

Company Registration No. 1703368 (England and Wales)

ODESSA OFFSET LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005



ODESSA OFFSET LIMITED

COMPANY INFORMATION

Directors	M F Charles L S Matthews
Secretary	Mrs J Charles
Company number	1703368
Registered office	Lynwood House Crofton Road Orpington Kent BR6 8QE
Auditors	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
Business address	Core Unit Oakfield Road London SE20 8RA
Bankers	HSBC Bank plc 66 Lordship Lane East Dulwich London SE22 8HL

ODESSA OFFSET LIMITED

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ODESSA OFFSET LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

Principal activities and review of the business

The principal activity of the company continued to be that of printers.

Results and dividends

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 April 2004:

M F Charles
L S Matthews

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2005	1 April 2004
L S Matthews	325	325
M F Charles	925	925

Included in M F Charles shareholding is 1 share owned by Mrs J Charles in which M F Charles has a beneficial interest.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Baxter & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

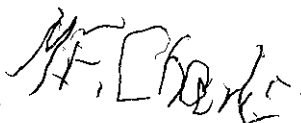
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

On behalf of the board

M F Charles
Director
2 February 2006



ODESSA OFFSET LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ODESSA OFFSET LIMITED

We have audited the financial statements of Odessa Offset Limited on pages 3 to 14 for the year ended 31 March 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Baxter & Co

3 February 2006

Chartered Certified Accountants
Registered Auditor

Lynwood House
Crofton Road
Orpington
Kent BR6 8QE

ODESSA OFFSET LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
Turnover	2	5,263,808	5,636,918
Cost of sales		(3,587,902)	(3,732,845)
Gross profit		1,675,906	1,904,073
Distribution costs		(585,839)	(548,800)
Administrative expenses		(908,461)	(1,007,875)
Operating profit	3	181,606	347,398
Other interest receivable and similar income	4	2,033	590
Interest payable and similar charges	5	(78,638)	(64,820)
Profit on ordinary activities before taxation		105,001	283,168
Tax on profit on ordinary activities	6	(20,182)	(84,907)
Profit on ordinary activities after taxation		84,819	198,261
Dividends	7	(146,250)	(146,251)
Retained (loss)/profit for the year	16	(61,431)	52,010

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

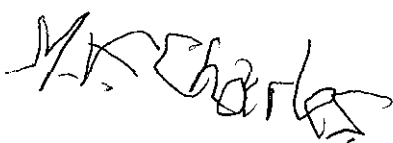
ODESSA OFFSET LIMITED

BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	8		1,679,407		1,750,332
Current assets					
Stocks	9	23,625		41,150	
Debtors	10	1,449,737		1,603,562	
Cash at bank and in hand		578		567	
		<u>1,473,940</u>		<u>1,645,279</u>	
Creditors: amounts falling due within one year	11	<u>(2,193,190)</u>		<u>(2,000,923)</u>	
Net current liabilities			<u>(719,250)</u>		<u>(355,644)</u>
Total assets less current liabilities			960,157		1,394,688
Creditors: amounts falling due after more than one year	12		(417,211)		(769,612)
Provisions for liabilities and charges	13		(88,068)		(108,767)
			<u>454,878</u>		<u>516,309</u>
Capital and reserves					
Called up share capital	15		1,250		1,250
Profit and loss account	16		453,628		515,059
Shareholders' funds - equity interests	17		<u>454,878</u>		<u>516,309</u>

The financial statements were approved by the Board on 2 February 2006

M F Charles
Director



ODESSA OFFSET LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	£	2005 £	£	2004 £
Net cash inflow from operating activities		835,533		648,516
Returns on investments and servicing of finance				
Interest received	2,033		590	
Interest paid	(78,638)		(64,820)	
Net cash outflow for returns on investments and servicing of finance		(76,605)		(64,230)
Taxation		(42,713)		1,078
Capital expenditure				
Payments to acquire tangible assets	(336,862)		(77,681)	
Receipts from sales of tangible assets	72,967		134,660	
Net cash (outflow)/inflow for capital expenditure		(263,895)		56,979
Equity dividends paid		(120,938)		(138,563)
Net cash inflow before management of liquid resources and financing		331,382		503,780
Financing				
New short term bank loan	200,000		-	
Other new short term loans	136,376		12,589	
Capital element of hire purchase contracts	(653,115)		(564,723)	
Net cash outflow from financing		(316,739)		(552,134)
Increase/(decrease) in cash in the year		14,643		(48,354)

ODESSA OFFSET LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

1	Reconciliation of operating profit to net cash inflow from operating activities	2005	2004
		£	£
	Operating profit	181,606	347,398
	Depreciation of tangible assets	506,402	409,620
	Loss on disposal of tangible assets	25,555	72,015
	Decrease in stocks	17,525	24,150
	Decrease/(increase) in debtors	153,825	(514,336)
	(Decrease)/increase in creditors within one year	(49,380)	309,669
	Net cash inflow from operating activities	835,533	648,516

2	Analysis of net debt	1 April 2004	Cash flow	Other non- 31 March 2005 cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	567	11	-
	Bank overdrafts	(76,017)	14,632	-
		(75,450)	14,643	-
	Debt:			
	Finance leases	(1,244,288)	580,575	(197,137)
	Debts falling due within one year	(45,089)	(127,460)	(136,376)
		(1,289,377)	453,115	(333,513)
	Net debt	(1,364,827)	467,758	(1,230,582)

3	Reconciliation of net cash flow to movement in net debt	2005	2004
		£	£
	Increase/(decrease) in cash in the year	14,643	(48,354)
	Cash outflow from decrease in debt and lease financing	453,115	552,134
	Change in net debt resulting from cash flows	467,758	503,780
	New finance lease	(333,513)	(766,701)
	Movement in net debt in the year	134,245	(262,921)
	Opening net debt	(1,364,827)	(1,101,906)
	Closing net debt	(1,230,582)	(1,364,827)

ODESSA OFFSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 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 less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	5% of cost
Plant and machinery	Between 33.3% on cost and 20% reducing balance
Fixtures, fittings and equipment	15% - 20% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

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

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.7 Deferred taxation

Deferred taxation is provided using the full provision method as per FRS 19.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

ODESSA OFFSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

3	Operating profit	2005	2004
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	506,402	409,620
	Loss on disposal of tangible assets	25,555	72,015
	Operating lease rentals	74,200	73,767
	Auditors' remuneration	7,550	6,900
		<u> </u>	<u> </u>
4	Investment income	2005	2004
		£	£
	Bank interest	2,033	590
		<u> </u>	<u> </u>
5	Interest payable	2005	2004
		£	£
	On bank loans and overdrafts	3,161	2,205
	Hire purchase interest	74,400	60,635
	On overdue tax	1,077	1,980
		<u> </u>	<u> </u>
		<u>78,638</u>	<u>64,820</u>

ODESSA OFFSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

6	Taxation	2005 £	2004 £
	Domestic current year tax		
	U.K. corporation tax	40,881	75,849
	Current tax charge	40,881	75,849
	Deferred tax		
	Deferred tax charge/credit current year	(20,699)	9,058
		20,182	84,907
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	105,001	283,168
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2004: 30.00%)	19,950	84,950
	Effects of:		
	Non deductible expenses	18,652	42,386
	Depreciation add back	96,217	122,886
	Capital allowances	(93,938)	(142,955)
	Marginal tax relief adjustment	-	(31,418)
		20,931	(9,101)
	Current tax charge	40,881	75,849
7	Dividends	2005 £	2004 £
	Ordinary interim paid	55,125	80,438
	Ordinary final proposed	91,125	65,813
		146,250	146,251

ODESSA OFFSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

8 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2004	55,871	2,609,945	146,162	354,606	3,166,584
Additions	-	426,392	4,807	102,800	533,999
Disposals	-	-	-	(126,205)	(126,205)
At 31 March 2005	55,871	3,036,337	150,969	331,201	3,574,378
Depreciation					
At 1 April 2004	20,531	1,251,420	77,694	66,607	1,416,252
On disposals	-	-	-	(27,683)	(27,683)
Charge for the year	2,794	425,084	15,903	62,621	506,402
At 31 March 2005	23,325	1,676,504	93,597	101,545	1,894,971
Net book value					
At 31 March 2005	32,546	1,359,833	57,372	229,656	1,679,407
At 31 March 2004	35,340	1,358,525	68,468	287,999	1,750,332

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 March 2005	1,033,230	220,516	1,253,746
At 31 March 2004	1,130,754	263,451	1,394,205
Depreciation charge for the year			
At 31 March 2005	392,885	59,573	452,458
At 31 March 2004	292,460	33,752	326,212

9 Stocks

	2005 £	2004 £
Finished goods and goods for resale	23,625	41,150

ODESSA OFFSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

10 Debtors	2005	2004
	£	£
Trade debtors	1,425,548	1,577,167
Prepayments and accrued income	24,189	26,395
	<u>1,449,737</u>	<u>1,603,562</u>
11 Creditors: amounts falling due within one year	2005	2004
	£	£
Bank loans and overdrafts	61,385	76,017
Net obligations under hire purchase contracts	443,639	474,676
Trade creditors	952,072	977,355
Corporation tax	117,808	119,640
Other taxes and social security costs	148,080	133,963
Directors' current accounts	26,876	26,372
Other creditors	326,099	69,294
Accruals and deferred income	26,106	57,793
Proposed dividend	91,125	65,813
	<u>2,193,190</u>	<u>2,000,923</u>
12 Creditors: amounts falling due after more than one year	2005	2004
	£	£
Net obligations under hire purchase contracts	<u>417,211</u>	<u>769,612</u>
Net obligations under hire purchase contracts		
Repayable within one year	443,639	474,676
Repayable between one and five years	542,287	948,061
	<u>985,926</u>	<u>1,422,737</u>
Finance charges and interest allocated to future accounting periods	(125,076)	(178,449)
	<u>860,850</u>	<u>1,244,288</u>
Included in liabilities falling due within one year	<u>(443,639)</u>	<u>(474,676)</u>
	<u>417,211</u>	<u>769,612</u>

ODESSA OFFSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 April 2004	108,767
Profit and loss account	(20,699)
	<hr/>
Balance at 31 March 2005	88,068
	<hr/>

The deferred tax liability is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	88,068	108,767
	<hr/>	<hr/>

14 Pension costs

Defined contribution

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. The pension cost charge represents contributions payable by the company to the fund.

	2005 £	2004 £
Contributions payable by the company for the year	60,016	54,946
	<hr/>	<hr/>

15 Share capital

	2005 £	2004 £
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
1,250 Ordinary shares of £1 each	1,250	1,250
	<hr/>	<hr/>

ODESSA OFFSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2004	515,059
Retained loss for the year	(61,431)
Balance at 31 March 2005	<u>453,628</u>

17 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	84,819	198,261
Dividends	(146,250)	(146,251)
Net (depletion in)/addition to shareholders' funds	(61,431)	52,010
Opening shareholders' funds	516,309	464,299
Closing shareholders' funds	<u>454,878</u>	<u>516,309</u>

18 Financial commitments

At 31 March 2005 the company was committed to making the following payments under non-cancellable operating leases in the year 31 March 2006:

	Land and buildings 2005 £	2004 £
Operating leases which expire: In over five years	<u>69,000</u>	<u>69,000</u>

19 Capital commitments

	2005 £	2004 £
At 31 March 2005 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	<u>2,635,000</u>	<u>-</u>

ODESSA OFFSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

20 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	395,605	373,429
Company pension contributions to money purchase schemes	30,696	29,176
	<u>426,301</u>	<u>402,605</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>244,681</u>	<u>222,874</u>
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21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

2005 Number	2004 Number
<u>34</u>	<u>37</u>

Employment costs

	2005 £	2004 £
Wages and salaries	1,610,284	1,574,906
Other pension costs	60,016	54,946
	<u>1,670,300</u>	<u>1,629,852</u>

22 Control

The company was controlled throughout the current and previous period by its directors, Mr M F Charles and Mr L S Matthews by virtue of the fact that between them they own all of the company's ordinary share capital.