

The Gaymer Group Europe Limited
Directors' report and financial statements
30 April 1996
Registered number 2661275



The Gaymer Group Europe Limited

Directors' report and financial statements

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The Gaymer Group Europe Limited

Directors' report

The directors present their report and the audited financial statements for the year to 30 April 1996.

Principal activities and business review

The principal activity of the company is to hold investments in subsidiary undertakings.

Dividend and transfer to reserves

After deducting dividends of £7,000,000 (1995: £3,218,000), the loss for the period retained in the company is £2,311,000 (1995: profit of £7,945,000).

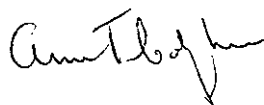
Directors and directors' interests

The directors who held office during the year were as follows:

P Aikens
HC Etheridge
PW Huntley

The interests of the directors in the ordinary shares and in options to acquire ordinary shares of the parent company and other group companies are disclosed in the directors' report of the parent company.

By order of the board



Anne Colquhoun
Secretary

Whitchurch Lane
Bristol
BS14 0JZ

13 February 1997

The Gaymer Group Europe Limited

Statement of directors' responsibilities in respect of the financial statements

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 group and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Report of the auditors to the members of The Gaymer Group Europe Limited

We have audited the financial statement on pages 4 to 11.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 group'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 affairs of the company as at 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

27 February 1997

The Gaymer Group Europe Limited

Profit and loss account for the year ended 30 April 1996

	<i>Note</i>	Year to 30 April 1996 £000	14 months to 30 April 1995 £000
Amounts written off amounts owed from subsidiary undertakings		-	(1,507)
Loan note waived		-	10,000
Other interest receivable and similar income	2	7,000	8,381
Interest payable and similar charges	3	-	(5,381)
Profit on ordinary activities before taxation		7,000	11,493
Tax on profit on ordinary activities	5	(2,311)	(330)
Profit on ordinary activities after taxation		4,689	11,163
Dividends paid and proposed	6	(7,000)	(3,218)
(Loss)/profit for the financial period	14	(2,311)	7,945

The company has no recognised gains or losses other than the (loss)/profit for the period.

A note on historical cost profits and losses has not been included as part of these accounts as there is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

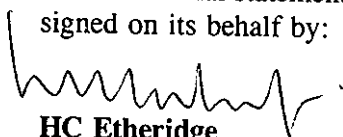
All the above amounts relate to continuing activities.

The Gaymer Group Europe Limited

Balance sheet at 30 April 1996

	Note	30 April 1996		30 April 1995	
		£000	£000	£000	£000
Fixed assets					
Investments	7		-		-
Current assets					
Debtors due within one year	8	120,973		112,594	
Debtors due after one year	8	1,427		2,807	
Creditors: amounts falling due within one year	9	(70,809)		(61,169)	
Net current assets			51,591		54,232
Provisions for liabilities and charges	10		-		(330)
Net assets			51,591		53,902
Capital and reserves					
Called up share capital	11		38,750		38,750
Share premium account	12		5,089		5,089
Profit and loss account	13		7,752		10,063
Shareholders' funds	14		51,591		53,902

These financial statements were approved by the board of directors on 13 February 1997 and were signed on its behalf by:


HC Etheridge
 Director

The Gaymer Group Europe Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of preparation

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

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. Accordingly these accounts present information about The Gaymer Group Europe Limited as an individual undertaking and not about its group. Under Financial Reporting Standard 1: Cash Flow Statements, a cash flow statement has not been prepared on the company as it is a wholly owned subsidiary undertaking.

Investments

Investments in subsidiary undertakings are stated at cost less amounts written off.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Interest receivable and similar income

	Year to 30 April 1996 £000	14 months to 30 April 1995 £000
Receivable from group undertakings	<u>7,000</u>	<u>8,381</u>

3 Interest payable and similar charges

	Year to 30 April 1996 £000	14 months to 30 April 1995 £000
On bank loans, overdrafts and other loans wholly repayable within five years	<u>-</u>	<u>5,381</u>

The Gaymer Group Europe Limited

Notes (continued)

4 Remuneration of directors

	Year to 30 April 1996 £000	14 months to 30 April 1995 £000
Directors' emoluments:		
As directors	-	200
Remuneration as executives	-	854
Payable to third parties for services of persons as directors of the company	-	16
	<hr/>	<hr/>
	-	1,070
	<hr/>	<hr/>

The emoluments, excluding pension contributions, of the chairman were £nil (1995:£nil) and those of the highest paid director were £nil (1995:£96,004).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following ranges:

		Number of directors	
		1996	1995
£0 - £ 5,000		3	3
£ 5,001 - £10,000		-	3
£30,001 - £35,000		-	1
£35,001 - £40,000		-	1
£110,001 - £115,000		-	1
£120,001 - £125,000		-	1
£125,001 - £130,000		-	2
£190,001 - £195,000		-	1
£295,001 - £300,000		-	1

5 Tax on profit on ordinary activities

	Year to 30 April 1996 £000	14 months to 30 April 1995 £000
Corporation tax at 33%	2,641	-
Deferred tax (note 10)	(330)	330
	<hr/>	<hr/>
	2,311	330
	<hr/>	<hr/>

The Gaymer Group Europe Limited

Notes (continued)

6 Proposed dividends

	Year to 30 April 1996 £000	14 months to 30 April 1995 £000
Ordinary shares	7,000	-
'A' preferred ordinary shares over accrual	-	(395)
'B' preferred ordinary shares	-	9
Preference shares	-	3,604
	<u>7,000</u>	<u>3,218</u>

7 Fixed asset investments

	Country of registration or incorporation	Principal activity	Class of shares held	Percentage of shares held company
The Gaymer Group Limited	England	Dormant	Ordinary	100%
The Gaymer Group Overseas Holdings Limited	England	Holding company	Ordinary	100%

The trade of the Gaymer Group Limited was transferred to a fellow subsidiary of Matthew Clark plc on 30 April 1995.

In addition, the company owns 100% of the ordinary share capital of 22 dormant companies, registered in England and Wales.

The Gaymer Group Europe Limited

Notes (continued)

8 Debtors

	1996 £000	1995 £000
Amounts falling due within one year		
Amounts owed by subsidiary undertakings	119,593	112,594
ACT recoverable	1,380	-
	<hr/>	<hr/>
Amounts falling due after more than one year	120,973	112,594
ACT recoverable	1,427	2,807
	<hr/>	<hr/>
	122,400	115,401
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year

	1996 £000	1995 £000
Corporation tax	1,811	-
Amounts owed to fellow subsidiary undertakings	722	-
Amounts owed to parent undertaking	68,276	61,169
	<hr/>	<hr/>
	70,809	61,169
	<hr/>	<hr/>

The Gaymer Group Europe Limited

Notes (continued)

10 Provisions for liabilities and charges

	Deferred tax £000
At beginning of year	330
Credit to profit and loss account	(330)
	<hr/>
At end of year	-
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The amounts provided for deferred tax and the amounts not provided are set out below:

	1996		1995	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Other timing differences	-	-	330	-
	<hr/>	<hr/>	<hr/>	<hr/>

11 Called up share capital

	At 30 April 1996 and 30 April 1995	
	No.	£000
Authorised		
Ordinary shares of 1p each	3,875,200,000	38,752
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Cumulative convertible participating 'A' preferred ordinary shares of 1p each	1,600,000	16
Cumulative convertible participating 'B' preferred ordinary shares of 1p each	200,000	2
	<hr/>	<hr/>
	1,800,000	18
	<hr/>	<hr/>
	3,877,000,000	38,770
	<hr/>	<hr/>
Allotted, called up and fully paid		
Ordinary shares of 1p each	3,875,000,000	38,750
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The Gaymer Group Europe Limited

Notes (continued)

12 Share premium account

	£000
At beginning and end of the year	<u>5,089</u>

13 Profit and loss account

	£000
At beginning of period	10,063
Loss for the period	(2,311)
	<u>7,752</u>
At end of period	<u>7,752</u>

14 Reconciliation of movements in shareholders' funds

	1996 £000	1995 £000
Profit on ordinary activities after taxation	4,689	11,163
Dividends	(7,000)	(3,218)
	<u>(2,311)</u>	<u>7,945</u>
Net (reduction)/addition to shareholders' funds	53,902	45,957
Opening shareholders' funds	<u>51,591</u>	<u>53,902</u>
Closing shareholders' funds	<u>51,591</u>	<u>53,902</u>

15 Ultimate parent undertaking

The company is a subsidiary undertaking of Matthew Clark plc a company incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Matthew Clark plc. The consolidated financial statements of the Group are available to the public and may be obtained from the Company Secretary of Matthew Clark plc at Whitchurch Lane, Bristol, BS14 0JZ.