

ALLENS PRINTERS & STATIONERS LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

(Company Registration Number : 877370)

BARTONS LIMITED

CHARTERED ACCOUNTANTS



**ALLENS PRINTERS & STATIONERS LIMITED**

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ALLENS PRINTERS & STATIONERS LIMITED

1.

DIRECTORS, OFFICERS, ADVISERS, REGISTERED OFFICE

Directors	Mrs. C. Allen D. V. Allen (Chairman) W. D. Allen L. D. Porter
Company Secretary	Y. Allen
Auditors	Bartons Limited Registered Auditor Chartered Accountants Lermon Court Fairway House Links Business Park St. Mellons Cardiff CF3 0LT
Registered Office	Lermon Court Fairway House Links Business Park St. Mellons Cardiff CF3 0LT
Bankers	National Westminster Bank Plc. 96 Queen Street Cardiff CF1 1TX
Company Number	877370

ALLENS PRINTERS & STATIONERS LIMITED

2(a).

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 December 1997. On 6 March 1997, the company changed its name from Allens Stationers Limited to Allens Printers & Stationers Limited.

1. PRINCIPAL ACTIVITIES

The company is principally engaged as a printer and retailer of stationery.

2. RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £104,232 (1996 - £74,364). Dividends of £70,437 (1996 - £52,200) were paid during the year. The directors are satisfied with the results for the year.

Movement of fixed assets are disclosed in notes 8 and 9 of the financial statements.

The company has continued its ongoing investment in printing plant.

3. DIRECTORS

The directors in office at the end of the year are listed below. They all served on the Board throughout the year.

The beneficial and other interests of the directors and their families in the shares of the company at 31 December 1997 and 1 January 1997, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	Ordinary Shares of £1 each	
	31 Dec.97	1 Jan.97
Mrs. C. Allen	2,915	2,915
D. V. Allen (Chairman)	7,585	7,585
W. D. Allen	4,500	4,500
L. D. Porter	-	-
	<hr/>	<hr/>

4. AUDITORS

Bartons Limited have expressed their willingness to remain in office and offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

The Directors' Report has been prepared in accordance with the provisions of Part VII of the Companies Act 1985 applicable to Small Companies.

ON BEHALF OF THE BOARD

Y Allen

Y. ALLEN  
Secretary

Dated:

18/6/98

ALLENS PRINTERS & STATIONERS LIMITED

2(b).

DIRECTORS RESPONSIBILITIES STATEMENT

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 year. In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) 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.

D.V. ALLEN  
Director

*D.V. Allen*

MRS C. ALLEN  
Director

*C. Allen*

Dated:

18/6/98

AUDITORS REPORTTO THE MEMBERS OFALLENS PRINTERS & STATIONERS LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention.

**Respective responsibilities of directors and auditors**

As described on page 2(b) 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 as at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BARTONS LIMITED  
Registered Auditor  
Chartered Accountants  
Lermon Court  
Fairway House  
Links Business Park  
St. Mellons  
Cardiff CF3 0LT

Dated: 22 June '98

ALLENS PRINTERS & STATIONERS LIMITED

4.

PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 DECEMBER 1997

	Note	1997 £	1996 £
Turnover	2	2,179,213	2,016,852
Cost of sales		(1,302,634)	(1,249,076)
Gross profit		876,579	767,776
Administrative expenses		(718,270)	(665,055)
Other operating income		2,000	7,500
Operating profit		160,309	110,221
Interest received		1,198	-
Interest payable and similar charges	4	(22,631)	(14,657)
Profit on ordinary activities before taxation	3	138,876	95,564
Tax on profit on ordinary activities	6	(34,644)	(21,200)
Profit for the financial year		104,232	74,364
Dividends	7	(70,437)	(52,200)
Retained profit for the financial year	16	33,795	22,164

There are no recognised gains or losses other than the profit for the year. The result above is obtained wholly from continuing activities.

ALLENS PRINTERS & STATIONERS LIMITED

5.

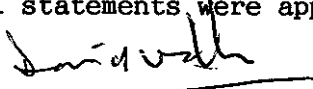
BALANCE SHEETAS AT 31 DECEMBER 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible assets	8		354,469		337,176
Investments	9		500		500
			<hr/>		<hr/>
			354,969		337,676
CURRENT ASSETS					
Stocks	10	58,631		53,752	
Debtors	11	401,815		384,816	
Cash at bank and in hand		51,557		8,417	
		<hr/>		<hr/>	
		512,003		446,985	
CREDITORS: Amounts falling due within one year	12	(463,025)		(409,987)	
NET CURRENT ASSETS		<hr/>	48,978	<hr/>	36,998
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>	<hr/>	<hr/>
			403,947		374,674
CREDITORS: Amounts falling due after more than one year	13		(113,513)		(123,399)
PROVISION FOR LIABILITIES AND CHARGES	14		(22,333)		(16,969)
			<hr/>		<hr/>
			268,101		234,306
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	15		15,000		15,000
Profit and loss account			253,101		219,306
			<hr/>		<hr/>
Total equity shareholders' funds	16		268,101		234,306
			<hr/>		<hr/>

The financial statements were prepared in accordance with the provision of Part V11 of the Companies Act 1985, relating to small companies.

The financial statements were approved by the Board of Directors on 18.6.98

D. V. ALLEN



MRS C. ALLEN



Directors

18/6/98



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards under the historic cost convention.

(b) Turnover

Turnover is the total amount receivable by the company in the ordinary course of business for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

(c) Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives.

The periods applicable are:

Fixtures and fittings	10 years
Plant and machinery	7 years
Motor vehicles	4 years

(d) Stocks

Stock and work in progress is stated at the lower of cost and net realisable value on a F.I.F.O. basis.

Work in progress cost includes direct costs and expenditure required to develop projects to the stage of completion at the balance sheet date.

(e) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

(f) Cash flow statement

As the company is a small company within the definition set out in S247 of the Companies Act 1985, the company has taken advantage of the exemptions available to small companies by FRS 1 and therefore not produced a cash flow statement for inclusion in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 1997

(g) Hire purchase

Assets held under hire purchase agreements are included under fixed assets at the capitalised value of the fair value of the asset. The assets are depreciated to reduce their value to estimated residual value over their useful economic life. The capital element of the future payments is treated as a liability and the interest element is charged to profit and loss account.

(h) Pension scheme

The company operates a defined contribution pension scheme. The assets of the fund are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid to the scheme in respect of the accounting period.

(i) Leases

Rentals payable under operating leases are charged to the profit and loss account in the period in which incurred.

(j) Investments

Fixed asset investments are stated at cost. Provision is made where necessary for permanent diminution in value.

2. TURNOVER

The turnover and profit before taxation is attributable to the printing and retailing of stationery.

The allocation of turnover and gross profit is as follows:-

	1997		1996	
	Printing £	Stationery £	Printing £	Stationery £
Turnover	1,137,362	1,041,851	991,703	1,025,149
Cost of sales	(471,633)	(831,001)	(419,166)	(829,910)
	<hr/>	<hr/>	<hr/>	<hr/>
Gross profit	665,729	210,850	572,537	195,239
	<hr/>	<hr/>	<hr/>	<hr/>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities is stated after charging and (crediting):

	1997 £	1996 £
Auditors' remuneration	6,400	7,690
Depreciation - on owned assets	15,913	17,129
- on assets under lease and hire purchase	63,679	48,889
Adjustment on fixed asset disposals	(20,813)	(15,751)
Hire of equipment - plant and equipment	27,877	26,162
	<hr/>	<hr/>

ALLENS PRINTERS & STATIONERS LIMITED

8.

NOTES TO THE FINANCIAL STATEMENTS (continued)FOR THE YEAR ENDED 31 DECEMBER 1997

4. INTEREST PAYABLE AND SIMILAR CHARGES	1997	1996
	£	£
Attributable to hire purchase contracts	22,554	14,580
Other interest payable	77	77
	<hr/>	<hr/>
	22,631	14,657
	<hr/>	<hr/>

5. DIRECTORS AND EMPLOYEES	1997	1996
	£	£
Staff costs during the year (including directors)		
Wages and salaries	361,558	381,252
Social security	37,732	38,579
Pension costs	4,944	2,878
	<hr/>	<hr/>
	404,234	422,709
	<hr/>	<hr/>

## 6. TAXATION

The taxation charge is based on the profit for the year and is made up as follows:

	1997	1996
	£	£
Corporation tax @ 21.74% (1996 - 24.25%)	28,011	14,791
Previous year adjustment	1,269	(269)
Deferred taxation	5,364	6,678
	<hr/>	<hr/>
	34,644	21,200
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

**6. TAXATION (continued)**

The movement on the deferred taxation account is as follows:-

	1997 £
Deferred taxation liability at 1 January 1997	16,969
Charge to profit and loss (see note 15)	5,364
	<hr/>
Deferred taxation liability at 31 December 1997	22,333
	<hr/>

**7. DIVIDENDS**

	1997 £	1996 £
Dividends paid	70,437	52,200
	<hr/>	<hr/>

**8. TANGIBLE FIXED ASSETS**

	Total £	Fixtures & Fittings £	Plant & Machinery £	Motor Vehicles £
Cost:				
At 1 January 1997	501,241	54,766	305,320	141,155
Additions	120,096	26,301	65,045	28,750
Disposals	(83,410)	-	(23,000)	(60,410)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	537,927	81,067	347,365	109,495
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
At 1 January 1997	164,065	29,111	56,270	78,684
Provided in the year	79,592	4,273	49,032	26,287
Disposals	(60,199)	-	(23,000)	(37,199)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	183,458	33,384	82,302	67,772
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value:				
At 31 December 1997	354,469	47,683	265,063	41,723
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1996	337,176	25,655	249,050	62,471
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 1997

## 8. TANGIBLE FIXED ASSETS (continued)

At the balance sheet date the following assets were held under hire purchase and lease purchase contracts.

	1997		1996	
	Cost £	NBV £	Cost £	NBV £
Motor vehicles	73,945	36,046	82,494	41,368
Plant and machinery	347,424	253,411	296,374	242,231
	<hr/>	<hr/>	<hr/>	<hr/>
	421,369	289,457	378,868	283,599
	<hr/>	<hr/>	<hr/>	<hr/>

## 9. INVESTMENTS

	£
Cost of unquoted investments:	
Cost at 1 January 1997	500
	<hr/>
Cost at 31 December 1997	500
	<hr/>

## 10. STOCKS

	1997 £	1996 £
Work in progress	38,305	38,401
Finished goods and goods for resale	20,326	15,351
	<hr/>	<hr/>
	58,631	53,752
	<hr/>	<hr/>

In the opinion of the directors, there were no significant differences between the replacement cost of stocks and the values disclosed.

## 11. DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Trade debtors	353,958	369,260
Prepayments and accrued income	47,857	15,556
	<hr/>	<hr/>
	401,815	384,816
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 1997

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank overdraft (a)	735	-
Trade creditors	299,582	280,967
Taxation	10,402	5,853
Social security and other taxes	29,748	33,201
Obligations under hire purchase agreements	63,538	65,733
Other creditors	71	71
Accruals	22,621	17,352
Due to directors	9,328	6,810
Due to related business	27,000	-
	<hr/>	<hr/>
	463,025	409,987
	<hr/>	<hr/>

(a) The bank overdraft is secured by a fixed and floating charge on the company's assets and by directors guarantees.

13. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1997 £	1996 £
Obligations under hire purchase agreements	113,513	123,399
	<hr/>	<hr/>

These obligations are due within five years at commercial rates.

14. PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation

Deferred taxation liability at the balance sheet date

	Provided		Unprovided	
	1997 £	1996 £	1997 £	1996 £
Accelerated capital allowances	22,333	16,969	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

15. CALLED UP SHARE CAPITAL

1997 and 1996  
£

Authorised	
40,000 ordinary shares of £1 each	40,000
	<hr/>
Allotted, called up and fully paid	
15,000 ordinary shares of £1 each	15,000
	<hr/>

ALLENS PRINTERS & STATIONERS LIMITEDNOTES TO THE FINANCIAL STATEMENTS (continued)FOR THE YEAR ENDED 31 DECEMBER 1997

## 16. MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	Total 1997 £	Total 1996 £
Shareholders' funds at 01.01.97	15,000	219,306	234,306	212,142
Profit for the financial year	-	104,232	104,232	74,364
Dividends paid	-	(70,437)	(70,437)	(52,200)
	<hr/>	<hr/>	<hr/>	<hr/>
Shareholders' funds at 31.12.97	15,000	253,101	268,101	234,306
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## 17. CAPITAL COMMITMENTS

At the balance sheet date the company had no commitments.

## 18. OPERATING LEASES

At the balance sheet date the company had the following commitments due in the forthcoming financial period under non cancellable operating leases:-

	Plant and Machinery	
	1997 £	1996 £
On leases expiring:		
Between 2 and 5 years	18,379	20,564
	<hr/>	<hr/>

## 19. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 December 1997 or 31 December 1996.

## 20. RELATED PARTY TRANSACTIONS

D.V. Allen is also a director of Allens Management Services Limited. During the year under review a wage service was provided to the company under normal trading terms amounting to £45,000.

The company made a management charge to Allens Management Services Limited of £2,000, for administration of that company. At 31 December 1997 an amount of £27,000 was owed to Allens Management Services Limited.