

Company Registration No. 1928479

AUDIOPRINT LIMITED

Report and Financial Statements

31 March 2003



AUDIOPRINT LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D F Martin
R B Coates
R J Denyer
P A Hull

SECRETARY

D F Martin

REGISTERED OFFICE

3 Wolseley Court
Wolseley Road
Kempston
Bedford

BANKERS

Natwest Bank
81 High Street
Bedford

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cambridge

AUDIOPRINT LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2003.

ACTIVITIES

The company's principal activity is printing self adhesive labels on reel.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are satisfied with the results for the year and anticipate a similar level of activity for the year ending 31 March 2004.

DIVIDENDS

The directors do not recommend the payment of a dividend (2002 - nil).

DIRECTORS AND THEIR INTERESTS

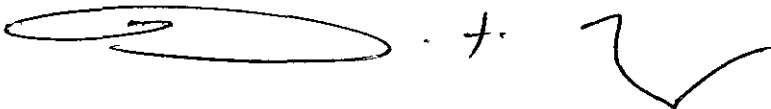
The directors who served throughout the year, together with their interests in the share capital of the company, are as follows:

	Ordinary shares	
	As at 31 March 2003 No.	As at 1 April 2002 No.
D F Martin	2,000	2,000
R B Coates	2,000	2,000
R J Denyer	2,000	2,000
P A Hull	-	-

AUDITORS

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



19/11/2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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; and
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUDIOPRINT LIMITED

We have audited the financial statements of Audioprint Limited for the year ended 31 March 2003, which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein and the Financial Reporting Standard for Smaller Entities (effective June 2002).

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 auditors' 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 directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements.

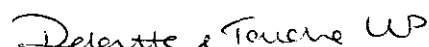
Basis of audit opinion

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Cambridge

19 November 2004

AUDIOPRINT LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2003

	Note	2003 £	2002 £
TURNOVER	2	564,502	758,166
Other operating income		5,000	2,500
		<u>569,502</u>	<u>760,666</u>
Raw materials and consumables		(85,867)	(74,963)
Other external charges		(35,141)	(121,396)
		<u>(121,008)</u>	<u>(196,359)</u>
		<u>448,494</u>	<u>564,307</u>
Staff costs	3	(233,059)	(185,762)
Depreciation	8	(23,620)	(22,665)
Other operating charges		(78,845)	(98,800)
OPERATING PROFIT	4	<u>112,970</u>	<u>257,080</u>
Interest receivable and similar income	5	1,803	5,966
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>114,773</u>	<u>263,046</u>
Tax on profit on ordinary activities	6	2,242	(9,783)
TRANSFERRED TO RESERVES	12	<u>117,015</u>	<u>253,263</u>

The statement of movements on reserves is shown in note 12 to the accounts.

AUDIOPRINT LIMITED

BALANCE SHEET 31 March 2003

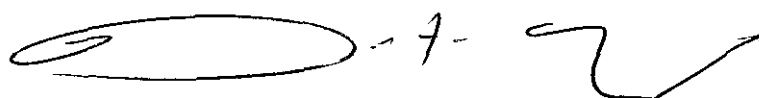
	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	328,084	236,143
CURRENT ASSETS			
Stocks		1,869	1,869
Debtors	8	157,613	427,090
Cash at bank and in hand		280,606	82,010
		440,088	510,969
CREDITORS: amounts falling due within one year	9	(287,820)	(381,533)
NET CURRENT ASSETS		152,268	129,436
TOTAL ASSETS LESS CURRENT LIABILITIES		480,352	365,579
PROVISIONS FOR LIABILITIES AND CHARGES	10	(14,135)	(16,377)
NET ASSETS		466,217	349,202
CAPITAL AND RESERVES			
Called up share capital	11	6,000	6,000
Revaluation reserve	12	11,060	11,153
Capital redemption reserve	12	2,000	2,000
Profit and loss account	12	447,157	330,049
TOTAL EQUITY SHAREHOLDERS' FUNDS		466,217	349,202

These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the Board of Directors on 19/11/2004.

Signed on behalf of the Board of Directors

Director



NOTES TO THE ACCOUNTS
Year ended 31 March 2003

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

The company has taken advantage of the exemption afforded to small companies not to prepare a cash flow statement.

Turnover

Turnover is the total amount of sales invoiced by the company excluding value added tax.

Stocks

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

Tangible fixed assets

No depreciation is provided on freehold land.

The company's policy is to carry all assets at historical cost, except one property which has been included in the balance sheet at a valuation existing on 31 March 2000 in accordance with the transitional arrangements of the FRSSE regarding tangible fixed assets. The valuation of £47,500 has not been updated since 31 March 1995 and the company is not continuing the revaluation policy relating to freehold land and buildings.

Depreciation is calculated to write off the cost of other fixed assets over their estimated useful lives. The particular rates adopted are as follows:

Freehold buildings	2% per annum straight line
Plant and machinery	10% per annum straight line
Motor vehicles	30% per annum on the written down value

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date, to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise 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. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leases

The costs of operating leases are charged to the profit and loss account as they accrue.

NOTES TO THE ACCOUNTS
Year ended 31 March 2003

1 ACCOUNTING POLICIES (continued)

Pension costs

Certain employees of the company are members of a defined benefit pension scheme operated by Cassette & Record Services Limited.

The costs of providing pensions are estimated on the basis of independent actuarial advice and are charged to the profit and loss account over the expected service lives of participating employees.

The accounting policy follows the funding policy except where an actuarial valuation indicates a deficiency or a surplus. Such surpluses or deficiencies are for funding purposes dealt with as advised by the actuary.

The company also operates a defined contribution scheme for senior employees and premiums are charged to the profit and loss account as they are incurred.

2 TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

The turnover, which arises in the United Kingdom, is attributable to the company's principal activity.

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2003	2002
	£	£
Directors' remuneration		
Emoluments (excluding pension contributions)	41,557	38,468
Company contributions to money purchase and similar pension schemes in respect of directors' services	-	2,224
	2003	2002
	No.	No.
The number of directors who:		
▪ are members of a money purchase pension scheme	1	1
	2003	2002
	No.	No.
Average number of persons employed		
Production	6	6
Administration	3	3
	9	9

AUDIOPRINT LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2003

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2003 £	2002 £
Staff costs during the year (including directors)		
Wages and salaries	207,551	159,091
Social security costs	14,435	12,383
Pension costs	11,073	14,288
Costs recharged from related company	-	342,130
	<u>233,059</u>	<u>527,892</u>

4 OPERATING PROFIT/(LOSS)

	2003 £	2002 £
Operating profit/(loss) is after charging:		
Depreciation	23,620	22,665
Loss on disposal of fixed assets	1,038	-
Auditors' remuneration	2,100	2,000
	<u></u>	<u></u>
and after crediting:		
Profit on disposal of fixed assets	-	5,182
	<u></u>	<u></u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Bank interest	<u>1,803</u>	<u>5,966</u>

AUDIOPRINT LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2003

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Tax (credit)/charge for the year

	2003 £	2002 £
<i>Current taxation</i>		
United Kingdom corporation tax at 19% (2002 - 20%)	-	-
<i>Deferred taxation</i>		
Timing differences, origination and reversal	(2,242)	9,783
Tax on profit on ordinary activities	<u>(2,242)</u>	<u>9,783</u>

The standard rate of corporation tax for the year, based on the UK standard rate of corporation tax is 19% (2002 - 20%). The actual tax credit for the current year and charge for the previous year differs from the standard rate for the reasons set out in the following tax reconciliation:

Reconciliation of current tax

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>114,773</u>	<u>263,046</u>
Tax on profit on ordinary activities at standard rate	21,807	52,609
<i>Factors affecting charge for the year:</i>		
Capital allowances in deficit / (excess) of depreciation	396	(7,670)
Rate differences	(343)	-
Losses utilised in the period	(21,860)	-
Expenses not deductible for tax purposes	-	4
Trade losses carried forward	-	23,483
Total actual amount of current tax	<u>-</u>	<u>68,426</u>

Analysis of deferred tax balances

	Provided/ (recognised) 2003 £	Provided 2002 £	Not provided 2003 £	Not provided/ (recognised) 2002 £
Accelerated capital allowances	15,161	16,377	-	-
Revenue losses	(1,026)	-	-	(24,090)
	<u>14,135</u>	<u>16,377</u>	<u>-</u>	<u>(24,090)</u>

AUDIOPRINT LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2003

6 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Analysis of movement in deferred tax provision

	Deferred taxation £
Balance at 1 April 2002 (note 10)	16,377
Credited to the profit and loss account	(2,242)
Balance at 31 March 2003 (note 10)	<u>14,135</u>

7 TANGIBLE FIXED ASSETS

	Freehold buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2002	87,500	240,449	8,000	335,949
Additions in year	116,100	-	2,500	118,600
Disposals in year	-	-	(8,000)	(8,000)
At 31 March 2003	<u>203,600</u>	<u>240,449</u>	<u>2,500</u>	<u>446,549</u>
Accumulated depreciation				
At 1 April 2002	5,208	89,637	4,961	99,806
Charge in year	2,251	20,619	750	23,620
Disposals in year	-	-	(4,961)	(4,961)
At 31 March 2003	<u>7,459</u>	<u>110,256</u>	<u>750</u>	<u>118,465</u>
Net book value				
At 31 March 2003	<u>196,141</u>	<u>130,193</u>	<u>1,750</u>	<u>328,084</u>
At 31 March 2002	<u>82,292</u>	<u>150,812</u>	<u>3,039</u>	<u>236,143</u>

AUDIOPRINT LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2003

7 TANGIBLE FIXED ASSETS (continued)

	Freehold buildings £	Plant and machinery £	Motor vehicles £	Total £
Comparable amounts determined according to the Historical cost convention				
Cost	197,655	240,449	2,500	440,604
Accumulated depreciation	(12,574)	(110,256)	(750)	(123,580)
Net book value				
At 31 March 2003	185,081	130,193	1,750	317,024
At 31 March 2002	71,139	150,812	3,039	224,990

As stated in the accounting policies, freehold land and buildings include a property at a valuation of £47,500 which has not been updated since 31 March 1995. The company is not continuing the revaluation policy relating to this asset.

8 DEBTORS

	2003 £	2002 £
Trade debtors	126,378	115,212
Amounts due from related undertakings	-	301,930
Other debtors	21,000	9,948
Prepayments and accrued income	10,235	-
	157,613	427,090

All amounts are due within one year.

AUDIOPRINT LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2003

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade creditors	25,110	44,890
Amounts due to related undertakings	233,840	307,336
Other taxes and social security	20,463	-
Other creditors	-	29,307
Accruals and deferred income	8,407	-
	<u>287,820</u>	<u>381,533</u>

10 PROVISIONS FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred taxation (note 6)	<u>14,135</u>	<u>16,377</u>

11 CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised		
10,000 Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>
Called up, allotted and fully paid		
6,000 Ordinary shares of £1.00 each	<u>6,000</u>	<u>6,000</u>

AUDIOPRINT LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2003

12 STATEMENT OF MOVEMENTS ON RESERVES

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2002	11,153	2,000	330,049	343,202
Profit retained for the year	-	-	117,015	117,015
Transfer of additional depreciation on revalued asset	(93)	-	93	-
At 31 March 2003	11,060	2,000	447,157	460,217

13 PENSION SCHEMES

Certain employees of the company are members of a defined benefit scheme operated by Cassette & Record Services Limited.

Pension costs are assessed in accordance with the advice of professionally qualified actuaries.

The most recent actuarial valuation was made at 1 April 2001 and the assumptions which had the most significant effect on the results of the valuation were as follows:

Rate of return on investments	9.7% per annum compound
Rate of earnings growth	6.9% per annum compound

The valuation indicated a funding level of 120% of the scheme's liability, based on a fair value of the scheme's assets of £1,784,000 and a present value of the scheme's liabilities of £1,492,000. The actuary recommended the company increase the current contribution rate to 8.4% to eliminate the surplus over 13 years. The funding of the scheme has however been kept at 6% of pensionable salaries from 6 April 2001 so as to eliminate the surplus over 7 years.

The cost for the year was £11,073 (2002 - £12,064). No amounts were outstanding at the year end (2002 - nil)

The scheme is currently in the process of being wound up. The consequence of this, and investment performance since the last actuarial valuation, makes it unlikely that the company will have any further interest in, or exposure to, funding surpluses or deficits.

Executive scheme

This is a defined contribution scheme and the cost for the year was £nil (2002 - £2,224).

NOTES TO THE ACCOUNTS
Year ended 31 March 2003

14 RELATED PARTY TRANSACTIONS

During the year the company made an unsecured interest-free loan of £21,000 to Mr R J Deyner, a director. This loan was in place at the year end and is included in other debtors in note 8.

Cassette & Record Services Limited is a company under the control of the same group of shareholders as Audioprint Limited. During the year the company paid management fees to Cassette & Record Services Limited of £40,000 (2002 - £40,000) and paid re-charged wage costs of £nil (2002 £302,130). During the year the company purchased two freehold properties from Cassette & Record Services Limited at a cost of £116,100. Amounts outstanding at the year end are disclosed in notes 8 and 9.