

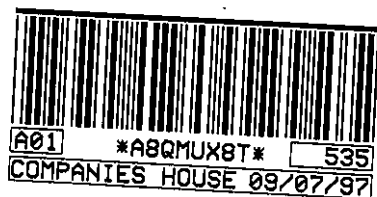
Company Registration Number - 2836088

# REGISTRARS COPY

DRAEFERN HOLDINGS PLC

ANNUAL REPORT

YEAR ENDED 5 APRIL 1997



PANNELL KERR FORSTER

Chartered Accountants

DRAEFERN HOLDINGS PLC

1.

ANNUAL REPORT

YEAR ENDED 5 APRIL 1997

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**COMPANY NUMBER**

2836088

**DIRECTORS**

G R Wilson  
M S Thornton

**SECRETARY**

J S Hardy ACCA

**REGISTERED OFFICE**

Draefern House  
39 Holywell Street  
Chesterfield S41 7SH

**SOLICITORS**

Rodney Shiers  
Chesterfield

Irwin Mitchell  
Sheffield

**AUDITORS**

Pannell Kerr Forster  
Sheffield

**BANKERS**

Barclays Bank plc  
Chesterfield

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## DIRECTORS' REPORT

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1. RESULTS AND DIVIDENDS

The profit for the financial year after taxation was	£ 450,645
An interim dividend of 800p per share was paid on 27 March 1997	400,000
Leaving a balance of profit for the year to be carried forward	50,645

## 2. REVIEW OF THE BUSINESS

The company's principal activity during the year was that of a holding company.

The directors consider the level of activity and the year end financial position to be satisfactory.

## 3. DIRECTORS

The directors at the end of the year and their beneficial interest in the shares of the company were as follows:

	Ordinary shares	
	5: 4:97	1: 4:96
G R Wilson	25,000	50
M S Thornton	-	-

M S Thornton, who was appointed as a non executive director on 25 June 1996, being eligible is available for re-appointment.

Under the Articles of Association the directors are not required to retire by rotation.

## DIRECTORS' REPORT

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**4. 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 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.

**5. STATUS**

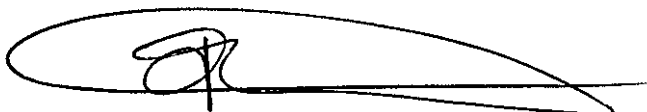
The company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

**6. AUDITORS**

A resolution to re-appoint the auditors, Pannell Kerr Forster, will be proposed at the annual general meeting.

**7. PAYMENT POLICY**

The company does not follow any specific code or policy on payment to suppliers, but aims to settle balances with its suppliers on normal commercial terms.



Chesterfield

01/07/97

By order of the board

J S HARDY ACCA

Secretary

## AUDITORS' REPORT TO THE SHAREHOLDERS OF

DRAEFERN HOLDINGS PLC

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We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, 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. 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 affairs of the company as at 5 April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

2 July 1997

Sheffield

*Parrell Kerr-Lewis*

Chartered Accountants  
Registered Auditors

## DRAEFERN HOLDINGS PLC

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 5 APRIL 1997

		1997	1996
	<u>Notes</u>	<u>£</u>	<u>£</u>
<b>TURNOVER</b>	2	250,000	240,000
Administrative expenses		181,524	209,875
		<u>68,476</u>	<u>30,125</u>
Income from shares in subsidiary undertaking		500,000	251,250
<b>OPERATING PROFIT</b>		<u>568,476</u>	<u>281,375</u>
Interest receivable and similar income	4	872	31
		<u>569,348</u>	<u>281,406</u>
Interest payable and similar charges	5	103	4
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	<u>569,245</u>	<u>281,402</u>
Tax on profit on ordinary activities	7	118,600	58,398
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>450,645</u>	<u>223,004</u>
Dividends	8	400,000	201,000
<b>RETAINED PROFIT FOR THE YEAR</b>		<u><u>50,645</u></u>	<u><u>22,004</u></u>

All amounts relate to continuing operations.

The company has no recognised gains or losses other than those shown above.

## BALANCE SHEET

5 APRIL 1997

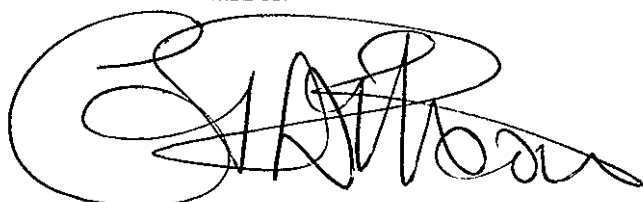
		1997		1996	
	<u>Notes</u>	£	£	£	£
<b>FIXED ASSETS</b>					
Investments	9		100		126
<b>CURRENT ASSETS</b>					
Debtors	10	365,666		320,567	
Cash at bank and in hand		816		17,178	
		<u>366,482</u>		<u>337,745</u>	
<b>CREDITORS — Amounts falling due within one year</b>	11	<u>230,818</u>		<u>252,752</u>	
<b>NET CURRENT ASSETS</b>			<u>135,664</u>		<u>84,993</u>
<b>NET ASSETS</b>			<u><u>135,764</u></u>		<u><u>85,119</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		50,000		100
Share premium account	13		20		20
Profit and loss account	13		85,744		84,999
<b>EQUITY SHAREHOLDERS' FUNDS</b>	14		<u><u>135,764</u></u>		<u><u>85,119</u></u>

Approved by the board on 01/07/97

G R WILSON

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Director



DRAEFERN HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1997

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

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

**Leases**

Rentals payable under operating leases are charged in the profit and loss account in the year in which they are incurred.

**Deferred taxation**

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

**Turnover**

Turnover represents sales at invoice value excluding value added tax.

**Group accounts**

These are the financial statements of the parent company only. The company is exempt from the requirement to prepare group accounts as it qualifies as a medium-sized group.

**Pension costs**

The company operates a defined contribution scheme providing benefits for employees additional to those from the state. The pension cost charge represents contributions payable by the company to the fund in respect of the year.



## DRAEFERN HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1997

## 2. TURNOVER

The company engages in only one class of business and all sales were within the United Kingdom.

	1997	1996
	<u>£</u>	<u>£</u>
3. STAFF PARTICULARS		
Staff costs comprised:		
Wages and salaries	106,667	100,000
Social security costs	11,540	10,823
Other pension costs	48,000	60,000
	<u>166,207</u>	<u>170,823</u>
	<u>Number</u>	<u>Number</u>
Average number employed in the year:		
Directors	<u>2</u>	<u>2</u>
4. INTEREST RECEIVABLE AND SIMILAR INCOME		
	<u>£</u>	<u>£</u>
Interest receivable	<u>872</u>	<u>31</u>
5. INTEREST PAYABLE AND SIMILAR CHARGES		
Interest payable on bank and other borrowings	<u>103</u>	<u>4</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1997

	1997	1996
	£	£
<b>6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
The profit on ordinary activities before taxation is after charging:		
Auditors' remuneration		
Audit fee	700	300
Other services	-	800
Pension costs	48,000	60,000
	<u>158,711</u>	<u>162,577</u>
Directors' emoluments:		
Salaries and other emoluments including pension contributions	158,711	162,577
	<u>158,711</u>	<u>162,577</u>
Compensation for loss of office	-	30,000
	<u>-</u>	<u>30,000</u>
Directors' emoluments, excluding pension contributions, were as follows:		
Chairman and highest paid director	101,544	51,318
	<u>101,544</u>	<u>51,318</u>
	Number	Number
Emoluments of other directors fell within the following ranges:		
£ 5,001 - £10,000	1	-
£50,001 - £55,000	-	1
	<u>1</u>	<u>1</u>
	1997	1996
	£	£
<b>7. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>		
Corporation tax on the profit for the year at 25%	18,600	8,148
Tax attributable to dividend income	100,000	50,250
	<u>118,600</u>	<u>58,398</u>
<b>8. DIVIDENDS</b>		
Ordinary: Interim of 800p per share (1996:£2,010)		
Paid on 27 March 1997	400,000	201,000
	<u>400,000</u>	<u>201,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1997

## 9. FIXED ASSETS - INVESTMENTS

	1: 4:96	Additions	Disposals	5: 4:97
	£	£	£	£
Shares in group undertakings at cost	126	-	26	100

The company owned 100% of the equity capital of Draefern Limited, a company incorporated in Great Britain, throughout the year. The share capital of Draefern Limited was restructured during the year such that at the year end date there were 10,000 1p ordinary shares in issue. The cost of the investment in Draefern Limited was reduced by £20 by reason of a redemption of shares by the company.

During the year an investment in G.T. Office Furniture, a company incorporated in Great Britain, was written off as the company ceased trading and was struck off the Register of Companies. The cost of the investment was £6.

	1997	1996
	£	£
10. DEBTORS		
Due within one year:		
Amount owed by group undertakings	365,666	119,567
Dividends receivable	-	201,000
	<u>365,666</u>	<u>320,567</u>

## 11. CREDITORS

Amounts falling due within one year:		
Corporation tax	18,600	8,148
Taxation and social security	13,537	12,204
Recommended dividends	-	201,000
Directors' current accounts	197,831	-
Accruals and deferred income	850	31,400
	<u>230,818</u>	<u>252,752</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1997

## 12. CALLED UP SHARE CAPITAL

	Authorised		Allotted & fully paid	
	5: 4:97	1: 4:96	5: 4:97	1: 4:96
	£	£	£	£
Ordinary shares of £1 each	100,000	100,000	50,000	100

On 26 June 1996 49,900 £1 ordinary shares were issued at par to the existing shareholders by way of a bonus issue to improve the capital base of the company.

## 13. RESERVES

	Share premium	Profit and loss account
	£	£
At 1 April 1996	20	84,999
Capitalisation of reserves	-	(49,900)
Retained profit for the year	-	50,645
At 5 April 1997	20	85,744

## 14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	1997	1996
	£	£
At 1 April 1996	85,119	63,115
Profit for the financial year	450,645	223,004
Dividends	(400,000)	(201,000)
Increase in share capital	49,900	-
Capitalisation of revenue reserve	(49,900)	-
At 5 April 1997	135,764	85,119

## 15. RELATED PARTY TRANSACTIONS

During the year the company received management charges from Draefern Limited of £250,000 and received dividend income of £500,000 from the same company. At the year end date £365,666 was owing from Draefern Limited.

Draefern Limited is a wholly owned subsidiary of Draefern Holdings Plc and G R Wilson is a director of both companies.