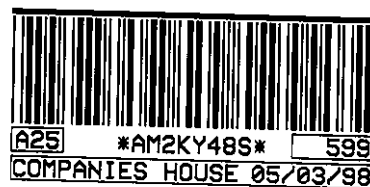


Reg.

Registered number: 233722

HART & CLOUGH LTD  
ABBREVIATED FINANCIAL STATEMENTS  
30 SEPTEMBER 1997

STUART B LODGE & CO.  
CHARTERED ACCOUNTANTS  
Bradford



**HART & CLOUGH LTD**

**ABBREVIATED FINANCIAL STATEMENTS**

**for the Year ended 30 September 1997**

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## HART &amp; CLOUGH LTD

## COMPANY INFORMATION

30 September 1997

INCORPORATED	In England and Wales on 1 October 1928.
NUMBER	233722
DIRECTORS	Mrs B A H Clough P M Clough
SECRETARY	P M Clough
REGISTERED OFFICE	Summerville Road Bradford West Yorkshire BD7 1PZ
BANKERS	Royal Bank of Scotland 45 Bank Street Bradford West Yorkshire BD1 1TS
SOLICITORS	Gordons Wright & Wright 14 Piccadilly Bradford West Yorkshire BD1 3LX
AUDITORS	Stuart B Lodge & Co. Chartered Accountants Registered Auditor 44 Bradford Road Idle Bradford West Yorkshire BD10 9PE

**HART & CLOUGH LTD****DIRECTORS' REPORT****30 September 1997**

The directors present their report and the audited financial statements for the Year ended 30 September 1997.

**Principal activity**

The principal activity of the company is that of general printers.

**Business review**

The company's balance sheet as detailed on page 7 shows a satisfactory position, shareholders' funds amounting to £693,672.

**Results and dividends**

The results for the Year are shown in the profit and loss account on page 6. An interim ordinary dividend amounting to £19,219 was paid.

**Fixed assets**

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 10.

**Directors**

The directors of the company during the Year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30 September 1997 Ordinary shares	1 October 1996 Ordinary shares
Mrs B A H Clough	1	1
P M Clough	815	815

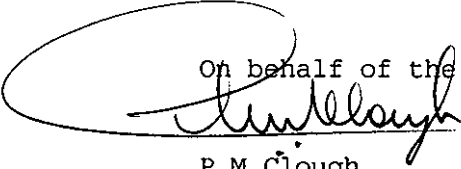
**Charitable Donations**

The company made donations of £612 during the year.

**Auditors**

Stuart B Lodge & Co. have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

  
P M Clough  
Secretary

Summerville Road  
Bradford  
West Yorkshire BD7 1PZ

## HART &amp; CLOUGH LTD

## STATEMENT OF 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 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



Mrs B A H Clough  
Director

**HART & CLOUGH LTD****Auditors' report to  
Hart & Clough Ltd  
under section 247B to the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 6 to 17, together with the financial statements of the company for the Year ended 30 September 1997 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

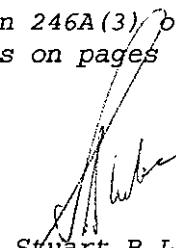
**Basis of opinion**

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 financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 6 to 17 are properly prepared in accordance with those provisions.

Bradford



Stuart B Lodge & Co.  
Registered Auditor  
Chartered Accountants

4 AUG 1998

AUDITORS' REPORT

Auditors' report to the directors of  
Hart & Clough Ltd pursuant to Section 248(3)  
of the Companies Act 1985.

We have examined the financial statements of the company and its  
subsidiaries for the year ended 30th September 1997.

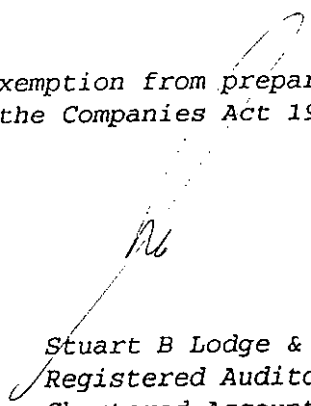
**Basis of opinion**

The scope of our work for this purpose was limited to confirming  
that the company is entitled to exemption from preparing group  
financial statements.

**Opinion**

In our opinion the company is entitled to exemption from preparing  
group accounts conferred by Section 248 of the Companies Act 1985.

Bradford

  
Stuart B Lodge & Co.  
Registered Auditor  
Chartered Accountants

4 March 1998

## HART &amp; CLOUGH LTD

## ABBREVIATED PROFIT AND LOSS ACCOUNT

for the Year ended 30 September 1997

	Note	1997 £	1996 £
Gross profit		523,791	571,427
Net operating expenses			
Distribution costs		(26,321)	(27,542)
Administrative expenses		(468,749)	(436,082)
Other operating income	7	30,000	30,000
Operating profit	3	58,721	137,803
Investment income	5	41,029	28,146
Interest payable	6	(22,400)	(20,871)
Profit on ordinary activities before taxation		77,350	145,078
Taxation	8	(7,030)	(31,722)
Profit on ordinary activities after taxation		70,320	113,356
Dividends	9	(19,219)	(21,525)
Retained profit for the Year	21	51,101	91,831

Movements in reserves are shown in note 21.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the Year.



## HART &amp; CLOUGH LTD

## ABBREVIATED BALANCE SHEET

at 30 September 1997

	Note	1997 £	1996 £
<b>Fixed assets</b>			
Tangible assets	10	499,308	568,879
Investments	12	336,592	336,592
		<u>835,900</u>	<u>905,471</u>
<b>Current assets</b>			
Stocks	13	39,403	35,498
Debtors	14	324,362	281,578
Cash at bank and in hand		117,020	238,509
		<u>480,785</u>	<u>555,585</u>
Creditors: amounts falling due within one year	15	(366,953)	(484,552)
<b>Net current assets</b>		<u>113,832</u>	<u>71,033</u>
<b>Total assets less current liabilities</b>		<u>949,732</u>	<u>976,504</u>
Creditors: amounts falling due after more than one year	16	(247,923)	(320,232)
<b>Provision for liabilities and charges</b>	17	(8,137)	(13,700)
		<u>693,672</u>	<u>642,572</u>
<b>Capital and reserves</b>			
Called up share capital	20	3,076	3,076
Profit and loss account	21	690,596	639,496
<b>Total shareholders' funds</b>	19	<u>693,672</u>	<u>642,572</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 6 to 17 were approved by the board of directors on 17 February 1998 and signed on its behalf by:

*B A H Clough*

Mrs B A H Clough  
Director

## HART &amp; CLOUGH LTD

## CASH FLOW STATEMENT

for the Year ended 30 September 1997

	Note	1997		1996	
		£	£	£	£
Net cash inflow from operating activities	22		24,670		440,440
Returns on investments and servicing of finance					
Interest received		9,829		8,946	
Interest paid		(5,318)		(8,487)	
Interest element of finance lease rental payments		(17,082)		(12,384)	
Other returns		31,200		19,200	
			18,629		7,275
Taxation					
Corporation tax paid			(27,277)		(35,775)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(47,221)		(258,240)	
Sale of tangible fixed assets		14,250		56,500	
			(32,971)		(201,740)
			(16,949)		210,200
Equity dividends paid			(19,219)		(21,525)
			(36,168)		188,675
Financing					
Debt due within a year:					
Other loan repayments		(15,956)		(5,525)	
Bank loan repayments		-		(8,340)	
Debt due beyond a year:					
Other loan advances		6,444		8,351	
Bank loan repayments		-		(43,945)	
Capital element of finance lease rental payments		(75,809)		77,885	
			(85,321)		28,426
(Decrease)/increase in cash			(121,489)		217,101

**HART & CLOUGH LTD****NOTES ON ABBREVIATED FINANCIAL STATEMENTS****30 September 1997****1 Accounting policies****Basis of accounting**

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

**Consolidation**

The company and its subsidiaries comprise a medium sized group. The company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

**Turnover**

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

**Depreciation**

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land and buildings	1% Straight line
Leasehold land and buildings	Not Provided
Plant and machinery	15% Straight Line
Motor vehicles	25% Straight Line
Fixtures and fittings	20% Straight Line

**Leases and hire purchase contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals payable under operating leases are charged to the profit and loss as they are incurred.

**Stocks and work in progress**

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

**Deferred taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

**Pensions - Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## HART &amp; CLOUGH LTD

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1997

## 2 Turnover

The turnover for the Year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

## 3 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Profit on sale of assets	6,139	34,704
and after charging		
Staff costs (note 4)	508,849	518,830
Auditors' remuneration	3,600	3,300
Pension costs	33,874	33,380
Depreciation		
Owned Assets	61,113	41,136
Leased Assets	47,573	58,814

## 4 Directors and employees

	1997 £	1996 £
Staff costs including directors' emoluments		
Wages and salaries	430,076	428,129
Social security costs	44,899	45,390
Pension costs	33,874	33,380
	508,849	506,899
Average monthly number employed including executive directors:	Number	Number
Production staff	15	15
Office and management	2	2
Administration staff	6	6
	23	23

## Defined contribution pension scheme

The company operates a defined contribution 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 and amounted to £33,874 (1996 £33,380).

Directors	£	£
Emoluments	68,017	68,948
Company contributions to money purchase pension schemes	12,454	12,454
	80,471	81,402

## HART &amp; CLOUGH LTD

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1997

## 5 Investment income

	1997 £	1996 £
Dividend received from subsidiary	19,200	19,200
Interest receivable	9,829	8,946
Rental Income	12,000	-
	<u>41,029</u>	<u>28,146</u>

## 6 Interest payable

	1997 £	1996 £
Bank interest	-	2,658
Other interest	5,318	5,829
Hire purchase interest	17,082	12,384
	<u>22,400</u>	<u>20,871</u>

## 7 Other operating income

	1997 £	1996 £
Management Charges	<u>30,000</u>	<u>30,000</u>

## 8 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 22.5% (1996 24.5%)	17,048	22,472
Group relief	(4,455)	-
Deferred taxation	(5,563)	7,700
	<u>7,030</u>	<u>30,172</u>
Under provision in earlier years	-	1,550
	<u>7,030</u>	<u>31,722</u>

## 9 Dividends

	1997 £	1996 £
Equity - ordinary/interim	<u>19,219</u>	<u>21,525</u>

## HART &amp; CLOUGH LTD

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1997

## 10 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1 October 1996	139,427	833,285	60,644	249,762	1,283,118
Additions	30,052	14,000	3,169	-	47,221
Disposals	(27,655)	-	-	-	(27,655)
30 September 1997	141,824	847,285	63,813	249,762	1,302,684
<b>Depreciation</b>					
1 October 1996	43,254	621,712	38,074	11,199	714,239
Charge for Year	35,273	63,359	8,286	1,768	108,686
Disposals	(19,544)	-	-	-	(19,544)
30 September 1997	58,983	685,071	46,360	12,967	803,381
<b>Net book amount</b>					
30 September 1997	82,843	162,282	17,454	236,729	499,308
1 October 1996	96,173	211,572	22,570	238,564	568,879

Included in the above assets is plant, machinery and motor vehicles with historical cost £508,225 (1996- £527,090) and net book value £355,595 (1996- £220,982)

## 11 Land and buildings

	1997 £	1996 £
Freehold	163,729	165,564
Long leasehold	73,000	73,000
	236,729	238,564

Long leaseholds are those leaseholds with more than 50 years unexpired

The historical cost of leasehold land and buildings included above at a valuation of £73,000 was £110,229 (1996- £110,229) and the aggregate depreciation thereon would have been £8668 (1996- £7566).

## HART &amp; CLOUGH LTD

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1997

## 12 Fixed asset investments

	Woods (Bradford) Ltd	Allanwood Press Ltd	Amadeus Press Ltd	Total
Ordinary Shares	£	£	£	£
1 October 1996	177,276	10,000	149,316	336,592
and at				
30 September 1997				
Percentage of Capital Held	100%	100%	96%	
Nature of Business	Print Finishers	Dormant	Printers	
Capital & Reserves	£289,770	£10,539	£533,225	
Profit/(Loss) for Year	£(33,821)	Dormant	£60,844	

## 13 Stocks

	1997 £	1996 £
Work in Progress	19,313	13,873
Stock	20,090	21,625
	39,403	35,498

## 14 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	288,831	269,675
Amounts owed by group undertakings	6,754	-
Other debtors	6,175	2,500
Prepayments and accrued income	22,602	9,403
	324,362	281,578

## 15 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	76,328	38,399
Other loans	12,731	15,956
Amounts owed to group undertakings	164,985	239,269
Corporation tax	7,789	22,472
Other taxation and social security	19,075	25,063
Other creditors	2,891	28,751
Accruals and deferred income	36,803	29,649
Obligations under finance leases and hire purchase contracts - note 16	46,351	84,993
	366,953	484,552

## HART &amp; CLOUGH LTD

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1997

16 Creditors: amounts falling due  
after more than one year

	1997 £	1996 £
Other loans	53,723	60,010
Other creditors	98,762	127,617
Obligations under finance leases	95,438	132,605
	<u>247,923</u>	<u>320,232</u>

## Maturity of debt

In one year or less, or on demand - see note 15	12,731	15,956
Between one and two years	7,491	7,531
Between two and five years	27,622	26,731
In five years or more	18,610	25,748
	<u>66,454</u>	<u>75,966</u>

Amounts falling due  
after more than five years:

Other loans	18,610	25,748
	<u>18,610</u>	<u>25,748</u>

Obligations under finance leases  
and hire purchase contracts

These are repayable over varying periods  
by monthly instalments as follows:

In the next year - see note 15	46,351	84,993
In the second to fifth years	95,438	132,605
	<u>141,789</u>	<u>217,598</u>

## 17 Provision for liabilities and charges

	1996 £	Profit and loss account £	Other movements £	1997 £
Deferred taxation (notes 8 and 18)	(13,700)	5,563	-	(8,137)
	<u>(13,700)</u>	<u>5,563</u>	<u>-</u>	<u>(8,137)</u>



## HART &amp; CLOUGH LTD

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1997

## 18 Deferred taxation

	1997		1996	
	Potential liability	Provision made	Potential liability	Provision made
	£	£	£	£
Corporation tax deferred by				
Capital allowances in excess	8,137	8,137	13,700	13,700

The potential liability and provision are based on a corporation tax rate of 21% (1996 24%).

## 19 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial Year	70,320	113,356
Dividends	(19,219)	(21,525)
Net addition to shareholders' funds	51,101	91,831
Opening shareholders' funds	642,571	550,741
Closing shareholders' funds	693,672	642,572

## 20 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised £1 Ordinary Shares	5,000	5,000	5,000	5,000
Allotted called up and fully paid £1 Ordinary Shares	3,076	3,076	3,076	3,076

## 21 Profit and loss account

	1997 £
1 October 1996	639,495
Retained profit for the Year	51,101
30 September 1997	690,596

## HART &amp; CLOUGH LTD

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1997

## 22 Notes to the cash flow statement

Reconciliation of operating profit  
to operating cash flows

	1997 £	1996 £
Operating profit	58,721	137,803
Depreciation charges	108,685	99,950
Profit on sale of fixed assets	(6,140)	(34,704)
(Increase)/decrease in stocks	(3,906)	1,421
(Increase)/decrease in debtors	(42,785)	85,508
(Decrease)/increase in creditors	(89,905)	150,462
<b>Net cash inflow from operating activities</b>	<b>24,670</b>	<b>440,440</b>

## 23 Notes to the cash flow statement (continued)

## Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash in hand, at bank	238,509	(121,489)	-	117,020
(Decrease)/increase in cash in the Year		(121,489)		
Debt due within 1 year	(15,956)	15,956	(12,731)	(12,731)
Debt due after 1 year	(60,010)	(6,444)	12,731	(53,723)
Finance leases	(217,598)	75,809	-	(141,789)
Change in net debt due to cash flows		85,321		
<b>Total</b>	<b>(55,055)</b>	<b>(36,168)</b>	<b>-</b>	<b>(91,223)</b>

## Reconciliation of net cash flow to movement in net debt

	1997 £	1996 £
(Decrease)/increase in cash in the Year	(121,489)	166,640
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	85,321	(28,426)
Change in net debt resulting from cash flows	(36,168)	138,214
Net debt at 1 October 1996	(55,055)	(193,269)
Net debt at 30 September 1997	(91,223)	(55,055)

## HART &amp; CLOUGH LTD

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 September 1997

## 24 Related Party Transactions

The company has derived income of £90,650 from group undertakings, and has been invoiced £48,428 by group undertakings.

## 25 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 30th September 1998

	1997	1996
	Land &	Land &
	Buildings	Buildings
	£	£
Expiring in over 5 years	3,375	3,375