

CHROMAGRAPHS LIMITED

REPORT AND ACCOUNTS

31 MARCH 1995

Registered No. 2038726



CHROMAGRAPHS LIMITED

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* These pages do not form part of the statutory accounts.

CHROMAGRAPHS LIMITED

DIRECTORS' REPORT

Directors

Mr N K Hingley

Mr A Howell

The directors present their annual report together with the accounts of the company for the year ended 31 March 1995.

Activities

The principal activity of the company throughout the year was the design and production of advertisements, packaging and publications.

Results and dividends

The loss for the year after taxation amounted to £9063 and this amount has been transferred from reserves. No dividend payment is proposed.

Review of the business and future prospects

This year has been without doubt the most difficult in the history of the company. The significant bad debt suffered in the last quarter of the previous year due to a major client being put into administrative receivership and the subsequent loss of potential regular business had a considerable knock-on effect this year. This was compounded by a further four clients either closing their operations or liquidating. Whilst the bad debts that resulted from these closures were relatively small, the loss of potential business did considerable damage and inevitably turnover has diminished. Fortunately the prudence exercised in previous years had built up considerable reserves and a portion of these have been called upon to steer the company through these difficult times.

In the period since the company was formed the art and design industry has changed from being largely craft based to one that is now almost entirely digital. The company has been in the vanguard of this revolution, having installed the first computer system for artwork assembly in 1988. This year considerable investment in new equipment has been made to keep pace with the increasing demands that this now high-technological industry presents.

In an effort to generate new business the company initiated its largest ever marketing campaign and towards the end of the company year this was starting to show some signs of success.

Since the balance sheet date the marketing effort has continued and this has resulted in some significant client gains. In response to the demands of the new and potential clients further investment in equipment has been made which has allowed services previously contracted out to be brought in house. At the time of writing no further bad debts have been incurred and the order book is healthier than for some considerable time. Whilst the road ahead is still somewhat rocky the prospects for the future are considerably brighter.

CHROMAGRAPHS LIMITED

DIRECTORS' REPORT (continued)

Fixed assets

Movements in tangible fixed assets are set out in note 2 to the accounts.

Directors and their interests

The directors shown above served on the Board throughout the year.

The directors at 31 March 1995 had the following beneficial interests in the share capital of the company:

	<u>At 31 March 1995</u>	<u>At 1 April 1994</u>
	<u>Ordinary shares of £1 each</u>	
Mr N K Hingley	95	95
Mr A Howell	5	5

In accordance with the Articles of Association the directors are not required to retire by rotation.

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;

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 keeping 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.

Auditors

The directors have decided to take advantage of the provisions of Section 249A of the Companies Act 1985 and therefore an audit has not been carried out for the period under review.



By order of the Board

MR D HINGLEY
Secretary

29 January 1996

CHROMAGRAPHS LIMITED

BALANCE SHEET

31 MARCH 1995

	<u>Notes</u>	<u>£</u>	<u>1995</u>	<u>£</u>	<u>1994</u>	<u>£</u>
Tangible fixed assets	2			2779		1931
Current assets						
Stock and work in progress		790			565	
Debtors	3	6834			25584	
Cash at bank and building society		25499			17463	
			33123		43612	
Creditors (amounts falling due within one year)	4	7114			7692	
Net current assets				26009		35920
Total assets less current liabilities				28788		37851
Capital and reserves						
Called up share capital - equity interests	5			100		100
Profit and loss account	6			28688		37751
Shareholders' funds	7			28788		37851

For the year ending 31 March 1995 the company was entitled to exemption under Subsection (1) of Section 249A of the Companies Act 1985.

No notice has been deposited under Subsection (2) of Section 249B of the Act in relation to the accounts for the financial period.

We acknowledge our responsibilities as directors for:

- (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226 of the Act, and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the company.

..... Director
N K Hingley

CHROMAGRAPHS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 1995

	<u>Notes</u>	£	<u>1995</u>	£	£	<u>1994</u>	£
Turnover - continuing operations	8			24177		54165	
Cost of sales				(12385)		(24790)	
Gross profit				11792		29375	
Distribution costs		189			371		
Administrative costs		21261			32996		
				(21450)		(33367)	
Operating loss - continuing operations	9			(9658)		(3992)	
Interest receivable				732		573	
				(8926)		(3419)	
Interest payable	11			-		(3)	
Loss on ordinary activities before taxation				(8926)		(3422)	
Tax on ordinary activities	12			(137)		749	
Loss for the financial year	6			(9063)		(2673)	

There are no recognised gains and losses in the year other than the loss for the year.

CHROMAGRAPHS LIMITED

NOTES TO THE ACCOUNTS

31 MARCH 1995

1 **Accounting policies**

The principal accounting policies adopted are set out below.

Basis of accounting

The accounts of the company are prepared under the historical cost convention.

Depreciation of tangible fixed assets

Depreciation is provided on a straight line basis to write off the cost of the assets over their expected useful economic lives, as follows:

Furniture and equipment	20%
Motor vehicles	25%

Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value as consistent with previous years. Work in progress comprises the cost of direct materials and labour plus attributable indirect overhead expenses.

Leasing

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Repairs and renewals

Expenditure on repairs and renewals is written off in the year in which incurred.

2 **Tangible fixed assets**

	<u>Furniture and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost			
At 1 April 1994	14864	795	15659
Additions	2259	-	2259
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1995	17123	795	17918
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 April 1994	12936	792	13728
Charge for the year	1411	-	1411
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1995	14347	792	15139
	<u> </u>	<u> </u>	<u> </u>
Net book values			
At 31 March 1995	2776	3	2779
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1994	1928	3	1931
	<u> </u>	<u> </u>	<u> </u>

CHROMAGRAPHS LIMITED

NOTES TO THE ACCOUNTS (continued)

31 MARCH 1995

3	Debtors		
	Due within one year		
		<u>1995</u>	<u>1994</u>
		£	£
	Trade debtors	5084	24563
	Prepayments	321	267
	Other debtors	1429	5
	Corporation tax recoverable	-	749
		<u>6834</u>	<u>25584</u>
4	Creditors (amounts falling due within one year)		
		<u>1995</u>	<u>1994</u>
		£	£
	Trade creditors	5422	5969
	Taxation and social security	1119	943
	Director's current account	10	10
	Accruals	563	770
		<u>7114</u>	<u>7692</u>
5	Share capital		
		<u>1995</u>	<u>1994</u>
		£	£
	Authorised, allotted, issued and fully paid		
	Ordinary shares of £1 each	100	100
6	Profit and loss account		
		£	
	At 1 April 1994	37751	
	Loss for the year	(9063)	
		<u>28688</u>	
7	Reconciliation of movements in shareholders' funds		
		<u>1995</u>	<u>1994</u>
		£	£
	Loss for the financial year	(9063)	(2673)
	Opening shareholders' funds	37851	40524
		<u>28788</u>	<u>37851</u>
	Closing shareholders' funds		

CHROMAGRAPHS LIMITED

NOTES TO THE ACCOUNTS (continued)

31 MARCH 1995

8 Analysis of turnover and loss

Turnover represents sales to customers at invoiced amounts excluding value added tax.

The turnover and loss before taxation are attributable to the company's main activity wholly carried out within the United Kingdom.

9 Operating loss

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Operating loss is stated after charging:		
Staff costs (note 10)	12687	13072
Accountancy	550	750
Depreciation of owned fixed assets	1411	1844
Operating lease rentals - land and buildings	2340	1162

10 Staff costs

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Salaries	11680	11930
Social security costs	1007	1142
	<u>12687</u>	<u>13072</u>

Average number of employees by category

	<u>Number</u>	<u>Number</u>
Secretarial	1	1
Management	2	2
	<u>3</u>	<u>3</u>

Directors' emoluments:

	<u>£</u>	<u>£</u>
Remuneration	11680	11799
Benefits in kind	350	350
	<u>12030</u>	<u>12149</u>

11 Interest payable

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
On bank overdraft wholly repayable within five years	-	3

CHROMAGRAPHS LIMITED

NOTES TO THE ACCOUNTS (continued)

31 MARCH 1995

12	Taxation	<u>1995</u> £	<u>1994</u> £
	UK corporation tax recoverable	-	(749)
	Adjustment for previous year	137	-
		<u>137</u>	<u>(749)</u>
13	Capital commitments	<u>1995</u> £	<u>1994</u> £
	Contracted but not provided	-	-
	Authorised but not contracted	-	-
14	Financial commitments		
	At 31 March 1995 the company had no annual commitments under non-cancellable operating leases (1994 None).		
15	Cashflow statement		
	The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a cashflow statement for the year.		
16	Board approval		
	The accounts for the year were formally approved by the directors on 29 January 1996.		