

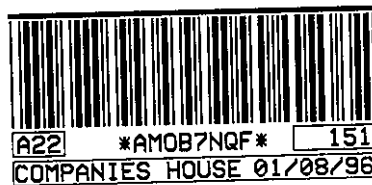
Res.

Registered No:1955549  
(England & Wales)

ARCHBOND LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996



ARCHBOND LIMITED

REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 1996

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The following page does not form part of the  
Statutory Accounts:

13	Trading and Profit and Loss Account
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DIRECTORS    B.D.G. Nokes, Esq.  
              C. Crewe-Smith, Esq.

AUDITORS     Hillier Hopkins  
              Chartered Accountants  
              St. Martins House,  
              31-35 Clarendon Road,  
              Watford,  
              Herts, WD1 1JA.

COMPANY  
NUMBER       1955549    (England & Wales)

REPORT OF THE DIRECTORS

The Directors present herewith the Company's Accounts for the year ended 31st March 1996, and report as follows:-

### 1. BUSINESS REVIEW

The Company has traded continuously during the year, the principal activity being thermoplastic laminators.

The Company has continued to achieve considerable growth and, with export as a major objective, it is anticipated that this will not change in the coming year. New projects and working 'partnerships' with major Shoe Manufacturers will increase our value added sales and market strength.

The Profit for the year before taxation was £72,010, which after the tax charge of £20,515 is transferred to general reserve.

### 2. DIRECTORS AND THEIR INTERESTS

The Directors of the Company during the year and their interests in the share capital of the Company at the beginning and end of the year were as follows:

	<u>Number of shares</u>	
	<u>31st March 1996</u>	<u>31st March 1995</u>
B.D.G. Nokes, Esq.	50	50
C. Crewe-Smith, Esq.	50	50

### 3. 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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.

...continued

ARCHBOND LIMITED

REPORT OF THE DIRECTORS

...continued

4. FIXED ASSETS

The Fixed Assets of the Company, together with any changes during the year are shown in detail in the Notes to the Accounts.

5. AUDITORS

Messrs Hillier Hopkins, Chartered Accountants, have indicated their willingness to continue in office.

Approved by the Board on:

Signed on behalf of the  
Board of Directors

9 24.7.96 9  
.....  
DATE

2 B.D.G. Nokes, Esq. - Secretary  
.....

Registered Office  
c/o Jubilee House,  
147 Bath Road,  
Slough,  
Berkshire,  
SL1 3UX

ARCHEOND LIMITEDAUDITORS' REPORT TO THE SHAREHOLDERS  
OF ARCHEOND LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 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 Company's circumstances, consistently applied and adequately disclosed.

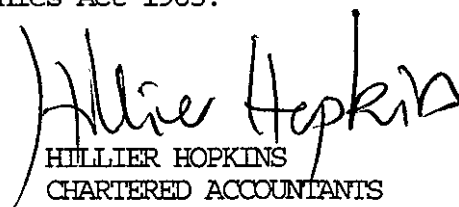
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 the affairs of the Company as at 31st March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30th July 1996

Date .....

  
HILLIER HOPKINS  
CHARTERED ACCOUNTANTS  
and Registered Auditor  
St. Martins House,  
31-35 Clarendon Road,  
Watford  
Herts, WD1 1JA.

ARCHEBOND LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 1996

		<u>1996</u>		<u>1995</u>	
	<u>Notes</u>	£	£	£	£
TURNOVER	2		1,092,208		1,038,517
Cost of Sales			534,023		497,125
GROSS PROFIT			558,185		541,392
ADMINISTRATION COSTS			481,892		458,137
			76,293		83,255
Other Operating Income	3		3,750		-
OPERATING PROFIT			80,043		83,255
Interest Receivable	6	5,050		3,409	
Interest Payable	7	(13,083)		(7,159)	
			(8,033)		(3,750)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4/5		72,010		79,505
Tax on Ordinary Activities	8		20,515		19,013
RETAINED PROFIT FOR THE YEAR			51,495		60,492
RETAINED (DEFICIT) : At 1st April 1995			(9,118)		(69,610)
RETAINED SURPLUS/(DEFICIT) : At 31st March 1996			42,377		(9,118)

The notes on pages 6 to 12 form part of the Accounts.

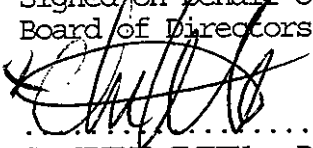
All of the above amounts relate to continuing operations.

The Company has no recognised gains or losses other than the profit for the year as shown above.

ARCHBOND LIMITEDBALANCE SHEET  
31ST MARCH 1996

		<u>1996</u>	<u>1995</u>
	<u>Notes</u>	£	£
FIXED ASSETS			
Tangible Assets	9	74,222	79,378
CURRENT ASSETS			
Stocks	10	178,479	80,806
Debtors	11	233,223	216,949
Cash at Bank and In Hand		252	475
		<u>411,954</u>	<u>298,230</u>
Creditors - Amounts falling due within one year	12	(313,394)	(289,127)
NET CURRENT ASSETS		<u>98,560</u>	<u>9,103</u>
ASSETS LESS CURRENT LIABILITIES		172,782	88,481
Creditors - Amounts falling due after more than one year	13	(130,305)	(97,499)
NET ASSETS/(LIABILITIES)		<u>42,477</u>	<u>(9,018)</u>
CAPITAL AND RESERVES			
Called up Share Capital	15	100	100
Profit and Loss Account		42,377	(9,118)
SHAREHOLDERS' FUNDS		<u>42,477</u>	<u>(9,018)</u>
- EQUITY INTERESTS	16	<u>42,477</u>	<u>(9,018)</u>

Signed on behalf of the  
Board of Directors:

  
C. CREWE-SMITH - DIRECTOR

Approved by the Board on:

 24.7.96   
DATE

The notes on pages 6 to 12 form part of the Accounts.

ARCHBOND LIMITEDNOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

The following notes outline the main Accounting Policies of the Company, which have been used consistently in preparing these Accounts.

## 1.1 Accounting Conventions

The Financial Statements are prepared under the Historical Cost Convention.

## 1.2 Turnover

This represents the invoiced amounts of goods sold and services provided, net of Value Added Tax.

## 1.3 Depreciation of Tangible Assets

Depreciation is calculated to write off the cost less the estimated residual value of the Tangible Fixed Assets over their expected useful lives at the following rates:-

Leasehold Improvements	10%	on straight line basis
Equipment, Plant & Fittings	20%	on reducing balance
Motor Vehicles	25%	on reducing balance

## 1.4 Stocks

These are valued on a first in first out basis at the lower of cost and net realisable value. In respect of work in progress and finished goods cost includes overheads, transportation, and duty costs where appropriate.

## 1.5 Deferred Taxation

Deferred Taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable certainty to continue in the foreseeable future. No provision is required in these accounts.

## 1.6 Hire Purchase Contracts and Finance Leases

Assets acquired under hire purchase contracts and finance leases are capitalised as fixed assets and depreciated in accordance with the above Accounting Policy. Full provision is made for the capital cost outstanding of each asset so acquired, the interest element being written off as incurred.



ARCHBOND LIMITEDNOTES TO THE ACCOUNTS - Continued

## 2. TURNOVER

The Turnover and pre-tax Profit are attributable to the Company's main activity.

	<u>1996</u> £	<u>1995</u> £
An analysis of turnover by geographical market is given below:		
United Kingdom	1,057,025	1,023,398
European Community	35,183	15,119
	<u>1,092,208</u>	<u>1,038,517</u>

## 3. OTHER OPERATING INCOME

	<u>1996</u> £	<u>1995</u> £
Sundry Income	3,750	-
	<u>3,750</u>	<u>-</u>

## 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

Directors' Remuneration	53,064	50,764
Auditors' Remuneration	2,800	2,999
Depreciation	18,557	19,846
Adjustment on Disposal of Fixed Assets	-	2,201
	<u>-</u>	<u>2,201</u>

ARCHBOND LIMITEDNOTES TO THE ACCOUNTS - Continued

5.	EMPLOYEE INFORMATION	1995 £	1994 £
5.1	Staff Costs:		
	Wages & Salaries	180,896	167,783
	Social Security Costs	12,495	10,343
	Director's Pension	1,086	764
		<u>194,477</u>	<u>178,890</u>
5.2	The average weekly number of employees (including Directors) during the year was made up as follows:	<u>No.</u>	<u>No.</u>
	Management & Administration	3	3
	Production Staff	7	7
		<u>10</u>	<u>10</u>
6.	INTEREST RECEIVABLE	£	£
	Bank Interest	1,561	-
	Other Interest	<u>3,489</u>	<u>3,409</u>
7.	INTEREST PAYABLE		
	On Bank Overdrafts Repayable within 5 years	2,122	1,817
	On Bank Loans Repayable within 5 years	6,494	3,395
	On Finance Leases	4,467	1,947
		<u>13,083</u>	<u>7,159</u>
8.	TAXATION		
	UK Corporation Tax at 25%	20,500	19,013
	Underprovision in previous year	15	-
		<u>20,515</u>	<u>19,013</u>

The Company is a close company under Section 414 of the Taxes Act 1988.

ARCHBOND LIMITEDNOTES TO THE ACCOUNTS - Continued

## 9. TANGIBLE FIXED ASSETS

	Fixtures, Equipment & Fittings	Total
	£	£
Cost:		
At 1st April 1995	129,523	129,523
Additions	13,401	13,401
	<u>          </u>	<u>          </u>
At 31st March 1996	142,924	142,924
	<u>          </u>	<u>          </u>
Depreciation:		
At 1st April 1995	50,145	50,145
Charge for year	18,557	18,557
	<u>          </u>	<u>          </u>
At 31st March 1996	68,702	68,702
	<u>          </u>	<u>          </u>
Net Book Value:		
At 31st March 1996	74,222	74,222
	<u>          </u>	<u>          </u>
Net Book Value:		
At 31st March 1995	79,378	79,378
	<u>          </u>	<u>          </u>

Included in the amounts for equipment above are the following amounts relating to assets which are subject to hire purchase contracts:

	£
Cost:	
At 31st March 1996	80,000
	<u>          </u>
Accumulated Depreciation:	
At 31st March 1996	30,672
	<u>          </u>
Depreciation charge for year	12,332
	<u>          </u>
Written Down Value:	
At 31st March 1996	49,328
	<u>          </u>

## 10. STOCKS

The amounts attributable to the different categories are as follows:

	<u>1996</u> £	<u>1995</u> £
Raw Materials and Consumables	178,479	80,806
	<u>          </u>	<u>          </u>

ARCHBOND LIMITEDNOTES TO THE ACCOUNTS - Continued

	<u>1996</u> £	<u>1995</u> £
11. DEBTORS		
Trade Debtors	209,376	203,409
Prepayments	23,847	13,540
	<u>233,223</u>	<u>216,949</u>
12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR		
Payments Received on Account	22,144	28,554
Trade Creditors	142,126	86,126
Corporation Tax	20,500	19,013
Other Taxes and Social Security Costs	31,231	39,475
Directors' Current Accounts	35,000	34,780
Accruals & Other Creditors	33,164	59,046
Bank Loans and Overdraft (see note 13.1)	17,229	10,133
Obligations Under Lease and Hire Purchase Contracts	12,000	12,000
	<u>313,394</u>	<u>289,127</u>

The Hire Purchase liabilities are secured on the assets concerned.

ARCHBOND LIMITEDNOTES TO THE ACCOUNTS - Continued

	<u>1996</u> £	<u>1995</u> £
13. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Bank Loans (see note 13.1)	61,135	28,149
Obligations Under Lease and Hire Purchase Contracts	69,170	69,350
	<u>130,305</u>	<u>97,499</u>
13.1 The total amount of Bank Loans and Overdrafts was as follows:		
Falling Due within One Year:		
Bank Overdraft	6,338	5,133
Bank Loans - Current Portion	10,891	5,000
	<u>17,229</u>	<u>10,133</u>
Falling Due after more than One Year :		
Bank Loans - Repayable after more than one year	61,135	28,149
	<u>78,364</u>	<u>38,282</u>
Total Bank Borrowings		
	<u>78,364</u>	<u>38,282</u>
The bank loans which total £72,026 are repayable as follows:-		
The bank loan of £27,026 is repayable in monthly instalments of £728.46. The rate of interest on the loan is 3% over the base rate. The bank loan of £45,002 is repayable in monthly instalments of £833.33. The interest rate is 10.44%.		
The bank loans and overdraft are secured by the personal guarantees of the Directors.		
14. OBLIGATIONS UNDER LEASE AND HIRE PURCHASE CONTRACTS		
Gross Obligations		
Payable within one year	18,000	18,000
Payable in two to five years	72,000	72,000
Payable in more than five years	30,000	30,000
	<u>120,000</u>	<u>120,000</u>
Less: Future Finance Charges	(38,830)	(38,650)
	<u>81,170</u>	<u>81,350</u>

ARCHBOND LIMITEDNOTES TO THE ACCOUNTS - Continued

## 15. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and Fully Paid</u>	
	£	<u>1996</u> £	<u>1995</u> £
100 Ordinary Shares of £1 each	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>

16. RECONCILIATION OF MOVEMENTS IN  
SHAREHOLDERS' FUNDS

	<u>1995</u> £	<u>1994</u> £
Profit for the Financial Year	51,495	60,492
Opening Shareholders' Funds	(9,018)	(69,510)
Closing Shareholders Funds	<u>42,477</u>	<u>(9,018)</u>