

# Mainline Flatpacks Limited

ABBREVIATED ACCOUNTS

for the year ended

31 March 2002



Company Registration No. 1895837

# Mainline Flatpacks Limited

## DIRECTORS' REPORT

---

The directors present their report and financial statements of Mainline Flatpacks Limited for the year ended 31 March 2002.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of trade and retail printers, and packaging manufacturers.

### REVIEW OF THE BUSINESS

Renewal of the machinery is now completed and, together with extensive staff training, a platform for substantial growth has been established. Enthusiasm for the project remains high and many new product developments are expected to be launched this year. Difficult trading conditions are expected during 2001/2 which will limit growth to 10%, but the ground work will have been laid for future years.

### RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £46,431.

The directors do not recommend payment of an ordinary dividend.

### DIRECTORS

The following directors have held office since 1 April 2001:-

R S Lill	
J Lill	
G Abrahams	(Resigned 11 June 2001)
J Fuchs	(Appointed 11 March 2002)
W Wickens	(Appointed 1 April 2001)
D Sillett	(Resigned 31 August 2001)

### DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary A of £ 1 each</i>	
	31.3.02	1.4.01
R S Lill	4,500	4,500
J Lill	4,500	4,500
J Fuchs	-	-
W Wickens	-	-
	<i>Ordinary B of £ 1 each</i>	
	31.3.02	1.4.01
R S Lill	-	-
J Lill	-	-
J Fuchs	-	-
W Wickens	-	-

# Mainline Flatpacks Limited

## DIRECTORS' REPORT

---

### CHARITABLE DONATIONS

2002	2001
£	£

During the year the company made the following payments:

Charitable donations

50	520
----	-----

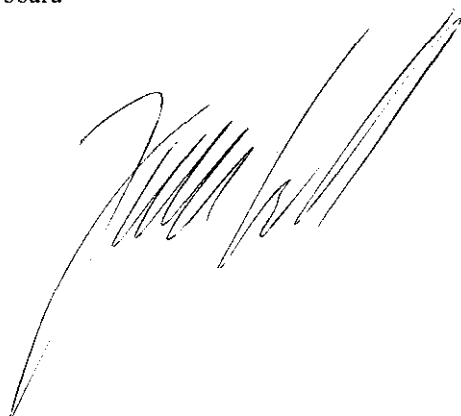
### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

On behalf of the board

J Lill  
Director

21 August 2002



# Mainline Flatpacks Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

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:

- 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.

**AUDITORS' REPORT TO MAINLINE FLATPACKS LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 5 to 17, together with the financial statements of the company for the year ended 31 March 2002 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with that provision.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
1st Floor  
46 Clarendon Road  
Watford  
Herts  
WD17 1HE

21 August 2002

# Mainline Flatpacks Limited

## ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 31 March 2002

	<i>Notes</i>	2002 £	As restated 2001 £
Gross profit		1,412,381	1,673,929
Other operating expenses	1	1,239,806	1,194,419
OPERATING PROFIT		<u>172,575</u>	<u>479,510</u>
Other interest receivable and similar income	2	425	500
		<u>173,000</u>	<u>480,010</u>
Interest payable and similar charges	3	113,659	120,544
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>59,341</u>	<u>359,466</u>
Taxation	6	12,910	135,661
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	<u><u>46,431</u></u>	<u><u>223,805</u></u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

# Mainline Flatpacks Limited

## BALANCE SHEET

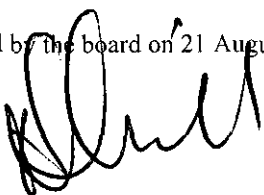
31 March 2002

	Notes	2002 £	As restated 2001 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,371,589	2,281,372
<b>CURRENT ASSETS</b>			
Stocks	9	325,347	418,020
Debtors	10	691,554	1,156,771
Cash at bank and in hand		8,002	8,490
		<u>1,024,903</u>	<u>1,583,281</u>
CREDITORS: Amounts falling due within one year	11	1,263,212	1,740,736
<b>NET CURRENT LIABILITIES</b>		<u>(238,309)</u>	<u>(157,455)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,133,280</u>	<u>2,123,917</u>
CREDITORS: Amounts falling due after more than one year	12	(595,393)	(643,279)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	(285,047)	(259,229)
		<u>1,252,840</u>	<u>1,221,409</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	9,000	9,200
Other reserves	15	7,700	7,500
Profit and loss account	15	1,236,140	1,204,709
<b>SHAREHOLDERS' FUNDS</b>	16	<u>1,252,840</u>	<u>1,221,409</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the board on 21 August 2002

R S Lill



Director

**Mainline Flatpacks Limited**  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2002

	Notes	2002 £	2001 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	726,019	716,921
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		425	500
Interest paid		(113,659)	(120,544)
		<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance		(113,234)	(120,044)
TAXATION		(68,155)	1,244
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(125,759)	(99,466)
Receipts from sales of tangible assets		39,993	79,318
		<hr/>	<hr/>
Net cash outflow for capital expenditure		(85,766)	(20,148)
		<hr/>	<hr/>
Net cash inflow before management of liquid resources and financing		458,864	577,973
FINANCING			
Issue of ordinary share capital		-	100
Purchase of own shares		(15,000)	-
		<hr/>	<hr/>
Issue and purchase of shares		(15,000)	100
		<hr/>	<hr/>
Capital element of hire purchase contracts		(274,667)	(299,327)
		<hr/>	<hr/>
Decrease in debt		(274,667)	(299,327)
		<hr/>	<hr/>
Net cash outflow from financing		(289,667)	(299,227)
		<hr/>	<hr/>
INCREASE IN CASH IN THE YEAR		169,197	278,746
		<hr/>	<hr/>



# Mainline Flatpacks Limited

## ACCOUNTING POLICIES

---

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Plant and machinery	between 4% and 15% straight line method
Fixtures, fittings & equipment	15% straight line method
Motor vehicles	15% straight line method

### STOCK AND WORK IN PROGRESS

Stock and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

### DEFERRED TAXATION

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

*The adoption of the standard requires a prior period adjustment to be made to recognise the liability which existed at the start of the financial year and which was not recognised under the old accounting policy. This has increased the deferred tax liability and reduced the retained profits by £259,229.*

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

### PENSIONS CONTRIBUTIONS

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

### FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

# Mainline Flatpacks Limited

## NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 March 2002

1.	OTHER OPERATING EXPENSES	2002 £	2001 £
	Administrative expenses	1,239,806	1,194,419
2.	INVESTMENT INCOME	2002 £	2001 £
	Bank interest	425	500
3.	INTEREST PAYABLE	2002 £	2001 £
	On bank loans and overdrafts	241	913
	Hire purchase interest	74,609	66,673
	Factoring interest paid	38,406	51,308
	On overdue tax	403	1,650
		113,659	120,544
4.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2002 £	2001 £
	Profit on ordinary activities before taxation is stated after charging/(crediting):		
	Depreciation of tangible assets:		
	Charge for the year:		
	owned assets	112,181	139,579
	leased assets	92,144	63,710
	Loss on disposals	40,287	21,620
	Operating lease rentals:		
	Plant and machinery	11,741	12,766
	Land and buildings	95,500	95,500
	Profit on foreign exchange transactions	(5,046)	(4,660)
	Auditors' remuneration	8,000	3,650

# Mainline Flatpacks Limited

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 March 2002

### 5. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2002 No.	2001 No.
Administration	16	17
Sales	4	4
Production	34	36
	<u>54</u>	<u>57</u>

	£	£
Staff costs for the above persons:		
Wages and salaries	1,024,403	1,048,463
Social security costs	97,530	104,315
Other pension costs	6,661	6,361
	<u>1,128,594</u>	<u>1,159,139</u>

DIRECTORS' REMUNERATION	2002 £	2001 £
Emoluments for qualifying services	215,117	190,284
Company pension contributions to money purchase schemes	5,745	4,491
	<u>220,862</u>	<u>194,775</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2001 - 3).

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

Emoluments for qualifying services	94,145	86,319
Company pension contributions to money purchase schemes	2,550	2,334

# Mainline Flatpacks Limited

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 March 2002

	2002	As restated 2001
	£	£
6. TAXATION		
Domestic current year tax		
U.K. corporation tax	(12,807)	16,850
Adjustment for prior years	(101)	63,286
	<u>(12,908)</u>	<u>80,136</u>
Current tax charge		
Deferred tax		
Deferred tax charge/credit current year	25,818	55,525
	<u>12,910</u>	<u>135,661</u>
	<u><u>12,910</u></u>	<u><u>135,661</u></u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	59,341	359,466
	<u>59,341</u>	<u>359,466</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 20.00%)	11,868	71,893
	<u>11,868</u>	<u>71,893</u>
Effects of:		
Non deductible expenses	1,143	386
Capital allowances in excess of depreciation	(25,818)	(55,525)
Adjustments to previous periods	(101)	63,286
Other tax adjustments	-	96
	<u>(24,776)</u>	<u>8,243</u>
Current tax charge	<u>(12,908)</u>	<u>80,136</u>

# Mainline Flatpacks Limited

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 March 2002

### 7. TANGIBLE FIXED ASSETS

	<i>Plant and machinery</i>	<i>Fixtures, fittings &amp; equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
1 April 2001	3,057,514	97,973	95,049	3,250,536
Additions	310,551	7,786	56,485	374,822
Disposals	(118,557)	-	(48,625)	(167,182)
31 March 2002	3,249,508	105,759	102,909	3,458,176
Depreciation				
1 April 2001	894,919	51,691	22,554	969,164
Charge in the year	185,381	12,669	6,275	204,325
Disposals	(85,177)	-	(1,725)	(86,902)
31 March 2002	995,123	64,360	27,104	1,086,587
Net book value				
31 March 2002	2,254,385	41,399	75,805	2,371,589
31 March 2001	2,162,595	46,282	72,495	2,281,372

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

	<i>Plant and machinery</i>
	£
Net book value	
31 March 2002	1,386,927
31 March 2001	1,223,873

### 8. STOCKS AND WORK IN PROGRESS

	2002	2001
	£	£
Raw materials and consumables	75,443	64,345
Work in progress	66,744	142,790
Finished goods and goods for resale	183,160	210,885
	325,347	418,020

# Mainline Flatpacks Limited

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 March 2002

9	DEBTORS	2002 £	2001 £
	Due within one year:		
	Trade debtors	656,431	1,135,380
	Corporation tax	12,807	-
	Other debtors	10,730	11,964
	Prepayments and accrued income	11,586	9,427
		<u>691,554</u>	<u>1,156,771</u>

10.	CREDITORS: Amounts falling due within one year	2002 £	As restated 2001 £
	Bank loans and overdrafts	405,540	575,225
	Obligations under finance lease and hire purchase contracts	237,098	214,816
	Trade creditors	473,965	745,705
	Corporation tax	-	68,256
	Other taxes and social security costs	124,889	112,839
	Other creditors	4,198	3,859
	Accruals and deferred income	17,522	20,036
		<u>1,263,212</u>	<u>1,740,736</u>

There is a bond in favour of HM Customs and Excise of £2,000.

11.	CREDITORS: Amounts falling due in more than one year	2002 £	2001 £
	Obligations under finance leases and hire purchase agreements	<u>595,393</u>	<u>643,279</u>
		2002 £	2001 £
	Obligations under finance leases and hire purchase contracts:		
	Repayable within one year	237,098	214,816
	Repayable between two and five years	595,393	643,279
		<u>832,491</u>	<u>858,095</u>
		832,491	858,095
	Included in current liabilities	<u>(237,098)</u>	<u>(214,816)</u>
		<u>595,393</u>	<u>643,279</u>

Included in bank loans and overdrafts is an amount of £405,540 (2001 - £575,225) which is secured by a debenture giving fixed and floating charges over the company's trade debtors.

# Mainline Flatpacks Limited

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 March 2002

### 12. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation £</i>
Balance at 1 April 2001	259,229
Transfer from profit and loss account	25,818
Balance at 31 March 2002	<u>285,047</u>

Deferred taxation provided in the financial statements is as follows:

	2002 £	2001 £
Excess of tax allowances over depreciation	<u>285,047</u>	<u>259,229</u>

### 13. SHARE CAPITAL

	2002 £	2001 £
Authorised:		
14,000 Ordinary A of £ 1 each	14,000	14,000
1,000 Ordinary B of £ 1 each	<u>1,000</u>	<u>1,000</u>
	<u>15,000</u>	<u>15,000</u>
Allotted, issued and fully paid:		
9,000 Ordinary A of £ 1 each	9,000	9,000
Nil Ordinary B of £1 each	<u>-</u>	<u>200</u>
	<u>9,000</u>	<u>9,200</u>

# Mainline Flatpacks Limited

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 March 2002

### 14. STATEMENT OF MOVEMENT ON RESERVES

	<i>Other reserves (see below)</i>	<i>As restated Profit and loss account</i>
	£	£
1 April 2001	7,500	1,204,709
Retained profit for the year	-	46,431
Purchase of own shares	-	(15,000)
Movement during the year	200	-
31 March 2002	<u>7,700</u>	<u>1,236,140</u>
Other reserves		
Capital redemption reserve		
1 April 2001	7,500	
Capital redemption reserve movement	200	
31 March 2002	<u>7,700</u>	

### 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	As restated 2001
	£	£
Profit for the financial year	46,431	223,805
Proceeds from issue of shares	-	100
Purchase of own shares	(15,000)	-
Net addition to shareholders' funds	<u>31,431</u>	<u>223,905</u>
Opening shareholders' funds	1,221,409	997,504
Closing shareholders' funds	<u>1,252,840</u>	<u>1,221,409</u>



# Mainline Flatpacks Limited

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 March 2002

16.	CASH FLOWS		2002	2001	
			£	£	
a.	Reconciliation of operating profit to net cash inflow from operating activities				
	Operating profit		172,575	479,510	
	Depreciation of tangible assets		204,325	203,289	
	Loss on disposal of tangible assets		40,287	21,620	
	Decrease in stocks		92,673	32,906	
	Decrease/(increase) in debtors		478,024	(102,167)	
	(Decrease)/increase in creditors within one year		(261,865)	81,763	
	Net cash inflow from operating activities		<u>726,019</u>	<u>716,921</u>	
b.	Analysis of net debt	1 April 2001	Cash flow	Other non-cash changes	31 March 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	8,490	(488)	-	8,002
	Bank overdrafts	(575,225)	169,685	-	(405,540)
		<u>(566,735)</u>	<u>169,197</u>	<u>-</u>	<u>(397,538)</u>
	Bank deposits	-	-	-	-
	Debt:				
	Finance leases	(858,095)	274,667	(249,063)	(832,491)
	Net debt	<u>(1,424,830)</u>	<u>443,864</u>	<u>(249,063)</u>	<u>(1,230,029)</u>
c.	Reconciliation of net cash flow to movement in net debt		2002	2001	
			£	£	
	Increase in cash in the year		169,197	278,746	
	Cash outflow from decrease in debt and lease financing		274,667	299,327	
	Change in net debt resulting from cash flows		<u>443,864</u>	<u>578,073</u>	
	New finance lease		(249,063)	(80,650)	
	Movement in net debt in the year		<u>194,801</u>	<u>497,423</u>	
	Opening net debt		(1,424,830)	(1,922,253)	
	Closing net debt		<u>(1,230,029)</u>	<u>(1,424,830)</u>	
17.	CAPITAL COMMITMENTS		2002	2001	
			£	£	
	Capital expenditure contracted for but not provided in the financial statements		-	193,000	

# Mainline Flatpacks Limited

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 March 2002

### 18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002	2001
	£	£
Land and buildings		
expiring in the second to fifth year	35,500	35,500
expiring after five years	60,000	60,000
Plant and machinery		
expiring in the first year	382	1,512
expiring in the second to fifth year	5,434	5,396
expiring after five years	-	1,566
	<u>101,316</u>	<u>103,974</u>

### 19. PENSION COMMITMENTS

#### DEFINED CONTRIBUTION

	2002	2001
	£	£
Contributions payable by the company for the year	<u>6,661</u>	<u>6,361</u>