

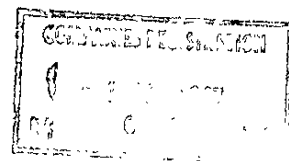
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COLIN T LLOYD LIMITED AND SUBSIDIARIES

ANNUAL REPORT
AND
GROUP ACCOUNTS
FOR THE YEAR END
30TH SEPTEMBER 1985



COLIN T LLOYD LIMITED AND SUBSIDIARIES

DIRECTORS' REPORT

The directors submit their report and audited accounts of the group for the year ended 30th September 1985.

RESULTS AND DIVIDENDS

The group profit for the year, after taxation, and minority interests amounted to £88,872 (1984: £25,653). Full details are set out in the attached Profit and Loss Account.

The directors do not recommend the payment of a dividend (1984: Nil).

REVIEW OF THE BUSINESS

The principal activity of the company during the year continued to be that of a management holding company of a group of companies engaged in the activities of printing, property development, tool making, sales and distribution of machine tools.

FIXED ASSETS

The movement in fixed assets during the year are set out in Note 10 to the accounts.

FUTURE DEVELOPMENTS

The directors will maintain the management policies which have been applied throughout the past year.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year and at 30th September 1985 and their interest in the share capital of the company were as follows:

	1985	1984
	<u>Ordinary shares of £1 each</u>	
C.T. Lloyd	159,999	159,999
H. Palmer (appointed 1.10.84)	1	-

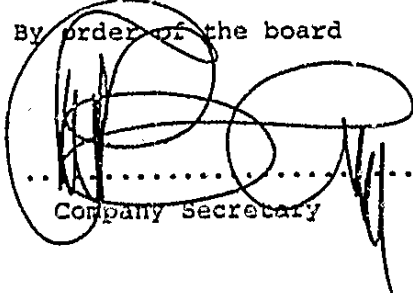
CLOSE COMPANY STATUS

The company is a close company within the meaning of Section 282 of the Income and Corporation Taxes Act, 1970.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the reappointment of Messrs. Roberts, McLennan & Company as auditors to the company will be put to the members at the Annual General Meeting.

By order of the board


.....
Company Secretary

...?.....?.....\$?..
Date

REPORT OF THE AUDITORS TO THE MEMBERS OF
COLIN T LLOYD LIMITED AND SUBSIDIARIES

We have audited the financial statements on pages 3 to 14 in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the directors who are the major shareholders. Where independent confirmation of the completeness of the accounting records was not available we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of freehold property and leasehold property give a true and fair view of the state of affairs of the company and group at 30th September 1985 and of the profit and source and applications of funds of the group for the year ended on that date and comply with the Companies Act 1985.

Veritas House,
Chertsey Road,
Woking,
Surrey.

(Roberts McLennan)
Chartered Accountants.

COLIN T LLOYD LIMITED AND SUBSIDIARIES

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

	Note	<u>1985</u> £	<u>1984</u> £
TURNOVER	2	3,728,810	4,120,832
Cost of sales		<u>2,728,585</u>	<u>2,562,154</u>
GROSS PROFIT		1,000,225	1,558,678
Administrative expenses		<u>1,111,650</u>	<u>1,550,282</u>
		(111,425)	8,396
Other operating income	3	<u>13,425</u>	<u>9,473</u>
		(98,000)	17,869
Share of profit of associated company		<u>450,915</u>	<u>339,012</u>
Operating profit before exceptional item	4	352,915	356,881
Exceptional item	5	<u>-</u>	<u>76,546</u>
OPERATING PROFIT AFTER EXCEPTIONAL ITEM		352,915	280,335
Interest receivable	6	40,897	3,859
Interest payable	7	<u>61,835</u>	<u>64,258</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		331,977	219,936
Tax on profit on ordinary activities	8	<u>189,612</u>	<u>177,989</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		142,365	41,947
Minority interests		<u>53,493</u>	<u>15,941</u>
PROFIT BEFORE EXTRAORDINARY ITEMS		88,872	25,653
Extraordinary items less taxation	9	<u>375,883</u>	<u>154,049</u>
RETAINED PROFIT FOR THE YEAR		<u>£464,755</u>	<u>£179,702</u>

The notes on pages 7 to 14 form part of these accounts.

COLIN T LLOYD LIMITED AND SUBSIDIARIES

GROUP BALANCE SHEET

AT 30TH SEPTEMBER 1985

		<u>1985</u>		<u>1984</u>	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10(a)		989,226		877,628
Investments	15		<u>952,580</u>		<u>826,644</u>
			1,941,806		1,704,272
CURRENT ASSETS					
Stock and work in progress	11	604,515		541,293	
Debtors	12	1,044,191		1,478,896	
Current asset investment		900		-	
Cash at bank and in hand		<u>651,889</u>		<u>192,132</u>	
		2,301,495		2,212,321	
CREDITORS: amounts falling due within one year	13	<u>1,659,844</u>		<u>1,945,892</u>	
			<u>641,651</u>		<u>266,429</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			2,583,457		1,970,701
CREDITORS: amounts falling due after one year	16		296,096		158,391
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	17		<u>89,820</u>		<u>58,120</u>
			<u>£2,197,541</u>		<u>£1,754,190</u>
CAPITAL AND RESERVES					
Called up share capital	18		160,000		160,000
Reserves	19		1,654,747		1,265,224
Minority interest			382,794		328,966
			<u>£2,197,541</u>		<u>£1,754,190</u>

The notes on pages 7 to 14 form part of these accounts.

..... DIRECTOR

..... DIRECTOR

..... DATE

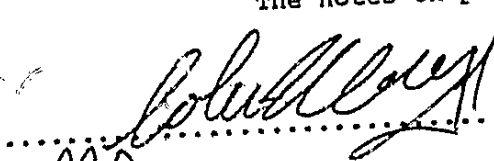
COLIN T LLOYD LIMITED

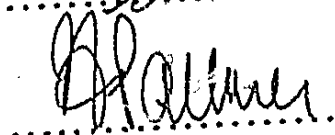
COMPANY BALANCE SHEET

AT 30TH SEPTEMBER 1985

	Notes	£	<u>1985</u>	£	£	<u>1984</u>	£
FIXED ASSETS							
Tangible assets	10 (b)			339,679			51,230
Investments:							
Investment in subsidiaries	15 (b)	160,899			200,899		
Investment in associated companies	15 (a)	<u>3,611</u>		<u>164,510</u>	<u>3,915</u>		<u>204,814</u>
				504,189			256,044
CURRENT ASSETS							
Debtors	12	451,044			158,052		
Current asset investment		900			-		
Cash at bank and in hand		<u>458,663</u>			<u>150,331</u>		
		910,607			308,383		
CREDITORS: amounts falling due within one year	13	<u>563,244</u>			<u>165,272</u>		
				<u>347,363</u>			<u>143,111</u>
NET CURRENT ASSETS							
TOTAL ASSETS LESS CURRENT LIABILITIES				851,552			399,155
CREDITORS: amounts falling due after one year	16			227,683			-
Provisions for liabilities and charges				<u>49,000</u>			-
Deferred taxation				<u>£574,869</u>			<u>£399,155</u>
CAPITAL AND RESERVES							
Called up share capital	18			160,000			160,000
Profit and loss account				<u>414,869</u>			<u>239,155</u>
				<u>£574,869</u>			<u>£399,155</u>

The notes on pages 7 to 14 form part of these accounts.

 DIRECTOR

 DIRECTOR

7-7-87 DATE

COLIN T LLOYD LIMITED AND SUBSIDIARIES
GROUP SOURCE AND APPLICATION OF FUNDS
STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 1985

	<u>1985</u>		<u>1984</u>
	£	£	£
Group operating profit		331,977	219,936
Adjustment for items not involving the movement of funds:			234,552
Depreciation	186,165		
Profit on disposal of fixed assets	<u>(48,960)</u>	<u>137,205</u>	<u>(1,600)</u>
		469,182	232,952
			452,888
Movement in reserves and investment in associated company		<u>39,619</u>	<u>(120,154)</u>
		508,801	332,734
Funds from other sources		<u>163,196</u>	<u>27,722</u>
Proceeds on sale of fixed assets		671,997	360,456
Application of funds			124,725
Purchase of fixed assets	416,395		-
Purchases of investments	900		7,643
Corporation tax paid	<u>43,031</u>	<u>460,326</u>	<u>132,368</u>
		<u>£211,671</u>	<u>£228,088</u>
Increase in working capital			
COMPONENTS OF INCREASE IN WORKING CAPITAL			
Increase in stocks and work in progress		63,222	107,770
Decrease in debtors		(433,802)	49,602
Decrease in creditors		321,916	87,824
		<u>(48,664)</u>	<u>245,196</u>
		<u>260,335</u>	<u>(17,108)</u>
Movement in net liquid funds		<u>£211,671</u>	<u>£228,088</u>

The notes on pages 7 to 14 form part of these accounts.

COLIN T LLOYD LIMITED AND SUBSIDIARIES
NOTES TO THE ACCOUNTS AT 30TH SEPTEMBER 1985

ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold property and leasehold premises.

(b) Basis of consolidation

The group accounts consolidate the accounts of Colin T Lloyd Limited and all its subsidiaries made up to 30th September 1985.

No profit and loss account is presented for Colin T Lloyd Limited as provided by Section 228(7) Companies Act 1985.

Goodwill arising on consolidation was written off against reserves in earlier years.

(c) Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation less estimated residual value, of each asset over its expected useful life.

The rates and methods used are as follows:

Freehold property	- 2% p.a. on a straight line basis
Leasehold premises	- over the term of the lease
Plant and machinery	- 15-25% p.a. on the reducing balance
Furniture, fixtures and fittings	- 15% p.a. on the reducing balance
Motor vehicles	- 25% on the reducing balance

(d) Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Raw materials	- purchase cost on a first-in, first-out basis.
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on the normal level of activity.

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

(e) Deferred taxation

Deferred taxation is provided on the liability method on all short-term timing differences. Provision is also made for long term timing differences, except those not expected to reverse in the foreseeable future.

COLIN T LLOYD LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS AT 30TH SEPTEMBER 1985

3. **TURNOVER AND GROUP PROFIT**

Turnover represents the invoiced amount of goods sold and services provided during the year, stated net of value added tax.

STAFF COSTS (including directors)

	<u>1985</u>	<u>1984</u>
	£	£
Wages and salaries	1,058,251	928,145
Social security costs	110,587	89,978
Other pension costs	168,903	43,028
	<u>£1,337,741</u>	<u>£1,061,151</u>

DIRECTORS' REMUNERATION

	<u>1985</u>	<u>1984</u>
	£	£
Emoluments of the Chairman	60,812	45,000
Emoluments of the highest paid Director	63,715	-
Pension contributions	140,000	38,600

The number of other directors whose emoluments fell within the following ranges were:

	No.	No.
£0 - £10,000	-	-

Note: Emoluments exclude pension contributions

3. **OTHER OPERATING INCOME**

	<u>1985</u>	<u>1984</u>
	£	£
Rent received	11,925	9,473
Sale of freehold interest	1,500	-
	<u>£ 13,425</u>	<u>£9,473</u>

4. **OPERATING PROFIT**

	<u>1985</u>	<u>1984</u>
	£	£
This is stated after charging:		
Directors' remuneration (including pension contributions)	278,319	83,600
Auditors' remuneration	22,921	19,297
Depreciation	186,165	234,552

5. **EXCEPTIONAL ITEM**

This exceptional charge in 1984 represented depreciation over and above the normal annual rate on a printing machine owned by Colin T Lloyd Limited which had exceptional usage during the past year. The additional depreciation reduced the net book value of the machine to £45,000, a figure the directors believed to represent its net realisable value.

COLIN T LLOYD LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS AT 30TH SEPTEMBER 1985

INTEREST RECEIVABLE

	<u>1985</u>	<u>1984</u>
	£	£
Bank deposits	<u>£40,897</u>	<u>£3,859</u>

INTEREST PAYABLE

	<u>1985</u>	<u>1984</u>
	£	£
On bank loans and overdrafts wholly repayable within five years	59,596	25,847
On other loans	<u>2,239</u>	<u>38,411</u>
	<u>£61,835</u>	<u>£64,258</u>

TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1985</u>	<u>1984</u>
	£	£
Based on profit for the year		
Corporation tax based on profit for the year	7,839	-
Interest on overdue corporation tax	282	-
Deferred taxation	31,700	3,155
Corporation tax recoverable	(21,121)	-
Underprovided in prior years	19,277	811
Associated companies	151,635	174,023
	<u>£189,612</u>	<u>£177,989</u>

The potential liability in respect of deferred taxation not provided for is £46,000 (1984: - £32,500).

EXTRAORDINARY ITEM

	<u>1985</u>	<u>1984</u>
	£	£
Gain on disposal of shares in associated company	379,447	196,121
Gain on sale of freehold	38,036	-
Write off of investment in subsidiary	<u>(40,000)</u>	<u>-</u>
	377,483	195,121
Less: Taxation	<u>1,600</u>	<u>42,072</u>
	<u>£375,883</u>	<u>£154,049</u>

COLIN T LLOYD LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS AT 30TH SEPTEMBER 1985

10. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Fixtures, fittings plant & equipment £	Motor vehicles £	Total £
(a) <u>GROUP</u>					
<u>Cost or valuation</u>					
- opening balance	90,000	192,291	1,064,196	84,692	1,431,179
- additions	-	-	389,830	26,565	416,395
- disposals	(65,000)	(20,000)	(170,215)	(21,911)	(277,126)
	25,000	172,291	1,283,811	89,346	1,570,448
<u>Depreciation</u>					
- opening balance	7,000	8,455	503,176	34,920	553,551
- charge for the year	300	3,645	162,478	19,742	186,165
- disposals	(7,000)	(5,820)	(128,991)	(16,683)	(158,494)
	300	6,280	536,663	37,979	581,222
<u>Net book value</u>					
- at 30.9.85	£24,700	£166,011	£747,148	£51,367	£989,226
- at 30.9.84	£83,000	£183,836	£561,020	£49,772	£877,628
(b) <u>COMPANY</u>					
<u>Cost or valuation</u>					
- opening balance	-	2,291	168,874	5,300	176,465
- additions	80,000	10,700	364,709	-	454,709
- disposals	(65,000)	-	(168,230)	-	(233,230)
	15,000	12,291	365,353	5,300	397,944
<u>Depreciation</u>					
- opening balance	-	135	123,775	1,325	125,235
- charge for the year	300	245	54,721	994	56,260
- disposals	-	-	(123,230)	-	(123,230)
	300	380	55,266	2,319	58,265
<u>Net book value</u>					
- at 30.9.85	£14,700	£11,911	£310,087	£2,981	£339,679
- at 30.9.84	£-	£2,156	£45,099	£3,975	£51,230

The freehold property and long leasehold premises have been valued by the directors at £15,000 and £180,000 respectively.

COLIN T LLOYD LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS AT 30TH SEPTEMBER 1985

11. STOCKS	<u>1985</u> £	<u>Group</u>	<u>1984</u> £	<u>1985</u> £	<u>Company</u>	<u>1984</u> £
Raw materials	114,682		11,182	-		-
Work in progress	489,833		530,111	-		-
	<u>£604,515</u>		<u>£541,293</u>	<u>£-</u>		<u>£-</u>
12. DEBTORS	<u>1985</u> £	<u>Group</u>	<u>1984</u> £	<u>1985</u> £	<u>Company</u>	<u>1984</u> £
Trade debtors	896,315	1,419,078		-		-
Amount owed by subsidiaries	-	-		410,823		143,803
Amount owed by associated companies	7,359	8,499		7,359		8,499
Other debtors	99,687	43,961		30,660		5,750
Prepayments	40,830	7,358		2,202		-
	<u>£1,044,191</u>	<u>£1,478,896</u>		<u>£451,044</u>		<u>£158,052</u>
13. CREDITORS: amounts falling due within one year	<u>1985</u> £	<u>Group</u>	<u>1984</u> £	<u>1985</u> £	<u>Company</u>	<u>1984</u> £
Bank overdraft and loans	363,503	164,081		121,918		11,961
Trade creditors	629,348	1,267,168		-		-
Amount owed to subsidiaries	-	-		154,565		-
Amount owed to associated company	-	-		-		-
Current corporation tax	86,819	112,668		82,901		104,249
Other taxes and social security costs	162,426	212,725		67,041		41,152
Hire purchase	109,419	96,140		-		4,338
Other creditors	268,414	70,119		134,181		70
Accruals	39,915	22,991		2,638		3,522
	<u>£1,659,844</u>	<u>£1,945,892</u>		<u>£563,244</u>		<u>£165,272</u>

SECURITY

There are charges on the Group's freehold and leasehold property in order to secure its bank loans and overdraft.

14. PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY	<u>1985</u> £	<u>1984</u> £
Dealt with in the accounts of the holding company	<u>£175,714</u>	<u>£(23,998)</u>

COLIN T LLOYD LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS AT 30TH SEPTEMBER 1985

15. INVESTMENTS

	<u>1985</u>	<u>1984</u>
(a) Group	£	£
<u>Investment in associated companies</u>		
KLP Group plc		
Cost	3,611	3,915
Preacquisition reserves	<u>193,502</u>	<u>222,243</u>
	197,113	226,158
Share of post acquisition reserves:		
Profit and loss account	166,164	149,708
Revaluation reserve	56,105	-
Share capital and premium	<u>533,198</u>	<u>450,778</u>
	952,580	826,644
GL Travel Management Limited		
Cost	-	6,667
Share of post acquisition reserves:		
Profit and loss account	<u>-</u>	<u>1,305</u>
	-	7,972
Written off	<u>-</u>	<u>(7,972)</u>
	<u>£952,580</u>	<u>£826,644</u>

NOTE:

The market value of the shares held in the KLP Group plc at 30th September 1985 was £4,554,068 and if they had been sold at this value there would have been a liability to tax of £1,365,137 on the capital gain arising.

(b) The company

Investment in subsidiaries

The investment in subsidiary companies, all of which are incorporated in the United Kingdom is as follows:

<u>Subsidiary</u>	<u>Ordinary of £1 each</u>	<u>Percentage owned</u>
	<u>1985</u>	<u>1984</u>
Lloyd Davies Properties Ltd.	999	999
Colin Lloyd Holdings Ltd.	159,900	159,900
Michael Price Ltd.	116,000	116,000
Less: Provision	<u>(116,000)</u>	<u>(76,000)</u>
	-	40,000
	<u>£160,899</u>	<u>£200,899</u>

COLIN T LLOYD LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS AT 30TH SEPTEMBER 1985

15. INVESTMENTS (continued)

In addition to the above subsidiaries which the company holds directly it also holds the following companies indirectly.

	<u>Percentage owned</u>
Landbless Ltd.	99%
Refal 6 Ltd.	53.2%
Refal 11 Ltd.	53.2%
Southern Tools Ltd.	35.7%
Southern Tools Sales Ltd.	35.7%
Sustan (GB) Ltd.	35.7%
The Pub Warehouse Ltd.	69.3%

16. CREDITORS: amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	£	£	£	£
Hire purchase account	<u>£296,096</u>	<u>£158,391</u>	<u>£227,683</u>	<u>£-</u>

17. DEFERRED TAXATION

Deferred taxation provided in the accounts and the potential liability after utilising tax losses where possible are as follows:

	<u>Provision</u>		<u>Potential</u>	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	£	£	£	£
Capital allowance in excess of depreciation	89,820	58,120	89,820	58,120
	<u>89,820</u>	<u>58,120</u>	<u>89,820</u>	<u>58,120</u>
Taxation on valuation surplus	-	-	46,000	32,500
	<u>£89,820</u>	<u>£58,120</u>	<u>£135,820</u>	<u>£90,620</u>

18. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, issued and fully paid</u>	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	No.	No.	£	£
Ordinary shares of £1 each	<u>160,000</u>	<u>160,000</u>	<u>£160,000</u>	<u>£160,000</u>

CC " LLOYD LIMITED AND SUBSIDIARIES
NOTES TO THE ACCOUNTS AT 30TH SEPTEMBER 1985

19. RESERVES

	£	<u>1985</u>	£	£	<u>1984</u>	£
<u>Consolidated Reserves</u>						
Revenue Reserves:						
Balance at 1.10.84	829,017			637,832		
Retained profit for the year	464,755			179,062		
Goodwill written off by associated company	(225,548)			-		
Reduction in revaluation reserve	<u>-</u>			<u>11,483</u>		
		1,068,224			829,017	
Capital Reserves:						
Balance at 1.10.84	436,207			102,388		
Reserves of KLP plc not arising through that company's profit and loss account	<u>150,316</u>			<u>333,819</u>		
		586,523			436,207	
		<u>£1,654,747</u>			<u>£1,265,224</u>	

20. CAPITAL COMMITMENTS

There were no capital commitments at 30th September 1985 (1984: £Nil).

21. CONTINGENT LIABILITIES

Various unlimited cross company guarantees exist with the group in favour of the bankers.