

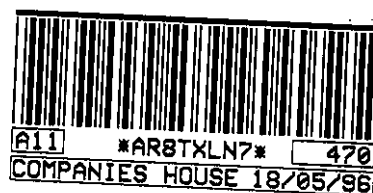
BOARD OF TRADE

2623319

CRAFTEC PAPER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 1995



CRAFTEC PAPER LIMITED

DIRECTORS:

E. F. Rowbotham
U. R. Rowbotham
A. Bannister
L. S. Bannister

SECRETARY:

U. R. Rowbotham

REGISTERED OFFICE:

37b New Cavendish Street,
London, W1M 8JR

COMPANY REGISTRATION NUMBER:

2623319

BANKERS:

Barclays Bank plc,
9 High Street,
Colchester,
Essex, CO1 1DD

AUDITORS:

Coplowe Rowland & Co.,
Chartered Accountants,
Planet House,
638 High Road,
London, E11 3DA

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CRAFTEC PAPER LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH SEPTEMBER, 1995

The Directors present their Report and the Audited Financial Statements for the year ended 30th September, 1995.

The results for the year are as stated in the attached Profit and Loss Account.

The principal activity of the Company remained that of paper merchants.

There were no charitable or political donations made during the year.

The Company paid an interim dividend of £16,800.

The present Board of Directors is as shown on Page 1 to these Financial Statements.

The Directors who served at any time during the year, together with their shareholding are as follows:-

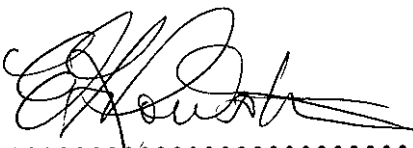
	<u>Ordinary Shares of £1 each</u>	
	<u>1995</u>	<u>1994</u>
E. F. Rowbotham	550	750
U. R. Rowbotham	250	50
A. Bannister	100	150
L. S. Bannister	100	50

The Auditors Coplowe Rowland and Company have confirmed their willingness to continue in office.

In preparing this report we have taken advantage of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

Approved by the board of directors on
their behalf by E. F. Rowbotham.

7th May 1996 and signed on


..... (DIRECTOR)

AUDITORS REPORT TO THE SHAREHOLDERS OF

CRAFTEC PAPER LIMITED

We have audited the Financial Statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 6 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 judgments 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 mis-statement, 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 Company's affairs at 30th September 1995 and of its profit for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act, 1985 applicable to small companies.

Dated:.....14th May 1996.....

.....
COPLAND ROWLAND & CO.
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

CRAFTEC PAPER LIMITED

BALANCE SHEET

AT 30TH SEPTEMBER, 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
<u>FIXED ASSETS</u>			
Tangible Fixed Assets	2(b),5	125,529	43,329
<u>CURRENT ASSETS</u>			
Stocks	2(c)	130,088	103,835
Debtors	7	450,854	219,664
Cash at Bank and in Hand		2,056	2,193
		<u>582,998</u>	<u>325,692</u>
<u>CREDITORS: Amounts falling due within one year</u>	8	<u>592,625</u>	<u>290,390</u>
<u>NET CURRENT (LIABILITIES)/ASSETS</u>		(9,627)	35,302
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		115,902	78,631
<u>CREDITORS: amounts falling due after more than one year</u>	9	(92,254)	(61,287)
		<u>£ 23,648</u>	<u>£ 17,344</u>
<u>FINANCED BY:</u>			
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	11	1,000	1,000
Profit and Loss Account		22,648	16,344
<u>SHAREHOLDERS' FUNDS</u>		<u>£ 23,648</u>	<u>£ 17,344</u>

Advantage is taken in the preparation of the financial statements of the special exemptions applicable to small companies conferred by Part I Schedule 8 to the Companies Act 1985. In the directors opinion, the company is entitled to those exemptions as a small company.

Approved by the board of directors on 7th May 1996 and signed on their behalf by E. F. Rowbotham.

..........(DIRECTOR)

The notes on pages 6 to 11 form an integral part of these financial statements.

CRAFTEC PAPER LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER, 1995

CONTINUING OPERATIONS

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
<u>TURNOVER</u>	2(d)	1,447,819	1,019,676
<u>COST OF SALES</u>		(1,149,718)	(781,510)
<u>GROSS PROFIT</u>		298,101	238,166
Distribution Costs		95,004	58,460
Administrative Expenses		185,112	146,724
		(280,116)	(205,184)
Operating Profit	3	17,985	32,982
Interest receivable		2	1
Management Fees		26,000	--
		26,002	1
		43,987	32,983
Interest payable and similar charges		(13,339)	(6,551)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		30,648	26,432
<u>TAX ON PROFIT</u>			
<u>ON ORDINARY ACTIVITIES</u>	4	(7,544)	(6,094)
<u>PROFIT FOR THE FINANCIAL YEAR</u>		23,104	20,338
Dividends		(16,800)	(7,500)
<u>RETAINED PROFITS</u>		6,304	12,838
<u>RETAINED PROFITS, BROUGHT FORWARD</u>		16,344	3,506
<u>RETAINED PROFITS, CARRIED FORWARD</u>		£ 22,648	£ 16,344

In each of the years ended 30th September, 1995 and 30th September, 1994, the only gain recognised by the company was the profit for that year; all the activities undertaken by the company were continuing activities and the reported profit was found under the historical cost convention.

The notes on pages 6 to 11 form an integral part of these financial statements.

CRAFTEC PAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1995

1. DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

- a. Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the company's state of affairs at the end of the year and profit or loss for the year then ended.
- b. In preparing those financial statements, the directors are required to:
 - select suitable accounting policies and then apply them on a consistent basis, making judgments and estimates that are prudent and reasonable
 - prepare the financial statements on the going concern basis unless it is not appropriate to presume that the company will continue in business.
- c. The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 1995

2. ACCOUNTING POLICIES

a. Accounting Convention

The financial statements are prepared under the Historical Cost Convention and on a going concern basis.

b. Depreciation of Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Motor Vehicles	20%	on net book value
Plant and Equipment	20%	on net book value
Office Equipment	20%	on net book value

c. Stocks and Work in Progress

Stocks are stated at the lower of cost and net realisable value, after making due allowance for any obsolete or slow moving items, as follows.

Cost incurred in bringing each product to its present location and condition:

Raw Materials . - Purchase cost on a first-in, first-out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

d. Turnover

Turnover represents the invoiced value of goods sold and services provided (stated net of value added tax).

e. Finance Leases and Hire Purchase Contracts

Assets acquired under finance leases and hire purchase contracts are capitalised, with an equivalent liability included, as appropriate, under Creditors Due Within One Year or After More Than One Year. Associated finance charges are written off, by equal instalments, over the primary period of the lease or over the period of the hire purchase contract.

CRAFTEC PAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 1995

2.f. Pensions

The company has a defined contribution pension scheme. The cost of the contributions made by the company to the scheme are charged to the Profit and Loss Account as incurred.

g. Cash Flow Statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

3. OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
This is stated after charging:		
Depreciation	24,183	8,590
Auditor's Remuneration	3,000	2,300
Directors' emoluments	76,025	67,195
Finance Charges - Finance Leases	1,827	1,710
Operating Lease Rentals		
- Plant and Machinery	<u>188</u>	<u>673</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
Based on the profit for the year, at 25%	<u>£ 7,544</u>	<u>£ 6,094</u>

CRAFTEC PAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 1995

5. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Plant and Equipment</u>	<u>Office Equipment</u>	<u>TOTAL</u>
<u>COST</u>				
Balance b/fwd	41,200	5,298	11,740	58,238
(Disposals)	(7,250)	(2,687)	--	(9,937)
Additions	3,750	110,280	1,045	115,075
	<u>37,700</u>	<u>112,891</u>	<u>12,785</u>	<u>163,376</u>
<u>DEPRECIATION</u>				
Balance b/fwd	9,785	1,420	3,704	14,909
(On Disposals)	(845)	(400)	--	(1,245)
Charge for year	5,565	16,845	1,773	24,183
	<u>14,505</u>	<u>17,865</u>	<u>5,477</u>	<u>37,847</u>

NET BOOK VALUE

At 30th September, 1995	<u>£23,195</u>	<u>£95,026</u>	<u>£ 7,308</u>	<u>£125,529</u>
At 30th September, 1994	<u>£31,415</u>	<u>£ 3,878</u>	<u>£ 8,036</u>	<u>£ 43,329</u>

The net book value of tangible fixed assets includes the following amounts of assets held under finance leases:-

	<u>Plant and Equipment</u>	<u>Motor Vehicles</u>	<u>TOTAL</u>
At 30th September 1995	<u>£16,131</u>	<u>£16,360</u>	<u>£32,491</u>
At 30th September 1994	<u>£ --</u>	<u>£20,450</u>	<u>£20,450</u>

Depreciation charged on these assets amounted to £5,859 (1994 £3,805).

6. CAPITAL COMMITMENTS

Capital commitments at the year end were as follows:-

	<u>1995</u>	<u>1994</u>
Contracted but not provided for in the accounts	<u>£ --</u>	<u>£59,000</u>

CRAFTEC PAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 1995

7. DEBTORS

	<u>1995</u>	<u>1994</u>
Trade Debtors	417,388	191,637
Others	33,466	28,027
	<u>£450,854</u>	<u>£219,664</u>

8. CREDITORS: Amounts falling due within one year

	<u>1995</u>	<u>1994</u>
Bank Loan and Overdraft (Secured)	103,285	93,371
Trade Creditors	422,418	157,804
Other Creditors	50,580	31,872
ACT Payable	4,200	--
Obligations under Finance Leases (note 11)	12,142	7,343
	<u>£592,625</u>	<u>£290,390</u>

9. CREDITORS: Amounts falling due after more than one year

	<u>1995</u>	<u>1994</u>
Bank Loan	38,000	--
Other Creditors	45,502	53,836
Obligations under Finance Leases (note 11)	8,752	7,451
	<u>£ 92,254</u>	<u>£ 61,287</u>

10. BANK AND OTHER LOANS

	<u>1995</u>	<u>1994</u>
Due between one and two years	£ 17,555	£ 8,333
Due between two and five years	£ 26,000	£ 5,556

11. OBLIGATIONS UNDER FINANCE LEASES

Wholly repayable by instalments

	<u>1995</u>	<u>1994</u>
Due within 2 - 5 years	£ 8,752	£ 7,451

12. SECURED CREDITORS

Security has been given by the company to secure £162,179 (1994 £108,164) of the amount shown under creditors.

CRAFTEC PAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 1995

13. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Authorised shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
Issued and Fully Paid shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	<u>1995</u>	<u>1994</u>
Profit for the financial year	23,104	20,338
Dividends	(16,800)	(7,500)
	<hr/>	<hr/>
Net addition to shareholders funds	6,304	12,838
Opening Shareholders funds	17,344	4,506
	<hr/>	<hr/>
Closing Shareholders funds	<u>£23,648</u>	<u>£17,344</u>
Equity Interests	<u>£23,648</u>	<u>£17,344</u>

15. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Pension Scheme

The assets of the pension scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £17,984 (1994 £9,984).

(b) Operating Leases

At 30 September the company had commitments for payments in the following year under non-cancellable operating leases of land and buildings as set out below:

	<u>1995</u>	<u>1994</u>
Operating Leases which expire		
- in one to five years	17,904	--
- after five years	--	13,129