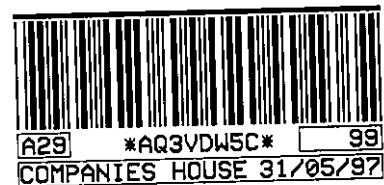


1425556<sup>Reg</sup>

REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1996  
FOR  
HALL MCCARTNEY LIMITED



**BRADSHAW JOHNSON**

CHARTERED ACCOUNTANTS

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**HALL MCCARTNEY LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 1996**

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**HALL MCCARTNEY LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

**DIRECTOR:** M McCartney

**SECRETARY:** M Chapman

**REGISTERED OFFICE:** 89 Walsworth Road  
Hitchin  
Herts  
SG4 9SH

**REGISTERED NUMBER:** 1425556 (England and Wales)

**AUDITORS:** Bradshaw Johnson  
Chartered Accountants  
Registered Auditor

# HALL MCCARTNEY LIMITED

## REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 1996

The director presents his report with the financial statements of the company for the year ended 31 December 1996.

### **PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of publishing, advertising representation and the provision of administrative services.

### **DIRECTOR**

M McCartney was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.12.96	1.1.96
Ordinary £1 shares	100	100

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director 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 director is required to

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

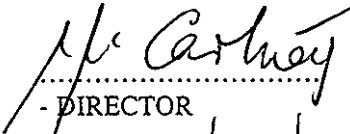
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **AUDITORS**

The auditors, Bradshaw Johnson, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

### **ON BEHALF OF THE BOARD:**

  
- DIRECTOR  
Dated: 05/04/97

**HALL MCCARTNEY LIMITED**

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF**  
**HALL MCCARTNEY LIMITED**

We have audited the financial statements on pages four to ten which have been prepared under the historical cost convention and the accounting policies set out on page six.

**Respective responsibilities of director and auditors**

As described on page two the company's director is 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**

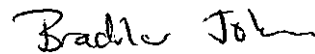
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the director 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 company's affairs as at 31 December 1996 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.

Bradshaw Johnson  
Chartered Accountants  
Registered Auditor



Dated: 23rd May 1997

**HALL MCCARTNEY LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

	Notes	31.12.96		31.12.95	
		£	£	£	£
<b>TURNOVER</b>	2		351,461		317,815
Cost of sales			214,771		199,565
<b>GROSS PROFIT</b>			136,690		118,250
Administrative expenses			128,197		111,110
<b>OPERATING PROFIT</b>	3		8,493		7,140
Income from investments	4	-		4,661	
Interest receivable and similar income	5	855		1,108	
			855		5,769
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			9,348		12,909
Tax on profit on ordinary activities			3,730		2,382
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			5,618		10,527
Dividends	6		9,600		4,000
			(3,982)		6,527
Retained profit brought forward			26,155		19,628
<b>RETAINED PROFIT CARRIED FORWARD</b>			£22,173		£26,155

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current and previous years.

**HALL MCCARTNEY LIMITED**

**BALANCE SHEET**  
**31 DECEMBER 1996**

		31.12.96		31.12.95	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	7		12,498		10,250
Investments	8		100		100
			<u>12,598</u>		<u>10,350</u>
<b>CURRENT ASSETS:</b>					
Stocks	9	1,869		2,125	
Debtors	10	46,972		36,101	
Cash at bank		31,557		62,385	
		<u>80,398</u>		<u>100,611</u>	
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>70,723</u>		<u>84,706</u>	
<b>NET CURRENT ASSETS:</b>			<u>9,675</u>		<u>15,905</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u><u>£22,273</u></u>		<u><u>£26,255</u></u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	13		100		100
Profit and loss account			22,173		26,155
			<u>£22,273</u>		<u>£26,255</u>
Shareholders' funds	17		<u><u>£22,273</u></u>		<u><u>£26,255</u></u>

In preparing these financial statements, the director has taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The director has done so on the grounds that, in his opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

  
.....  
- DIRECTOR

Approved by the Board on 05/04/97

# HALL MCCARTNEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention.

#### Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 10% on cost
Computer equipment	- 20% on cost
Telephone installation	- 10% on cost

#### Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

#### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

### 2. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

### 3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.96	31.12.95
	£	£
Depreciation - owned assets	2,054	2,890
Loss on disposal of fixed assets	6,067	-
Auditors' remuneration	2,975	2,625
	<u>          </u>	<u>          </u>
Director's emoluments	10,700	10,890
	<u>          </u>	<u>          </u>

# HALL MCCARTNEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

### 4. INCOME FROM INVESTMENTS

	31.12.96	31.12.95
	£	£
Income from shares in group undertakings	-	4,661
	<u>-</u>	<u>4,661</u>
	<u>-</u>	<u>4,661</u>

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.96	31.12.95
	£	£
Bank interest receivable	855	1,108
	<u>855</u>	<u>1,108</u>

### 6. DIVIDENDS

	31.12.96	31.12.95
	£	£
Equity shares: Interim	9,600	4,000
	<u>9,600</u>	<u>4,000</u>

### 7. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Computer equipment	Telephone installa- tion	Totals
	£	£	£	£
<b>COST:</b>				
At 1 January 1996	28,905	-	2,170	31,075
Additions	4,274	6,095	-	10,369
Disposals	(8,835)	-	-	(8,835)
	<u>24,344</u>	<u>6,095</u>	<u>2,170</u>	<u>32,609</u>
At 31 December 1996	24,344	6,095	2,170	32,609
<b>DEPRECIATION:</b>				
At 1 January 1996	18,655	-	2,170	20,825
Charge for year	835	1,219	-	2,054
Eliminated on disposals	(2,768)	-	-	(2,768)
	<u>16,722</u>	<u>1,219</u>	<u>2,170</u>	<u>20,111</u>
At 31 December 1996	16,722	1,219	2,170	20,111
<b>NET BOOK VALUE:</b>				
At 31 December 1996	7,622	4,876	-	12,498
	<u>7,622</u>	<u>4,876</u>	<u>-</u>	<u>12,498</u>
At 31 December 1995	10,250	-	-	10,250
	<u>10,250</u>	<u>-</u>	<u>-</u>	<u>10,250</u>

**HALL MCCARTNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

**8. FIXED ASSET INVESTMENTS**

<b>COST:</b>	£	
At 1 January 1996		
and 31 December 1996		100
		<u>      </u>
<b>NET BOOK VALUE:</b>		
At 31 December 1996		£100
		<u>      </u>
At 31 December 1995		£100
		<u>      </u>
	31.12.96	31.12.95
	£	£
Unlisted investments	100	100
	<u>      </u>	<u>      </u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

**Acorn Publishing Limited**

Nature of business: Non trading subsidiary

	%
Class of shares:	holding
Ordinary	100.00

**9. STOCKS**

	31.12.96	31.12.95
	£	£
Sherriffs books	1,400	1,530
Shrievalty plates	469	595
	<u>      </u>	<u>      </u>
	1,869	2,125
	<u>      </u>	<u>      </u>

**10. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31.12.96	31.12.95
	£	£
Trade debtors	40,766	30,065
Prepayments	6,206	6,036
	<u>      </u>	<u>      </u>
	46,972	36,101
	<u>      </u>	<u>      </u>

**HALL MCCARTNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

**11. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31.12.96	31.12.95
	£	£
Trade creditors	26,176	28,910
Director's current account	27,797	45,488
Other creditors	-	500
Other taxes & social security	6,183	3,610
Amount due to subsidiary company	-	100
Deferred income	6,237	2,091
Taxation	1,355	1,382
Accrued expenses	2,975	2,625
	<u>70,723</u>	<u>84,706</u>

**12. PROVISIONS FOR LIABILITIES AND CHARGES**

The amount for which no provision has been made in respect of deferred taxation, is as follows:

	31.12.96	31.12.95
	£	£
Advance capital allowances	959	751
	<u>      </u>	<u>      </u>

**13. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.96	31.12.95
			£	£
100	Ordinary	£1	100	100
			<u>      </u>	<u>      </u>

**14. PENSION COMMITMENTS**

At the balance sheet date the company was committed to pension payments of £1200 per annum. During the year the company made contributions of £1200 (1995 - £1200) and at the balance sheet date there were no outstanding or prepaid contributions.

**15. OTHER FINANCIAL COMMITMENTS**

The company is committed to pay £8,000 per annum in respect of an operating lease for property that expires after five years to Michael McCartney.

**HALL MCCARTNEY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

**16. RELATED PARTY TRANSACTIONS**

Michael McCartney is the sole director and controlling shareholder of Hall McCartney Ltd. The following are related party transactions:-

	31.12.96 £	31.12.95 £
1. Directors current account:-		
M. McCartney:-		
Balance b/f	45,488	33,568
Loans advanced	(34,291)	-
Loans repaid	16,600	11,920
	<hr/>	<hr/>
Balance c/f	27,797	45,488
	<hr/>	<hr/>
2. Rent paid to M. McCartney:-		
Balance b/f	-	-
Paid in year	6,000	-
Unpaid at year end	2,000	-
Prepaid at year end	(2,000)	-
	<hr/>	<hr/>
Profit and loss figure	6,000	-
	<hr/>	<hr/>
3. Amount due to subsidiary company:-		
Acorn Publishing Ltd:-		
Balance b/f	100	4,771
Amount repaid	(100)	(4,661)
	<hr/>	<hr/>
Balance c/f	-	100
	<hr/>	<hr/>

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.12.96 £	31.12.95 £
Profit for the financial year	5,618	10,527
Dividends	(9,600)	(4,000)
	<hr/>	<hr/>
<b>NET (REDUCTION)/ADDITION TO SHAREHOLDERS' FUNDS</b>	(3,982)	6,527
Opening shareholders' funds	26,255	19,728
	<hr/>	<hr/>
<b>CLOSING SHAREHOLDERS' FUNDS</b>	22,273	26,255
	<hr/>	<hr/>
Equity interests	22,273	26,255
	<hr/>	<hr/>