

ARC SCREEN PRINT LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 1997

PANNELL KERR FORSTER
Chartered Accountants



ARC SCREEN PRINT LIMITED

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**AUDITORS' REPORT TO
ARC SCREEN PRINT LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of the company for the year ended 31 August 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with sections 246 (5) and (6) of the Act to the registrar and whether the accounts 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 accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Pannell Kerr Forster

BIRMINGHAM
15 May 1998

PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

ARC SCREEN PRINT LIMITED

BALANCE SHEET

31 AUGUST 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible	2	359,900	243,882
CURRENT ASSETS			
Stocks		13,694	11,882
Debtors		207,529	260,035
Cash at bank and in hand		10	18,658
		<u>221,233</u>	<u>290,575</u>
CREDITORS: amounts falling due within one year	3	<u>(203,903)</u>	<u>(263,775)</u>
NET CURRENT ASSETS		<u>17,330</u>	<u>26,800</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>377,230</u>	<u>270,682</u>
CREDITORS: amounts falling due after more than one year	3	(114,505)	(86,730)
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(36,150)</u>	<u>(28,000)</u>
NET ASSETS		<u><u>226,575</u></u>	<u><u>155,952</u></u>
CAPITAL AND RESERVES			
Called up share capital	4	2	2
Profit and loss account		<u>226,573</u>	<u>155,950</u>
SHAREHOLDERS' FUNDS		<u><u>226,575</u></u>	<u><u>155,952</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 11 May 1998

Signed on behalf of the board of directors

J W Liggins Director

C J Palin Director

ARC SCREEN PRINT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 1997

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	10 - 12.5 % reducing balance
Fixtures and fittings	15 % reducing balance
Motor vehicles	25 % reducing balance

(d) Finance and operating leases

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(e) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(f) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

(g) Pensions

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

ARC SCREEN PRINT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 1997

2 TANGIBLE FIXED ASSETS

	Total £
Cost	
At 1 September 1996	342,648
Additions	185,400
Disposals	(10,520)
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At 31 August 1997	517,528
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Depreciation	
At 1 September 1996	98,766
Charge for year	63,369
On disposals	(4,507)
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At 31 August 1997	157,628
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Net book amount	
At 31 August 1997	359,900
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At 31 August 1996	243,882
	<hr/>

3 CREDITORS

Included within creditors is £175,848 (1996: £134,622) in respect of hire purchase agreements which are secured on the assets concerned.

ARC SCREEN PRINT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 1997

4 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No.	£
At 1 September 1996 and 31 August 1997 Ordinary shares of £1 each	1,000	2	2
	<u> </u>	<u> </u>	<u> </u>

5 TRANSACTIONS WITH RELATED PARTIES

The company has had no transactions with related parties other than with other members of the group and the holding company. Consolidated financial statements are prepared by the holding company and therefore there are no disclosures required under FRS 8 in these financial statements.

6 PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge for the year is shown in note .

7 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The company is a wholly owned subsidiary of Clarity Group Limited.

The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is Clarity Group Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

In the opinion of the directors this is the company's ultimate parent company.

Clarity Group Limited is ultimately controlled by J W Liggins.