

HADRIAN LIMITED

Accounts for the year ended: 31 March 1995

Directors: D.M. Leak
Mrs. E.A. Leak

Secretary: Mrs. E.A. Leak

Company Registration No: 01547607

Registered Office: Derwent House
Prudhoe Station Industrial
Estate
Prudhoe
Northumberland
NE42 6NP

Bankers: Lloyds Bank Plc
15 West Street 8
Gateshead
Tyne and Wear

Registered Auditor: Allen Sykes
Chartered Accountants
1 Cockton Hill Road
Bishop Auckland
Co. Durham
DL14 6EN



HADRIAN LIMITED
DIRECTORS REPORT AND ACCOUNTS

The Directors have pleasure in presenting their Annual Report and Audited Accounts of the company for the year ended 31 March 1995.

Directors Responsibilities

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit and loss for its financial year. In doing so the directors are required to:-

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepared the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

Review of the Business

The profit for the year after taxation was £25611.

An interim dividend of £1.40 per share (1993 £1 per share) was paid on 1 July 1994 and 50 pence per share (1993 45 pence per share) was paid on 30 November 1994 and £1 per share (1994 £NIL per share) was paid on 14 March 1995.

Directors and Shareholdings

The Directors and their beneficial interests in the shares of the company were as follows:

	<u>Class of Share</u>	<u>Number of Shares</u>	
		<u>1995</u>	<u>1994</u>
D.M. Leak	£1 Ordinary	5096	5096
Mrs. E.A. Leak	£1 Ordinary	4900	4900

HADRIAN LIMITED
DIRECTORS REPORT AND ACCOUNTS

Auditors

The Auditors, Messrs. Allen Sykes have expressed their willingness to continue in office and a resolution concerning their re-appointment will be submitted to the Annual General Meeting in accordance with the Companies Act 1985.

By Order of the Board

E.A. Leak

MRS. E.A. LEAK
Secretary

Date *29/10/95* ..

Derwent House
Prudhoe Station Industrial Estate
Prudhoe
Northumberland
NE42 6NP

AUDITORS' REPORT TO THE MEMBERS OF
HADRIAN LIMITED

We have audited the accounts on pages 5 to 16

Respective Responsibilities of Directors and Auditors

As described in the director's report the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


ALLEN SYKES

Chartered Accountants and Registered Auditors
1 Cockton Hill Road
Bishop Auckland
Co. Durham

Date 27th Oct 1995

REPORT OF THE AUDITORS' TO THE DIRECTORS OF
HADRIAN LIMITED

AS REQUIRED BY SECTION 248 COMPANIES ACT 1985

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions given by Section 248 of the Companies Act 1985.

In our opinion the group qualifies as a medium sized group under Section 249 of the Companies Act 1985 and as such the parent company is exempt from the requirements to prepare consolidated financial statements.


ALLEN SYKES

Chartered Accountants and Registered Auditors
1 Cockton Hill Road
Bishop Auckland
Co. Durham

Date 27th Oct 1985

HADRIAN LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1995

		<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
	<u>Note</u>		
<u>Turnover</u>	2	687928	640354
<u>Cost of Sales/Services provided</u>		<u>538119</u>	<u>484081</u>
<u>Gross Profit</u>		149809	156273
<u>Distribution Costs</u>		(117523)	(124581)
<u>Administrative Expenses</u>		(36882)	(34728)
<u>Other Operating Income</u>		<u>43344</u>	<u>43920</u>
<u>Operating Profit from Continuing Operations</u>		38748	40884
<u>Interest Receivable</u>		27	12
<u>Interest Payable and Similar Charges</u>	4	<u>(13164)</u>	<u>(16950)</u>
<u>Profit on Ordinary Activities before Taxation</u>	5	25611	23946
<u>Tax on Profit on Ordinary Activities</u>	6	<u>(6970)</u>	<u>(8563)</u>
<u>Profit for the Financial Year</u>		18641	15383
<u>Dividends</u>	7	<u>(29000)</u>	<u>(14496)</u>
<u>Retained Losses/Profits transferred to reserves</u>	19	<u>(10359)</u>	<u>887</u>

The company made no recognised gains and losses in the year apart from the profit for the period as stated above.

The notes on pages 9 to 16 form an integral part of these accounts.

HADRIAN LIMITED
NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 1995

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Reported profit on ordinary activities before taxation	25611	23946
Difference between a historical cost depreciation charge and the actual depreciation charge in the year calculated on the revalued amount	<u>354</u>	<u>354</u>
Historical cost profit on ordinary activities before taxation	29965	24300
Historical cost (loss)/ profit for the year retained after taxation and dividends	<u>(10005)</u>	<u>1241</u>

The notes on pages 9 to 16 form an integral part of these accounts

HADRIAN LIMITED
BALANCE SHEET AS AT 31 MARCH 1995

		<u>1995</u>		<u>1994</u>
		<u>£</u>	<u>£</u>	<u>£</u>
	<u>Note</u>			
<u>Fixed Assets</u>				
Intangible Assets	8	42314	52892	
Tangible Assets	9	111583	114329	
Investments	10	<u>20000</u>	<u>20000</u>	187221
		173897		
<u>Current Assets</u>				
Stocks	11	90398	81834	
Debtors	12	257712	336973	
Cash at Bank and in Hand		<u>2865</u>	<u>3913</u>	
		350975	422720	
<u>Creditors: Amounts Falling Due Within On Year</u>	14	<u>(201761)</u>	<u>(262343)</u>	
<u>Net Current Assets</u>		<u>149214</u>		<u>160377</u>
<u>Total Assets less Current Liabilities</u>		323111		347598
<u>Creditors: Amounts Falling Due After More Than One Year</u>	15	(77406)		(91343)
<u>Provision for Liabilities and Charges</u>	16	<u>(5617)</u>		<u>(5808)</u>
		<u>240088</u>		<u>250447</u>
<u>Capital and Reserves</u>				
Called up Share Capital	17	9996		9996
Capital Redemption Reserve	19	49		49
Revaluation Reserve	19	17584		17584
Profit and Loss Account	19	<u>212459</u>		<u>222818</u>
		<u>240088</u>		<u>250447</u>

Approved by the Board of Directors on 24/10/95:....

..... Director
D.M. LEAK

..... Director
E.A. LEAK

The notes on the pages 9 to 16 form an integral part of these accounts

HADRIAN LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1995

		<u>1995</u>	<u>1994</u>
		<u>£</u>	<u>£</u>
	<u>Note</u>		
<u>Net Cash Inflow from Operating Activities</u>	20	109218	129051
<u>Returns on Investments and Servicing of Finance</u>			
Interest Received	27	(12)	
Interest Paid	(11894)	(13675)	
Dividends Paid	(29000)	(14496)	
HP and Finance Lease Interest Paid	(1270)	(3275)	
<u>Net Cash Outflow from Returns on Investments and Servicing of Finance</u>		(42137)	(31434)
<u>Taxation</u>			
Corporation Tax Paid	(2763)	(4463)	
Advance Corporation Tax Paid	(4750)	(7513)	(4209)
			(8672)
<u>Investing Activities</u>			
Purchase of Tangible Fixed Assets	(25930)	(56647)	
Proceeds from Sale of Tangible Fixed Assets	16571	11000	
<u>Net Cash Outflow from Investing Activities</u>		(9359)	(45647)
<u>Net Cash Inflow before Financing</u>		50209	43298
<u>Financing</u>	23		
New Loan Capital	36910	16750	
Repayment of Amount Borrowed	(79982)	(59628)	
<u>Net Cash Outflow from Financing</u>		(43072)	(42878)
<u>Increase in Cash and Cash Equivalents</u>	21	7137	420

The notes on pages 9 to 16 form part of these accounts

HADRIAN LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995

1. Statement of Accounting Policies

a) Accounting Convention

The accounts are prepared under the Historical cost convention modified by the revaluation of certain freehold property.

b) Consolidated Financial Statements

The company has relied on the exemptions given by Section 248 of the Companies Act 1985 and has not prepared consolidated financial statements. Consequently these financial statements present information about the company as an individual undertaking and not about its group.

c) Depreciation

Depreciation is provided on all tangible and intangible 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 as follows:

Tangible

Freehold Buildings	:	2% straight line
Leasehold Property	:	Straight line over the period of the lease
Plant and Machinery etc.	:	15% reducing balance
Motor Vehicles	:	15% reducing balance

Intangible

Goodwill	:	Written off over 10 years
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Purchased goodwill is amortised on a systematic basis over its useful economic life as shown above. This amortisation has been charged in arriving at profit shown on ordinary activities.

d) Leasing and Hire Purchase Commitments

Assets acquired under finance leases and hire purchase contracts are capitalised as fixed assets and are depreciated over their expected useful lives at the rates specified above. The capital element of the future obligation to the lessor is included in creditors and the interest element is charged to the profit and loss account over the period of the lease.

Annual payments under all other lease arrangements, known as operating leases, are charged to the profit and loss account as they arise.

e) Stocks and Work in Progress

Stocks are stated at the lower of cost and net realisable value.

f) Deferred Taxation

Provisions are made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liabilities will crystallise. The provisions are calculated at the rate at which it is estimated that tax will be payable.

HADRIAN LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995

1. Statement of Accounting Policies continuedg) Pensions

The company operates a defined contribution pension scheme which requires contributions to be made to a separately administered fund. Contributions to these funds are charged to the profit and loss account on the basis of payments made into the scheme.

2. Turnover

Turnover represents the invoiced amount of goods sold/services provided stated net of VAT.

The turnover and pre tax profit are attributable to the principal activities.

An analysis of turnover and pre tax profit by activity is given below:

	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	<u>Dispensing</u>		<u>Clothes</u>	
	<u>Chemists</u>		<u>Shop</u>	
Turnover	684387	628021	3541	12333
Profit	25076	20777	535	3169

All turnover related to markets in the United Kingdom.

3. Staff Costs

These were as follows:

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Wages and Salaries	74019	72001
Social Security Costs	6502	6623
Other Pension Costs	2837	2853
	<u>83358</u>	<u>81477</u>

The average weekly number of employees including directors during the year was 9 made up as follows:

	<u>1995</u>	<u>1994</u>
Management	2	2
Selling and Distribution	7	7
	<u>9</u>	<u>9</u>

4. Interest Payable and Similar Charges

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Bank Loans and Overdrafts and Other Loans wholly repayable within five years of Balance Sheet date	12100	16950
Other Loans	1064	-
	<u>13164</u>	<u>16950</u>

HADRIAN LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995

5. Profit on Ordinary Activities
before Taxation

	<u>1995</u>		<u>1994</u>
	<u>£</u>		<u>£</u>
This is stated after charging the following:			
Directors Emoluments:			
Salaries as Executives	36000	36000	
Pension Contributions	2837	2853	
Other Emoluments	<u>624</u>	<u>1026</u>	39879
	39461		
Auditors Remuneration (including expenses)			
Audit Services	1500	1500	
Non-Audit Services	2750	2549	
Hire Purchase Charges	1270		3275
Operating Lease Rentals:			
Other	-		3851
Depreciation of Tangible Fixed Assets	12105		10505
Amortisation of Intangible Fixed Assets	<u>10578</u>		<u>10578</u>

6. Tax on Profit on Ordinary
Activities

	<u>1995</u>		<u>1994</u>
	<u>£</u>		<u>£</u>
Based on the profit for the year:			
Corporation Tax @ 25% (1994 - 25%)	7156	6967	
Deferred Taxation	<u>(191)</u>	<u>1994</u>	
	6965	8961	
Adjustments to previous year	<u>5</u>	<u>(398)</u>	
	<u>6970</u>	<u>8563</u>	

7. Dividends

	<u>1995</u>		<u>1994</u>
	<u>£</u>		<u>£</u>
Ordinary - Interim Paid	<u>29000</u>		<u>14496</u>

HADRIAN LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995

<u>8. Intangible Assets</u>	<u>Leases and Goodwill</u>	<u>Total</u> <u>£</u>
As at 31.3.94 and 31.3.95	<u>108566</u>	<u>108566</u>
<u>Depreciation</u>		
As at 31.3.94	55674	55674
Charged in year	<u>10578</u>	<u>10578</u>
As at 31.3.95	<u>66252</u>	<u>66252</u>
<u>Net Book Value</u>		
As at 31.3.95	<u>42314</u>	<u>42314</u>
As at 31.3.94	<u>52892</u>	<u>52892</u>

<u>9. Tangible Assets</u>	<u>F/Hold Land & Buildings</u>	<u>Plant and Machy etc</u>	<u>Motor Vehicles</u>	<u>Total</u> <u>£</u>
<u>Cost/Or Valuation</u>				
As at 31.3.94	65173	83619	21750	170542
Additions	-	4150	21780	25930
Disposals	-	-	(21750)	(21750)
As at 31.3.95	<u>65173</u>	<u>87769</u>	<u>21780</u>	<u>174722</u>
<u>Depreciation</u>				
As at 31.3.94	8100	44942	3171	56213
Charged in year	1302	6072	4731	12105
Disposals	-	-	(5179)	(5179)
As at 31.3.95	<u>9402</u>	<u>51014</u>	<u>2723</u>	<u>63139</u>
<u>Net Book Value</u>				
As at 31.3.95	<u>55771</u>	<u>36755</u>	<u>19057</u>	<u>111583</u>
As at 31.3.94	<u>57073</u>	<u>38677</u>	<u>18579</u>	<u>114329</u>

Freehold Land and Buildings were valued on 31 March 1987 on an open market basis at the amounts shown above by J.M. Wright Associates.

Other tangible fixed assets are included at cost.

The amount of freehold land and buildings (included above at a valuation) determined according to the Historical Cost Accounting Rules is as follows:

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Cost	22484	22484
Depreciation	<u>6300</u>	<u>5850</u>
	<u>16184</u>	<u>16634</u>

The net book value of tangible fixed assets includes an amount of £19057 (1994 £18579) in respect of assets held under hire purchase contracts. The related depreciation charge for the year was £2723 (1994 £3171).

HADRIAN LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995

<u>10. Investments</u>	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
<u>Trading Group Companies</u>	<u>20000</u>	<u>20000</u>
Testerworld Limited		
% of Nominal Capital Held	100	100
% of Issued Capital Held	100	100
Ordinary Shares of £1 each cost	<u>20000</u>	<u>20000</u>
 <u>11. Stocks</u>	 <u>1995</u>	 <u>1994</u>
	<u>£</u>	<u>£</u>
Goods for Re-sale	<u>90398</u>	<u>81834</u>
 <u>12. Debtors</u>	 <u>1995</u>	 <u>1994</u>
	<u>£</u>	<u>£</u>
Trade Debtors	103384	55035
Amounts owed by Group Undertakings	142985	270509
Directors Loan Account	11093	8762
Prepayments and Accrued Income	250	600
Other Debtors	-	2067
	<u>257712</u>	<u>336973</u>
	<u>£</u>	<u>£</u>
Due within one year	257712	336973
Due after one year	-	-
	<u>257712</u>	<u>336973</u>

13. Directors Loans

Included in debtors is a loan made to Mr. and Mrs. D.M. Leak, directors of the company. The loan is interest free and repayable on demand.

Amount of Loan at 31.3.95 (year end date)	£11093
Amount of Loan at 1.4.94 (year start date)	£ 8762
Maximum of amount of loan during year	£11093

14. Creditors: Amounts Falling Due

<u>Within One Year</u>	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Bank Loans	24052	52750
Bank Overdrafts	53651	61836
Trade Creditors	61061	59183
Amounts owed to Group Undertakings	41668	68488
Obligations under HP Contracts	3750	4187
Corporation Tax	2406	2758
Other Taxes and Social Security Costs	9241	7512
Accruals and Deferred Income	<u>5932</u>	<u>5629</u>
	<u>201761</u>	<u>262343</u>

HADRIAN LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 199514. Creditors: Amounts Falling Due
Within One YearNotes

a) Bank borrowings are secured by a fixed and floating charge over the assets of the company.

15. Creditors: Amounts Falling Due
After More Than One Year

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Bank Loans	67718	80176
Obligations under HP Contracts	<u>9688</u>	<u>11167</u>
	<u>77406</u>	<u>91343</u>

16. Provisions for Liabilities and Charges
Deferred Taxation

Deferred Taxation comprises:

	<u>1995</u>	<u>1994</u>
	<u>Full Potential Amount</u>	<u>Full Potential Amount</u>
	<u>£</u>	<u>£</u>
Capital Allowances in advance of Depreciation	5617	5808
	<u>5617</u>	<u>5808</u>

Rolled over Capital Gains with a potential liability of £17115 have not been provided as there is no present intention by the Directors to dispose of the asset to which this relates.

17. Share Capital

	<u>Authorised</u>	<u>Allotted, Issued and Fully Paid</u>
	<u>1995</u>	<u>1994</u>
	<u>20000</u>	<u>9996</u>
Ordinary Shares of £1 each	<u>20000</u>	<u>9996</u>

18. Reconciliation of Movements in
Shareholders' Funds

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Profit for the financial year	18641	15386
Dividends	<u>(29000)</u>	<u>(14496)</u>
Net reduction/addition to shareholders fund	(10359)	887
Opening shareholders' fund	<u>250447</u>	<u>49560</u>
Closing shareholders' fund	<u>240088</u>	<u>250447</u>

HADRIAN LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995

<u>19. Reserves</u>	<u>Capital Redemption Reserve</u>	<u>Revaluation Reserve</u>	<u>Profit and Loss Account</u>
	<u>£</u>	<u>£</u>	<u>£</u>
As at 31.3.94	49	17584	222818
Retained loss for the year	-	-	(10359)
As at 31.3.95	49	17584	212459

20. Reconciliation of Operating Profit to Net Cash Inflow from Operating in Activities

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Operating Profit	38748	40884
Depreciation Charges	22683	21083
Movement in Stocks	(8564)	591
Movement in Debtors	79261	83763
Movement in Creditors	(22910)	(17270)
<u>Net Cash Inflow from Operating Activities</u>	<u>109218</u>	<u>129051</u>

21. Analysis of Changes in Cash and Cash Equivalents during the year

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Balance at 31.3.94	(57923)	(58343)
Net Cash Inflow	7137	420
Balance at 31.3.95	(50786)	(57923)

22. Analysis of the Balance of Cash and Cash Equivalents as shown in the Balance Sheet

	<u>1995</u>	<u>1994</u>	<u>Change in Year</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cash at Bank and in Hand	2865	3913	(1048)
Bank Overdrafts	(53651)	(61836)	8185
	(50786)	(57923)	7137

23. Analysis of Changes in financing during the Year

	<u>Share Capital</u>	<u>Loans and Finance Lease Obligations</u>
	<u>£</u>	<u>£</u>
Balance at 31.3.94	9996	148280
Cash (Outflow) from financing	-	(43072)
Balance at 31.3.95	9996	105208

HADRIAN LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 199524. Commitments

The directors have authorised future capital expenditure for the company as follows:

Contracted	£NIL	(1994 £NIL)
Not Contracted	£NIL	(1994 £NIL)

25. Contingent Liabilities

There were as follows:

An unlimited guarantee to Lloyds Bank Plc to cover the bank borrowings of Testerworld Limited.

26. Subsidiaries

The company has one subsidiary, Testerworld Limited which is wholly owed and operates principally in the United Kingdom, and has share capital consisting solely of Ordinary Shares. The aggregate amount of capital and reserves amounted to £408512 and the company made a profit for the year after tax of £61079.