMITED

BALANCE SHEET

As at 30 September 1995

| | Note | 30.9.95 | | 30.9.94 | |
|----------------------------------------------------------------|------|-----------|-----------|-----------|-----------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | | 1,720,633 | | 1,269,378 |
| CURRENT ASSETS | | | | | |
| Stocks | 12 | 368,082 | | 413,379 | |
| Debtors | 13 | 1,251,319 | | 991,445 | |
| Cash at bank and in hand | | 167 | | 5,433 | |
| | | | | | |
| | | 1,619,568 | | 1,410,257 | |
| CREDITORS: Amounts falling due within one year | 14 | 2,376,821 | | 2,229,517 | |
| | | | | | |
| NET CURRENT LIABILITIES: | | | (757,253) | | (819,260) |
| | | | | | |
| TOTAL ASSETS LESS CURRENT LIABILITIES: | | | 963,380 | | 450,118 |
| | | | | | |
| CREDITORS: Amounts falling due after more than one year | 15 | | 641,054 | | 338,464 |
| | | | | | |
| | | | £322,326 | | £111,654 |
| | | | | | |
| CAPITAL AND RESERVES: | | | | | |
| Called up share capital | 20 | | 6,450 | | 6,450 |
| Revaluation reserve | 21 | | 186,919 | | 63,764 |
| Profit and loss account | | | 128,957 | | 41,440 |
| | | | | | |
| | | | £322,326 | | £111,654 |

Approved by the Board on 26.3.96


M L EMERY
DIRECTOR

The notes on pages 11 to 19 form part of these accounts

HARTCLIFFE LIMITED

CASH FLOW STATEMENT

For the year ended 30 September 1995

| | 30.9.95 | 30.9.94 |
|-----------------------------------------------------------------------------|----------------|------------------|
| | £ | £ |
| Net cash (outflow)/inflow from operating activities (Note 1) | (41,942) | 111,478 |
| Returns on investments and servicing of finance | | |
| Interest element of hire purchase repayments | (38,539) | (54,827) |
| Interest paid | (89,791) | (43,196) |
| Dividends paid | (71,964) | - |
| | <hr/> | <hr/> |
| Net cash outflow from returns on investments and servicing of finance | (200,294) | (98,023) |
| Tax paid | (1,741) | (24,939) |
| Investing activities | | |
| Purchase of tangible fixed assets | (614,657) | (250,096) |
| Sale of tangible fixed assets | - | 177,366 |
| | <hr/> | <hr/> |
| Net cash outflow from investing activities | (614,657) | (72,730) |
| Net cash outflow before financing | (858,634) | (84,214) |
| Financing (Note 4) | | |
| Capital element of hire purchase repayments | (145,283) | (227,182) |
| Additional borrowings | 1,141,428 | 195,811 |
| | <hr/> | <hr/> |
| Net cash inflow/(outflow) from financing | 996,145 | (31,371) |
| Increase/(decrease) in cash and cash equivalents (Note 2) | <u>137,511</u> | <u>(115,585)</u> |

The notes on pages 9 and 10 form part of this cashflow statement

HARTCLIFFE LIMITED

NOTES TO THE CASH FLOW STATEMENT

For the year ended 30 September 1995

1 RECONCILIATION OF OPERATING LOSS
TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

| | 30.9.95 | 30.9.94 |
|-----------------------------------------------------|-----------------|----------------|
| | £ | £ |
| Operating profit/(loss) | 257,751 | (19,567) |
| Depreciation charges | 188,829 | 204,635 |
| Loss/(profit) on sale of fixed assets | 32,539 | (10,015) |
| (Increase)/decrease in debtors | (256,612) | 91,284 |
| Decrease in creditors | (174,247) | (207,212) |
| Decrease in stocks | 45,297 | 52,353 |
| Exceptional item (Note 5) | (135,499) | - |
| Net cash inflow/(outflow) from operating activities | <u>(41,942)</u> | <u>111,478</u> |

2 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

Year ended 30 September 1995

| | £ |
|------------------------------|------------------|
| Balance at 1 October 1994 | (266,006) |
| Net cash inflow | 137,511 |
| Balance at 30 September 1995 | <u>(128,495)</u> |

Year end 30 September 1994

| | £ |
|------------------------------|------------------|
| Balance at 1 October 1993 | (150,421) |
| Net cash outflow | (115,585) |
| Balance at 30 September 1994 | <u>(266,006)</u> |

3 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

Year ended 30 September 1995

| | 30.9.95 | 1.10.94 | Change in Year |
|--------------------------|------------------|------------------|----------------|
| | £ | £ | £ |
| Cash at bank and in hand | 167 | 5,433 | (5,266) |
| Bank overdrafts | (128,662) | (271,439) | 142,777 |
| | <u>(128,495)</u> | <u>(266,006)</u> | <u>137,511</u> |

Year ended 30 September 1994

| | 30.9.94 | 1.10.93 | Change in Year |
|--------------------------|------------------|------------------|------------------|
| | | £ | £ |
| Cash at bank and in hand | 5,433 | - | 5,433 |
| Bank overdrafts | (271,439) | (150,421) | (121,018) |
| | <u>(266,006)</u> | <u>(150,421)</u> | <u>(115,585)</u> |

HARTCLIFFE LIMITED

NOTES TO THE CASH FLOW STATEMENT

For the year ended 30 September 1995

4 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

| | Hire purchase obligations | Bank loans | Other loans |
|---------------------------------------------|------------------------------|----------------|----------------|
| Balance at 1 October 1994 | 526,067 | - | 195,811 |
| Cash inflow from financing | - | 350,000 | 765,375 |
| Set off of issue costs | - | (7,350) | - |
| Repayments made in year | (145,283) | - | - |
| Inception of hire purchase agreements | 26,053 | - | - |
| Cancellation of hire purchase agreements | (183,313) | - | - |
| | <u>223,524</u> | <u>342,650</u> | <u>961,186</u> |

5 MAJOR NON-CASH TRANSACTIONS

Included within operating activities is an exceptional item which has no cash implications.

See Note 3 to the accounts (page 12) for a further explanation.

NOTES TO THE ACCOUNTS

For the year ended 30 September 1995

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and are in accordance with applicable accounting standards.

Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of value added tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|------------------------|-----------------|
| Freehold Property | - 50 years |
| Leasehold Improvements | - term of lease |
| Freehold Improvements | - 25 years |
| Plant and Machinery | - 5-15 years |
| Fixtures and Fittings | - 4-10 years |
| Motor Vehicles | - 4 years |

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials and consumables - Cost of purchase on first in, first out basis.

Work in progress and finished goods - Cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

HARTCLIFFE LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 1995

1. ACCOUNTING POLICIES - CONTINUED

Pension costs

The company operates a fully-insured defined contribution pension scheme covering the majority of employees. The assets of the scheme are held separately from those of the company in an independently administrated fund.

The pension cost charge represents contributions payable by the company to these funds. The company also contributes to the personal pension schemes of the officers of the company.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that liability to taxation is unlikely to crystallise.

2. TURNOVER

The turnover and profit (1994 - loss) before taxation is wholly attributable to the principal activity of the company.

3. EXCEPTIONAL ITEM

The exceptional item consists of a credit of £237,718 which relates to the write-off of intercompany debt net of legal fees. The debt was written off as part of the restructuring of the Hartcliffe Group as disclosed in note 23 to these accounts.

The remaining £102,219 of the exceptional item is a charge in respect of an intercompany balance which is irrecoverable and therefore has been provided for.

4. OTHER OPERATING INCOME

| | 30.9.95 | 30.9.94 |
|------------------|---------|---------|
| | £ | £ |
| Rents receivable | - | 1,779 |

HARTCLIFFE LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 1995

5. STAFF COSTS

| | 30.9.95 £ | 30.9.94 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,750,035 | 1,308,556 |
| Social security costs | 173,617 | 128,248 |
| Other pension costs | 92,363 | 44,469 |
| | <u>2,016,015</u> | <u>1,481,273</u> |

The average weekly number of employees during the year was as follows:

| | 30.9.95 | 30.9.94 |
|----------------|-----------|-----------|
| Production | 74 | 55 |
| Administration | 20 | 15 |
| Selling | 4 | 5 |
| | <u>98</u> | <u>75</u> |

6. OPERATING PROFIT/(LOSS)

The operating profit (1994 - loss) is stated after charging:

| | 30.9.95 £ | 30.9.94 £ |
|----------------------------------------|--------------|---------------|
| Directors' emoluments (see below) | 266,901 | 199,849 |
| Directors' pensions | 25,707 | 16,565 |
| Depreciation - Owned assets | 110,059 | 54,531 |
| Depreciation - Assets on hire purchase | 78,770 | 120,782 |
| Hire of plant and machinery | 142,763 | 48,051 |
| Loss on disposal of fixed assets | 32,539 | - |
| Auditors' remuneration | 10,000 | 9,500 |
| | <u>-</u> | <u>10,015</u> |
| and crediting: | | |
| Profit on disposal of fixed assets | - | 10,015 |
| | <u>-</u> | <u>10,015</u> |

7. DIRECTORS

Details of individual director's emoluments, excluding pension contributions, were as follows:

| | 30.9.95 £ | 30.9.94 £ |
|-----------------------|--------------|---------------|
| Chairman | 70,748 | 12,000 |
| Highest paid director | * | 55,003 |
| | <u>*</u> | <u>55,003</u> |

*In 1995 the chairman was the highest paid director.

HARTCLIFFE LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 1995

7. DIRECTORS - CONTINUED

The above emoluments are included in the information which follows.

The directors' emoluments, excluding pension contributions, fell within the following ranges:

| | 30.9.95 | 30.9.94 |
|-------------------|---------------|---------------|
| £0 - £ 5,000 | 2 | 1 |
| £10,001 - £15,000 | - | 1 |
| £15,001 - £20,000 | - | 1 |
| £30,001 - £35,000 | - | 2 |
| £35,001 - £40,000 | 1 | - |
| £40,001 - £45,000 | 1 | 1 |
| £55,001 - £60,000 | 2 | 1 |
| £70,001 - £75,000 | 1 | - |
| | <u> </u> | <u> </u> |

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | 30.9.95 £ | 30.9.94 £ |
|---------------------------------------------|---------------|---------------|
| Bank overdrafts repayable within five years | 28,336 | 43,196 |
| Hire purchase | 40,077 | 54,827 |
| Invoice discounting | 49,015 | - |
| Other | 10,902 | - |
| | <u> </u> | <u> </u> |
| | 128,330 | 98,023 |
| | <u> </u> | <u> </u> |

9. TAXATION

The tax charge on the profit/(loss) on ordinary activities for the year was as follows:

| | 30.9.95 £ | 30.9.94 £ |
|--------------------------------------------|---------------|---------------|
| Based on the adjusted results of the year: | | |
| UK corporation tax at 25% (1994: fnil) | 10,000 | - |
| Over provision in prior years | - | (12,281) |
| | <u> </u> | <u> </u> |
| | 10,000 | (12,281) |
| | <u> </u> | <u> </u> |

10. DIVIDENDS

| | 30.09.95 £ | 30.09.94 £ |
|--------------------------------------------------------|---------------|---------------|
| Paid dividend of £1.16 per share (1994: nil) | 6,964 | - |
| Proposed dividend of £4.16 per share (1994: £10.83) | 24,940 | 65,000 |
| | <u> </u> | <u> </u> |
| | 31,904 | 65,000 |
| | <u> </u> | <u> </u> |

HARTCLIFFE LIMITED

NOTES TO THE ACCOUNTS
For the year ended 30 September 1995

11. TANGIBLE FIXED ASSETS

| COST OR VALUATION: | Freehold | Freehold | Leasehold | Plant & | Fixtures & | Motor | Totals |
|---------------------------------------|----------|--------------|--------------|------------|------------|----------|------------|
| | property | improvements | improvements | machinery | fittings | vehicles | |
| | £ | £ | £ | £ | £ | £ | £ |
| As at 1 October 1994 | - | - | 169,095 | 1,432,255 | 23,106 | - | 1,624,456 |
| Reclassification | - | 169,095 | (169,095) | - | - | - | - |
| Transfer from group company (note 23) | - | - | 8,792 | 120,550 | 4,620 | - | 133,962 |
| Additions | 530,387 | 11,427 | - | 72,843 | - | 28,310 | 642,967 |
| Disposals | - | - | - | (217,256) | - | - | (217,256) |
| Revaluations | - | - | - | 98,000 | 25,155 | - | 123,155 |
| At 30 September 1995 | 530,387 | 180,552 | 8,792 | 1,506,392 | 52,881 | 28,310 | 2,307,284 |
| DEPRECIATION: | | | | | | | |
| As at 1 October 1994 | - | - | 42,422 | 304,838 | 7,818 | - | 355,078 |
| Reclassification | - | 42,422 | (42,422) | - | - | - | - |
| Transfer from group company (note 23) | - | - | 368 | 39,898 | 2,478 | - | 42,744 |
| Charge for year | - | (21,026) | 1,404 | 199,279 | 6,014 | 3,158 | 188,829 |
| At 30 September 1995 | - | 21,396 | 1,772 | 544,105 | 16,310 | 3,158 | 586,651 |
| NET BOOK VALUE | | | | | | | |
| At 30 September 1995 | £530,387 | £159,126 | £7,020 | £962,377 | £36,571 | £25,152 | £1,720,633 |
| At 30 September 1994 | - | - | £126,673 | £1,127,417 | £15,288 | - | £1,269,378 |

The net book value of assets held under hire purchase contracts included in the above amounted to £346,499 (1994 £856,983).

At 30 September 1995 the company had no capital commitments.

HARTCLIFFE LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 1995

| | | | |
|-----|-----------------------------------------------------------|------------------|------------------|
| 12. | STOCKS | 30.9.95 £ | 30.9.94 £ |
| | Stock | 170,575 | 251,758 |
| | Work in progress | 197,507 | 161,621 |
| | | <u>368,082</u> | <u>413,379</u> |
| 13. | DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 30.9.95 £ | 30.9.94 £ |
| | Trade debtors | 1,090,809 | 887,869 |
| | Amounts owed by parent and fellow subsidiary undertakings | - | 14,055 |
| | Other debtors | 11,436 | 2,955 |
| | Prepayments | 120,811 | 73,669 |
| | Directors' current accounts (Note 22) | 11,834 | - |
| | Advance corporation tax recoverable | 16,429 | 12,897 |
| | | <u>1,251,319</u> | <u>991,445</u> |
| 14. | CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 30.9.95 £ | 30.9.94 £ |
| | Other loans (note 16) | 213,331 | - |
| | Bank loans and overdrafts (note 17) | 138,384 | 271,439 |
| | Trade creditors | 1,032,238 | 721,546 |
| | Amounts owed to parent undertakings | - | 512,768 |
| | Other creditors | 576,354 | 266,851 |
| | Corporation tax | 2,000 | - |
| | Other taxes & social security | 149,070 | 135,466 |
| | Accruals and deferred income | 110,692 | 68,844 |
| | Proposed dividend | 24,940 | 65,000 |
| | Hire purchase obligations | 125,738 | 187,603 |
| | Advance corporation tax payable | 4,074 | - |
| | | <u>2,376,821</u> | <u>2,229,517</u> |
| 15. | CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 30.9.95 £ | 30.9.94 £ |
| | Other loans (note 16) | 210,340 | - |
| | Bank loans and overdrafts (note 17) | 332,928 | - |
| | Hire purchase obligations | 97,786 | 338,464 |
| | | <u>641,054</u> | <u>338,464</u> |

Obligations under hire purchase contracts are all due within five years.

HARTCLIFFE LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 1995

16. OTHER LOANS

£160,000 of the loans due within one year are secured by a fixed charge over the company's freehold property.

£100,000 of the loans due in more than one year are secured by a fixed and floating charge over the assets of the company.

The remaining £163,671 included in the accounts is unsecured.

17. BANK LOANS AND OVERDRAFTS

The aggregate amount of bank loans and overdrafts is as follows:

| | 30.9.95 £ | 30.9.94 £ |
|--------------------------------------|----------------|----------------|
| Amounts falling due within one year: | | |
| Bank overdrafts | 128,662 | 271,439 |
| Bank loans | 9,722 | - |
| | <hr/> | <hr/> |
| | 138,384 | 271,439 |
| Amounts falling due after one year: | | |
| Bank loans | 332,928 | - |
| | <hr/> | <hr/> |
| TOTAL | <u>471,312</u> | <u>271,439</u> |

SECURITY

The bank loans and overdrafts are secured by a fixed and floating charge over all the assets of the company.

18. OBLIGATIONS UNDER OPERATING LEASES

At 30 September 1995 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|----------------------|-----------------------|--------------|--------------|--------------|
| | 30.9.95 £ | 30.9.94 £ | 30.9.95 £ | 30.9.94 £ |
| Expiring: | | | | |
| Within one year | - | - | 13,641 | 7,883 |
| In two to five years | - | 165,000 | 7,871 | 73,308 |
| Thereafter | - | - | 1,802 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | - | 165,000 | 23,314 | 81,191 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

HARTCLIFFE LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 1995

19. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation for which provision has been made in the accounts and the amounts for which no provision has been made, are as follows:

| | Provided | | Not provided | |
|------------------------------------|----------|----------|----------------|-----------------|
| | 30.9.95 | 30.9.94 | 30.9.95 | 30.9.94 |
| | £ | £ | £ | £ |
| Accelerated capital allowances | - | - | 94,000 | 84,000 |
| Revaluation on plant and machinery | - | - | 23,500 | - |
| Less: | | | | |
| Unutilised tax losses | - | - | - | (17,000) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>(17,000)</u> |
| | <u>-</u> | <u>-</u> | <u>117,500</u> | <u>67,000</u> |

20. CALLED UP SHARE CAPITAL

Authorised:

| Number: | Class: | Nominal value: | 30.9.95 | 30.9.94 |
|---------|----------|----------------|----------------|----------------|
| | | | £ | £ |
| 100,000 | Ordinary | £1 | <u>100,000</u> | <u>100,000</u> |

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 30.9.95 | 30.9.94 |
|---------|----------|----------------|--------------|--------------|
| | | | £ | £ |
| 6,450 | Ordinary | £1 | <u>6,450</u> | <u>6,450</u> |

21. REVALUATION RESERVE

| | 30.9.95 | 30.9.94 |
|-------------------------|----------------|---------------|
| | £ | £ |
| Balance brought forward | 63,764 | - |
| Movement in the year | <u>123,155</u> | <u>63,764</u> |
| Balance carried forward | <u>186,919</u> | <u>63,764</u> |

The reserve has arisen due to the revaluation of certain fixed assets during the year by the directors of the company.

HARTCLIFFE LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 1995

22. DIRECTORS' CURRENT ACCOUNTS

The current accounts of the following directors were overdrawn the year:

| | M L Emery £ | J Muniesa £ | P N Elliot £ | A Matthews £ |
|----------------------------------------------|----------------|----------------|-----------------|-----------------|
| Overdrawn balance at 30 September 1995 | 9,484 | 800 | 1,400 | 150 |
| Overdrawn balance at 1 October 1994 | - | - | - | - |
| Maximum overdrawn balance during the year | 9,484 | 800 | 1,400 | 150 |

23. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is EMBU Holdings Limited which is incorporated in Great Britain and registered in England and Wales.

24. GROUP RESTRUCTURE

During the year, Hartcliffe Holdings Limited was placed into a members' voluntary liquidation as part of a demerger of Hartcliffe Limited and Production Response Limited.

Trym Display and Advertising Limited ceased trading at 30 September 1994, and the trade and assets and liabilities of the company have been transferred into Hartcliffe Limited.

25. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 30.9.95 £ | 30.9.94 £ |
|-------------------------------------------------|--------------|--------------|
| Profit/(loss) for the financial year | 119,421 | (105,309) |
| Revaluation of assets | 123,155 | 63,764 |
| Dividends | (31,904) | (65,000) |
| Net addition/(reduction) to shareholders' funds | 210,672 | (106,545) |
| Opening to shareholders' funds | 111,654 | 218,199 |
| Closing shareholders' funds | 322,326 | 111,654 |