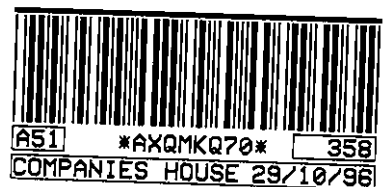


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PROUD-BAILEY COMPANY LIMITED

FINANCIAL ACCOUNTS FOR THE  
YEAR ENDED 31ST DECEMBER 1995

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PROUD-BAILEY COMPANY LIMITED

DIRECTORS:	E W B Proud Mrs U K Proud
COMPANY SECRETARY:	Mrs U K Proud
REGISTERED OFFICE:	47 Old Steine Brighton East Sussex BN1 1NN
COMPANY NUMBER:	703368
BANKERS:	National Westminster Bank Plc 137 North Street Brighton East Sussex BN1 1ST
ACCOUNTANTS:	The Parker Partnership Chartered Accountants Cornelius House 178/180 Church Road Hove East Sussex BN3 2DJ

**PROUD-BAILEY COMPANY LIMITED**  
**FINANCIAL ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1995**

**CONTENTS**

1. Report of the Directors
2. Accountants Report to the Directors
3. Profit and Loss Account
4. Balance Sheet
5. Notes to the Accounts

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

Trading and Profit and Loss Account

**PROUD-BAILEY COMPANY LIMITED  
REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31ST DECEMBER 1995**

The Directors present their report to the Members of the Company, together with the accounts for the year ended 31st December 1995.

**PRINCIPAL ACTIVITY**

The Company's principal activity is trading in postal history and publication of books on postal history.

**RESULTS AND DIVIDENDS**

The retained Loss of the Company for the year is £17,144.  
The Directors recommend that this be deducted from the retained earnings at the beginning of the year and that the balance of £74,915 be carried forward.

**DIRECTORS**

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

	<b>Ordinary Shares of £1 each</b>	
	<b>1995</b>	<b>1994</b>
E W B Proud	300	300
Mrs U K Proud	1	1

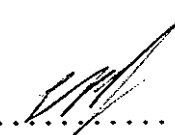
**FIXED ASSETS**

Changes in fixed assets are disclosed in note 5 to these accounts.

**STATUS**

The Company is a close company under the provisions of s.414 Income and Corporation Taxes Act 1988.

ON BEHALF OF THE BOARD

  
 .....  
 E W B Proud  
 Director

## PROUD-BAILEY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 1995

	Notes	1995 £	1994 £
TURNOVER	2	58,029	140,906
Cost of Sales		<u>12,925</u>	<u>56,558</u>
GROSS PROFIT		45,104	84,348
Administrative Expenses		<u>64,383</u>	<u>63,436</u>
		(19,279)	20,912
Other Operating Income		<u>8,883</u>	<u>9,250</u>
<b>Operating (Loss)/Profit</b>		(10,396)	30,162
Interest payable & similar charges	3	<u>(4,527)</u>	<u>(3,975)</u>
		(4,527)	(3,975)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<u>(14,923)</u>	<u>26,187</u>
Tax on Profit on Ordinary Activities	4	<u>(2,221)</u>	<u>(2,313)</u>
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>		<u>£ (17,144)</u>	<u>£ 23,874</u>
<b>STATEMENT OF RETAINED EARNINGS</b>			
Retained Profit brought forward		92,059	68,185
(Loss)/Retained Profit for the year		<u>(17,144)</u>	<u>23,874</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£ 74,915</u>	<u>£ 92,059</u>

The Company has no other recognised gains or losses for the year that require disclosure to comply with Financial Reporting Standard 3 and there are no other movements in shareholders funds.

The attached notes form part of these accounts.

## PROUD-BAILEY COMPANY LIMITED

BALANCE SHEET  
AS AT 31ST DECEMBER 1995

	Notes	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible Assets	5	580,592	582,458
<b>CURRENT ASSETS</b>			
Stocks		96,500	96,500
Debtors	6	3,741	14,685
		<u>100,241</u>	<u>111,185</u>
<b>CREDITORS</b>			
Amounts due within one year	7	<u>83,934</u>	<u>79,600</u>
<b>NET CURRENT ASSETS</b>		16,307	31,585
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 596,899</u>	<u>£ 614,043</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	10,000	10,000
Share premium account		999	999
Revaluation reserve		421,889	421,889
Other reserve		89,096	89,096
Profit and Loss Account		74,915	92,059
		<u>£ 596,899</u>	<u>£ 614,043</u>

The Company was entitled to exemption under s249A.1 of the Companies Act 1985 and no notice has been deposited under s249B.2 in relation to the accounts for the year ended 31st December 1995. The Directors acknowledge responsibility for ensuring that the Company keeps accounting records which comply with s221 and preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year in accordance with the requirements of s226, and which otherwise comply with the requirements of this Act relating to accounts so far as applicable to the Company.

The Directors have taken advantage, in preparing these accounts, of special exemptions applicable to small companies under Sch 8 Part I of the Companies Act 1985. In their opinion, the Company qualifies as a small company.

.....  
E W B Proud

28.10.96  
.....  
Date approved by the Board

## PROUD-BAILEY COMPANY LIMITED

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1995**

**1. ACCOUNTING POLICIES****Accounting Convention**

The accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings.

**Turnover**

Turnover is the net amount receivable for goods supplied and services provided, excluding Value Added Tax and trade discount.

**Depreciation**

Depreciation is calculated to write down the cost of tangible fixed assets over their expected useful lives, using the reducing balance method, at the following annual rates:

Motor vehicles	25%
Fixtures and fittings	25%

Nil depreciation is provided on freehold property as, in the opinion of the Directors, the estimated residual value equates to book value.

**Stock**

Stock is valued at the lower of cost and net realisable value.

**2. TURNOVER**

The turnover and loss before taxation are attributable to the Company's principal activity.

**3. OPERATING (LOSS)/PROFIT**

The Operating (Loss)/Profit is stated after charging :

	1995 £	1994 £
Amounts written off tangible assets	1,865	(3,253)
Directors' remuneration	17,475	17,880
Overdraft interest	4,527	3,975
	<u>          </u>	<u>          </u>

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge for the year comprised:

	1995 £	1994 £
Corporation tax at 25%	2,221	2,313
	<u>          </u>	<u>          </u>

## PROUD-BAILEY COMPANY LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1995

## 5. FIXED ASSETS

## Tangible Assets

	Motor Vehicles £	Plant & Equipment £	Fixtures & Fittings £	Freehold Property £	Total £
<b>Cost or Valuation:</b>					
At 1st January 1995	-	-	51,293	575,000	626,293
Additions in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
At 31st December 1995	-	-	51,293	575,000	626,293
<b>Depreciation:</b>					
At 1st January 1995	-	-	43,836	-	43,836
Write Off On Disposal	-	-	-	-	-
Charge for year	-	-	1,865	-	1,865
At 31st December 1995	-	-	45,701	-	45,701
<b>Net Book Value:</b>					
At 31st December 1995	-	-	5,592	575,000	580,592
At 31st December 1994	-	-	7,458	575,000	582,458

The freehold premises at Heathfield and Bournemouth were revalued by the Directors in 1991.

## 6. DEBTORS

	1995 £	1994 £
<b>Amounts due within one year</b>		
Trade debtors	-	563
Other debtors	2,765	12,545
Prepayments	976	1,577
	<u>3,741</u>	<u>14,685</u>



## PROUD-BAILEY COMPANY LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1995

## 7. CREDITORS

	1995 £	1994 £
<b>Amounts due within one year</b>		
Bank Overdraft (Main Account)	44,722	40,646
Trade creditors	-	11,195
Corporation tax	2,221	2,313
Other taxes and social security	894	-
Other creditors and accruals	3,490	2,136
Director's loan account	32,607	23,310
	<u>83,934</u>	<u>79,600</u>

## 8. CALLED UP SHARE CAPITAL

	Shares of £1 each	
	1995 £	1994 £
<b>Authorised:</b>		
A Ordinary Shares	300	300
Ordinary Shares	49,700	49,700
	<u>50,000</u>	<u>50,000</u>
<b>Allotted, Issued and Fully Paid</b>		
A Ordinary Shares	300	300
Ordinary Shares	9,700	9,700
	<u>10,000</u>	<u>10,000</u>

## 9. CONTINGENCIES

Following the revaluation of the Company's freehold property in 1991, a contingent liability may exist with respect to deferred taxation on any subsequent disposal of that property.

No provision has been made in these accounts as the Directors advise that it is not envisaged that the property would be sold in the foreseeable future. Based on a March 1982 valuation the tax liability on any capital gain arising would not be material in the context of these accounts.