

**PEMBROKE THOMAS (DIRECT) LIMITED**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE, 1996**



**Company No. 00759140 (England and Wales)**

**PEMBROKE THOMAS (DIRECT) LIMITED**

**Company Information**

Directors

W. J. Winfer

D. A. Bickley

Secretary

W. J. Winfer

Company Number

00759140 (England and Wales)

Registered Office

Walsall Road  
Cannock  
Staffordshire  
WS11 3JD

Auditors

Shelvoke, Pickering, Janney & Co.,  
Registered Auditor  
and Chartered Accountants  
57-61 Market Place  
Cannock  
Staffordshire  
WS11 1BP

**PEMBROKE THOMAS (DIRECT) LIMITED**

**Contents**

|                                   | <b><u>Page</u></b> |
|-----------------------------------|--------------------|
| Directors' Report                 | 1                  |
| Auditors' Report                  | 2                  |
| Profit and Loss Account           | 3                  |
| Balance Sheet                     | 4                  |
| Notes to the Financial Statements | 5 - 9              |

**PEMBROKE THOMAS (DIRECT) LIMITED**  
**DIRECTORS REPORT FOR THE YEAR ENDED**  
**30TH JUNE, 1996**

The directors present their report and the financial statements for the year ended 30th June, 1996.

**Principal Activity**

The company's principal activity continues to be that of printers and stationers.

**Directors**

The directors who served during the year and their beneficial interest in the company's issued ordinary share capital were:-

|               | <u>Number of Shares</u> |             |
|---------------|-------------------------|-------------|
|               | <u>1996</u>             | <u>1995</u> |
| W. J. Winfer  | 125                     | 350         |
| D. A. Bickley | 125                     | 350         |

**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 the 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.

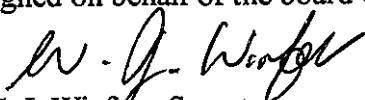
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

**Auditors**

The auditors, Shelvoke, Pickering, Janney & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 31st October, 1996.

Signed on behalf of the board of directors

  
W. J. Winfer - Secretary

## AUDITORS' REPORT TO THE MEMBERS OF

### PEMBROKE THOMAS (DIRECT) LIMITED

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on pages 5 and 6.

#### Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are 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 judgements made by the directors 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 at 30th June, 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Shelvoke, Pickering Janney & Co,  
Registered Auditor  
and Chartered Accountants  
57-61 Market Place  
Cannock  
Staffordshire  
WS11 1BP

31st October, 1996

**PEMBROKE THOMAS (DIRECT) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30TH JUNE, 1996**

|  | <u>1996</u> | <u>1995</u> |
|--|-------------|-------------|
| <u>NOTE</u>  | <u>£</u>    | <u>£</u>    |
| Turnover   | 400,521     | 369,918     |
| Cost of Sales                                      | (312,748)   | (290,557)   |
|  | <hr/>       | <hr/>       |
| <u>Gross Profit</u>                                | 87,773      | 79,361      |
| Administrative Expenses                            | (89,726)    | (90,157)    |
|  | <hr/>       | <hr/>       |
| 2 <u>Operating Loss</u>                            | (1,953)     | (10,796)    |
| Interest Receivable                                | 74          | 17          |
| 3 Interest Payable                                 | (1,824)     | (2,113)     |
|  | <hr/>       | <hr/>       |
| <u>Loss On Ordinary Activities Before Taxation</u> | (3,703)     | (12,892)    |
| 4 Taxation on Loss On Ordinary Activities          | -           | (4)         |
|  | <hr/>       | <hr/>       |
| <u>Loss On Ordinary Activities After Taxation</u>  | (3,703)     | (12,896)    |
| <u>Retained Profit Brought Forward</u>             | 16,003      | 28,899      |
|  | <hr/>       | <hr/>       |
| <u>Retained Profit Carried Forward</u>             | 12,300      | 16,003      |
|  | <hr/>       | <hr/>       |

There were no recognised gains and losses other than those recognised in the Profit and Loss Account.

The notes on pages 5 to 9 form part of these financial statements.

**PEMBROKE THOMAS (DIRECT) LIMITED**

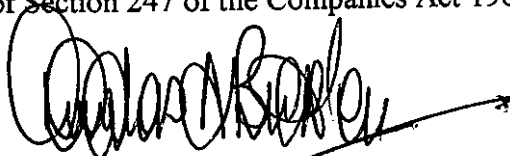
**BALANCE SHEET**

**AS AT 30TH JUNE, 1996**

|             |  | 1996      | 1995      |
|-------------|--|-----------|-----------|
|             |  | £         | £         |
| <b>NOTE</b> | <b>Fixed Assets</b>  |           |           |
| 5           | Tangible Assets  | 54,319    | 47,002    |
|             | <b>Current Assets</b>  |           |           |
|             | Stocks   | 25,171    | 29,513    |
| 6           | Debtors  | 74,076    | 91,307    |
|             | Cash at Bank and in Hand                                       | 4,427     | 2,520     |
|             |  | <hr/>     | <hr/>     |
|             |  | 103,674   | 123,340   |
| 7           | <u>Creditors: Amounts Falling Due Within One Year</u>          | (135,343) | (151,627) |
|             |  | <hr/>     | <hr/>     |
|             | <u>Net Current Liabilities</u>                                 | (31,669)  | (28,287)  |
|             |  | <hr/>     | <hr/>     |
|             | <u>Total Assets Less Current Liabilities</u>                   | 22,650    | 18,715    |
| 8           | <u>Creditors: Amounts Falling Due After More Than One Year</u> | (9,650)   | (2,012)   |
|             |  | <hr/>     | <hr/>     |
|             |  | 13,000    | 16,703    |
|             |  | <hr/>     | <hr/>     |
|             | <u>Capital and Reserves</u>                                    |           |           |
| 10          | Called Up Share Capital  | 700       | 700       |
|             | Profit and Loss Account  | 12,300    | 16,003    |
|             |  | <hr/>     | <hr/>     |
| 12          | Shareholders' Funds - All Equity                               | 13,000    | 16,703    |
|             |  | <hr/>     | <hr/>     |

Approved by the board of directors on 31st October, 1996 and signed on it's behalf. The directors have relied on special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

D. A. Bickley - Director



The notes on pages 5 to 9 form part of these financial statements.

**PEMBROKE THOMAS (DIRECT) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE, 1996**

1. Accounting Policies

a) Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the Directors' Report and which is continuing. The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

c) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                     |                           |
|---------------------|---------------------------|
| Plant and Machinery | 10% p.a. Reducing Balance |
| Motor Vehicles      | 25% p.a. Reducing Balance |

d) Leasing and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

e) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

f) Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

g) Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.



## h) Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

## 2. Operating Loss

The operating loss is stated after charging:-

|                                       | <u>1996</u>       | <u>1995</u>       |
|---------------------------------------|-------------------|-------------------|
|                                       | £                 | £                 |
| Depreciation of Tangible Fixed Assets |                   |                   |
| - Owned By The Company                | 7,875             | 19,607            |
| - Held Under Finance Leases           | 808               | 392               |
| Auditors' Remuneration                | 2,325             | 2,395             |
| Operating Lease Rentals               |                   |                   |
| - Hire of Plant and Machinery         | 685               | 1,113             |
| - Other Operating Leases              | 12,000            | 12,000            |
| Directors' Emoluments                 | 32,197            | 28,256            |
|                                       | <u>          </u> | <u>          </u> |

## 3. Interest Payable

Included in interest payable is interest on finance leases and hire purchase contracts of £276 (1995 : £276).

## 4. Taxation

### U.K. Current Year Taxation

|  |   |     |
|--|---|-----|
| U.K. Corporation Tax at 24% (1995 : 25%) | - | (4) |
|--|---|-----|

### Prior Years

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| U.K. Corporation Tax | -                 | -                 |
|                      | <u>          </u> | <u>          </u> |
|                      | -                 | (4)               |
|                      | <u>          </u> | <u>          </u> |

If provision were made for deferred taxation on the basis of the full potential liability, the tax charge would increase by £NIL (1995 : £NIL) due to accelerated capital allowances.

## 5. Tangible Fixed Assets

| <u>Cost</u>        | <u>Plant and Machinery Etc</u> |
|--------------------|--------------------------------|
|                    | £                              |
| At 1st July, 1995  | 161,911                        |
| Additions          | 16,000                         |
| Disposals          | (9,120)                        |
|                    | <u>          </u>              |
| At 30th June, 1996 | 168,791                        |
|                    | <u>          </u>              |

| <u>Depreciation</u>   | £       |
|-----------------------|---------|
| At 1st July, 1995     | 114,909 |
| On Disposals          | (7,243) |
| Provided for the Year | 6,806   |
|                       | <hr/>   |
| At 30th June, 1996    | 114,472 |
|                       | <hr/>   |

#### Net Book Values

|                    |        |
|--------------------|--------|
| At 30th June, 1996 | 54,319 |
|                    | <hr/>  |
| At 30th June, 1995 | 47,002 |
|                    | <hr/>  |

Included above in plant and machinery etc. are assets held under finance leases or hire purchase contracts amounting to £2,423 (1995 : £3,231).

|    |   |             |             |
|----|---|-------------|-------------|
| 6. | <u>Debtors</u>  | <u>1996</u> | <u>1995</u> |
|    |   | £           | £           |
|    | <u>Due After More Than One Year</u>                   |             |             |
|    | Other Debtors   | -           | -           |
|    | <u>Due Within One Year</u>                            |             |             |
|    | Trade Debtors   | 73,688      | 90,957      |
|    | Prepayments and Accrued Income                        | 388         | 350         |
|    |   | <hr/>       | <hr/>       |
|    |   | 74,076      | 91,307      |
|    |   | <hr/>       | <hr/>       |
| 7. | <u>Creditors: Amounts Falling Due Within One Year</u> |             |             |
|    | Bank Loans and Overdrafts (Secured)                   | 17,739      | 11,797      |
|    | Trade Creditors                                       | 58,389      | 64,536      |
|    | Other Creditors                                       | 48,977      | 60,290      |
|    | Obligations Under Finance Leases and Hire Purchase    |             |             |
|    | Contracts Secured on the Assets Concerned             | 1,150       | 1,149       |
|    | Accruals and Deferred Income                          | 3,319       | 4,712       |
|    | Taxation and Social Security                          | 5,769       | 9,143       |
|    |   | <hr/>       | <hr/>       |
|    |   | 135,343     | 151,627     |
|    |   | <hr/>       | <hr/>       |

|   | <u>1996</u>  | <u>1995</u>  |
|---|--------------|--------------|
| 8. <u>Creditors: Amounts Falling Due After More Than One Year</u>                               | £            | £            |
| Bank Loans (Secured)  | 8,788        | -            |
| Obligations Under Finance Leases and Hire Purchase<br>Contracts Secured on the Assets Concerned | 862          | 2,012        |
|   | <u>9,650</u> | <u>2,012</u> |

The bank loans are wholly repayable within five years.

Obligations under finance leases and hire purchase contracts are due within five years.

#### 9. Deferred Taxation

The potential liability for deferred taxation not provided was as follows:-

|  |            |            |
|--|------------|------------|
| Accelerated Capital Allowances                                       | 8,691      | 9,349      |
| <u>Less</u> Losses Available to be set-off<br>against future profits | (10,305)   | (10,049)   |
|  | <u>NIL</u> | <u>NIL</u> |

#### 10. Called Up Share Capital

|                            |               |               |
|----------------------------|---------------|---------------|
| <u>Authorised</u>          |               |               |
| Ordinary Shares of £1 each | 2,000         | 2,000         |
|                            | <u>      </u> | <u>      </u> |
| <u>Issued</u>              |               |               |
| Ordinary Shares of £1 each | 700           | 700           |
|                            | <u>      </u> | <u>      </u> |

#### 11. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund and contributions amounted to £3,805 for the year (1995 : £2,264).

#### 12. Movement on Shareholders' Funds

|  |               |               |
|--|---------------|---------------|
| Loss For The Year                      | (3,703)       | (12,896)      |
| Shareholders' Funds at 30th June, 1995 | 16,703        | 29,599        |
|  | <u>      </u> | <u>      </u> |
| Shareholders' Funds at 30th June, 1996 | 13,000        | 16,703        |
|  | <u>      </u> | <u>      </u> |

| 13. <u>Capital Commitments</u>                     | <u>1996</u> | <u>1995</u> |
|--|-------------|-------------|
|  | £           | £           |
| Contracted for but not provided in these accounts  | -           | -           |
|  | ==          | ==          |
| Authorised by the Directors but not contracted for | -           | -           |
|  | ==          | ==          |

14. Other Commitments

At 30th June, 1996, the company had annual commitments under non-cancellable operating leases as follows:-

| Expiry Date                | <u>Land and Buildings</u> |        | <u>Other</u> |       |
|----------------------------|---------------------------|--------|--------------|-------|
|                            | £                         | £      | £            | £     |
| Within One Year            | -                         | -      | -            | -     |
| Between Two and Five Years | 12,000                    | 12,000 | 685          | 1,113 |
| In More Than Five Years    | -                         | -      | -            | -     |
|                            | -----                     | -----  | -----        | ----- |
|                            | 12,000                    | 12,000 | 685          | 1,113 |
|                            | =====                     | =====  | =====        | ===== |

15. Transactions With Directors

Loans were made to the company by the directors as follows:-

|               | <u>B a l a n c e</u> |                | <u>Highest</u> |
|---------------|----------------------|----------------|----------------|
|               | <u>30.6.96</u>       | <u>30.6.95</u> |                |
| W. J. Winfer  | 26,230               | 31,614         | 31,614         |
| D. A. Bickley | 22,747               | 27,984         | 27,984         |
|               | =====                | =====          | =====          |

The loans are interest free and repayable on demand and are included under the heading 'Creditors: Amounts Falling Due Within One Year - Other Creditors.'