

WINCANTON PRINT COMPANY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 MAY 2002



BURTON SWEET
Chartered Accountants & Registered Auditors
Cooper House
Lower Charlton Estate
Shepton Mallet
Somerset
BA4 5QE

WINCANTON PRINT COMPANY LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2002

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WINCANTON PRINT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The director	S W Taylor
Company secretary	Mrs T M Graham
Registered office	Wincanton Print Company Limited Unit 26 Wessex Way Wincanton Business Park Wincanton BA9 9RR
Auditors	Burton Sweet Chartered Accountants & Registered Auditors Cooper House Lower Charlton Estate Shepton Mallet Somerset BA4 5QE
Bankers	National Westminster Bank plc 5 South Street Wincanton Somerset BA9 9DJ

WINCANTON PRINT COMPANY LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 MAY 2002

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 May 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was commercial printing.

The company has invested heavily in the latest printing technology this year and the director believes the business is now well placed to compete in the marketplace and return to profitability in the short term.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The director has recommended the following dividends:

	2002	2001
	£	£
Dividends paid on ordinary shares	<u>68,708</u>	<u>-</u>

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At	At
	31 May 2002	1 June 2001
S W Taylor	<u>100</u>	<u>100</u>

THE EURO

The director does not expect the company to be affected in the foreseeable future by the introduction of the euro and therefore no action has been taken on this to date.

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to:

select suitable accounting policies, as described on pages 10 to 11, 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.

WINCANTON PRINT COMPANY LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 MAY 2002

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

DONATIONS

During the year the company made the following contributions:

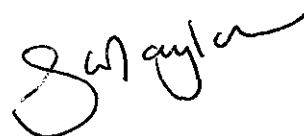
	2002	2001
	£	£
Charitable	<u>200</u>	<u>278</u>
Other	<u>2,218</u>	<u>1,324</u>

AUDITORS

A resolution to re-appoint Burton Sweet as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Wincanton Print Company Limited
Unit 26 Wessex Way
Wincanton Business Park
Wincanton
BA9 9RR

Signed by



Director
S.W. Taylor

Approved by the director on 19 March 2003

WINCANTON PRINT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

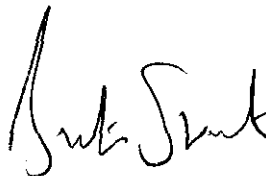
The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the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

BASIS OF OPINION

We have carried out the procedures we consider 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 Act, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with those provisions.



BURTON SWEET
Chartered Accountants
& Registered Auditors

Cooper House
Lower Charlton Estate
Shepton Mallet
Somerset
BA4 5QE

19 March 2003

WINCANTON PRINT COMPANY LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MAY 2002**

	Note	2002 £	2001 £
GROSS PROFIT		1,197,209	1,218,559
Distribution Costs		135,744	126,980
Administrative expenses		962,787	891,841
OPERATING PROFIT	2	98,678	199,738
Interest receivable		1,583	2,691
Interest payable	5	(231,789)	(161,684)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(131,528)	40,745
Tax on (loss)/profit on ordinary activities	6	(22,390)	(1,917)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(109,138)	42,662
Dividends	7	68,708	-
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(177,846)	42,662

All of the activities of the company are classed as continuing.

The notes on pages 10 to 17 form part of these financial statements.

WINCANTON PRINT COMPANY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MAY 2002

	2002 £	2001 £
(Loss)/Profit for the financial year attributable to the shareholder	(109,138)	42,662
Total recognised gains and losses relating to the year	(109,138)	42,662
Prior year adjustment (see note 8)	—	(227,223)
Total gains and losses recognised since the last annual report	<u>(109,138)</u>	<u>(184,561)</u>

The notes on pages 10 to 17 form part of these financial statements.

WINCANTON PRINT COMPANY LIMITED


ABBREVIATED BALANCE SHEET

31 MAY 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	9	2,670,304	1,590,632
CURRENT ASSETS			
Stocks	10	92,411	97,312
Debtors	11	1,458,595	1,218,487
Cash at bank and in hand		100,052	42,877
		<u>1,651,058</u>	<u>1,358,676</u>
CREDITORS: Amounts falling due within one year	12	<u>2,096,967</u>	<u>1,752,046</u>
NET CURRENT LIABILITIES		<u>(445,909)</u>	<u>(393,370)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,224,395</u>	<u>1,197,262</u>
CREDITORS: Amounts falling due after more than one year	13	<u>1,921,419</u>	<u>707,872</u>
		<u>302,976</u>	<u>489,390</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	15	88,017	96,585
		<u>214,959</u>	<u>392,805</u>
CAPITAL AND RESERVES			
Called-up equity share capital	17	100	100
Profit and Loss Account		214,859	392,705
SHAREHOLDER'S FUNDS	18	<u>214,959</u>	<u>392,805</u>

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

These financial statements were approved and signed by the director on 19 March 2003


S W TAYLOR

The notes on pages 10 to 17 form part of these financial statements.

WINCANTON PRINT COMPANY LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 MAY 2002**

	2002		2001	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		798,794		648,228
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	1,583		2,691	
Interest paid	(38,482)		(47,843)	
Interest element of hire purchase	<u>(193,307)</u>		<u>(113,841)</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(230,206)		(158,993)
TAXATION		(320)		(1)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(15,520)		(20,128)	
Receipts from sale of fixed assets	<u>650,744</u>		<u>32,999</u>	
NET CASH INFLOW FROM CAPITAL EXPENDITURE		635,224		12,871
EQUITY DIVIDENDS PAID		(68,708)		-
CASH INFLOW BEFORE FINANCING		1,134,784		502,105
FINANCING				
Capital element of hire purchase	<u>(1,085,390)</u>		<u>(536,346)</u>	
NET CASH OUTFLOW FROM FINANCING		(1,085,390)		(536,346)
INCREASE/(DECREASE) IN CASH		<u>49,394</u>		<u>(34,241)</u>

The notes on pages 10 to 17 form part of these financial statements.

WINCANTON PRINT COMPANY LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 MAY 2002

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	98,678	199,738
Depreciation	385,024	387,990
Loss/(Profit) on disposal of fixed assets	40,576	(12,233)
Decrease/(Increase) in stocks	4,901	(17,320)
(Increase)/Decrease in debtors	(240,108)	37,903
Increase in creditors	509,723	52,150
Net cash inflow from operating activities	798,794	648,228

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2002 £	2001 £
Increase/(Decrease) in cash in the period	49,394	(34,241)
Cash outflow in respect of hire purchase	1,085,390	536,346
Change in net debt resulting from cash flows	1,134,784	502,105
New finance leases	(2,140,496)	(250,538)
Movement in net debt in the period	(1,005,712)	251,567
Net debt at 1 June 2001	(1,131,005)	(1,382,572)
Net debt at 31 May 2002	(2,136,717)	(1,131,005)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jun 2001 £	Cash flows £	Other changes £	At 31 May 2002 £
Net cash:				
Cash in hand and at bank	42,877	57,175	—	100,052
Overdrafts	(38,196)	(7,781)	—	(45,977)
	<u>4,681</u>	<u>49,394</u>	<u>—</u>	<u>54,075</u>
Debt:				
Hire purchase agreements	(1,135,686)	1,085,390	(2,140,496)	(2,190,792)
Net debt	(1,131,005)	1,134,784	(2,140,496)	(2,136,717)

The notes on pages 10 to 17 form part of these financial statements.

WINCANTON PRINT COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2002

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tenant's Improvements	10% Straight Line
General Plant and Machinery	25% Straight Line
Printing Presses (Plant & Machinery)	10% Straight Line
Fixtures and Office Equipment	25% Straight Line
Motor Vehicles	25% Straight Line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

WINCANTON PRINT COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2002

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

* provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

* provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

* deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

WINCANTON PRINT COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2002

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Depreciation	385,024	387,990
Loss on disposal of fixed assets	40,576	-
Profit on disposal of fixed assets	-	(12,233)
Auditors' remuneration		
- as auditors	1,700	1,600
- for other services	8,592	4,260
Operating lease costs:		
Plant and equipment	1,338	1,338
Vehicles	4,564	-

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2002	2001
	No.	No.
Number of production staff	25	24
Number of sales staff	2	2
Number of administrative staff	6	6
	<u>33</u>	<u>32</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	797,083	689,273
Social security costs	81,382	73,722
Other pension costs	4,800	4,812
Other pension costs	3,672	3,660
	<u>886,937</u>	<u>771,467</u>

4. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Emoluments receivable	53,824	51,006
Value of company pension contributions to money purchase schemes	3,672	3,660
	<u>57,496</u>	<u>54,666</u>

WINCANTON PRINT COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2002

4. DIRECTOR'S EMOLUMENTS *(continued)*

The number of directors who are accruing benefits under company pension schemes were as follows:

	2002	2001
	No.	No.
Money purchase schemes	<u>1</u>	<u>1</u>

5. INTEREST PAYABLE

	2002	2001
	£	£
Interest payable on bank borrowing	1,487	599
Finance charges	193,307	113,841
Other similar charges payable	36,995	47,244
	<u>231,789</u>	<u>161,684</u>

6. TAX ON LOSS OR PROFIT ON ORDINARY ACTIVITIES

	2002	2001
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2001 - 20%)	-	19,821
Over/under provision in prior year	(13,822)	8,012
Total current tax	(13,822)	27,833
Deferred tax:		
Decrease in deferred tax provision	(8,568)	(29,750)
Tax on loss or profit on ordinary activities	<u>(22,390)</u>	<u>(1,917)</u>

7. DIVIDENDS

The following dividends have been paid in respect of the year:

	2002	2001
	£	£
Dividend paid on ordinary shares	<u>68,708</u>	<u>-</u>

8. PRIOR YEAR ADJUSTMENT

The change in the rate of depreciation on printing presses has been related back over the prior years during which the presses owned at 31 May 2001 were owned. Depreciation and deferred tax to 31 May 2000 and the comparative figures for that year have been restated.

WINCANTON PRINT COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2002

9. TANGIBLE FIXED ASSETS

	Short Leasehold Additions £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST						
At 1 Jun 2001	229,497	2,177,885	16,307	152,340	27,732	2,603,761
Additions	36,976	2,089,169	–	28,900	971	2,156,016
Disposals	–	(1,258,623)	–	(70,459)	–	(1,329,082)
At 31 May 2002	266,473	3,008,431	16,307	110,781	28,703	3,430,695
DEPRECIATION						
At 1 Jun 2001	49,256	853,981	11,486	80,345	18,061	1,013,129
Charge for the year	20,994	327,283	2,638	29,221	4,888	385,024
On disposals	–	(592,624)	–	(45,138)	–	(637,762)
At 31 May 2002	70,250	588,640	14,124	64,428	22,949	760,391
NET BOOK VALUE						
At 31 May 2002	196,223	2,419,791	2,183	46,353	5,754	2,670,304
At 31 May 2001	180,241	1,323,904	4,821	71,995	9,671	1,590,632

Hire purchase agreements

Included within the net book value of £2,670,304 is £2,136,572 (2001 - £1,563,196) relating to assets held under hire purchase agreements, and £18,725 (2001 - £Nil) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £211,001 (2001 - £212,122), and £2,675 (2001 - £Nil) in respect of assets held under finance lease agreements.

Capital commitments

	2002 £	2001 £
Contracted but not provided for in the financial statements	<u>22,510</u>	<u>2,482,496</u>

10. STOCKS

	2002 £	2001 £
Raw Materials	49,060	45,428
Work in progress	<u>43,351</u>	<u>51,884</u>
	<u>92,411</u>	<u>97,312</u>

WINCANTON PRINT COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2002

11. DEBTORS

	2002	2001
	£	£
Trade debtors	1,184,792	990,007
Other debtors	86,168	144,224
Directors Current Accounts	46,727	68,708
Prepayments and accrued income	140,908	15,548
	<u>1,458,595</u>	<u>1,218,487</u>

12. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	45,977	38,196
Trade creditors	1,182,112	651,512
Other creditors including taxation and social security:		
Corporation tax	—	14,142
PAYE and social security	21,519	19,423
Hire purchase agreements	269,373	427,814
Factoring account	506,367	583,496
Other Creditors	1,136	100
	<u>2,026,484</u>	<u>1,734,683</u>
Accruals and deferred income	70,483	17,363
	<u>2,096,967</u>	<u>1,752,046</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002	2001
	£	£
Bank loans and overdrafts	45,977	38,196
Factoring	506,367	583,496
	<u>552,344</u>	<u>621,692</u>

National Westminster Bank plc hold a debenture entitling them to a fixed and floating charge over the company's assets.

The company's factors, hold a waiver letter from the bank covering the book debts and the personal indemnity of S W Taylor.

Close Asset Finance Limited also hold the personal indemnity of S W Taylor.

13. CREDITORS: Amounts falling due after more than one year

	2002	2001
	£	£
Other creditors:		
Hire purchase agreements	<u>1,921,419</u>	<u>707,872</u>

WINCANTON PRINT COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2002

15. DEFERRED TAXATION

	2002 £
The movement in the deferred taxation provision during the year was:	
Provision brought forward	96,585
Profit and Loss Account movement arising during the year	(8,568)
Provision carried forward	<u>88,017</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002 £	2001 £
Excess of taxation allowances over depreciation on fixed assets	197,791	96,585
Tax losses available	(109,774)	—
	<u>88,017</u>	<u>96,585</u>

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2002 £	2001 £
Amounts payable within 1 year	269,373	427,814
Amounts payable between 2 to 5 years	1,921,419	707,872
	<u>2,190,792</u>	<u>1,135,686</u>
Hire purchase agreements are analysed as follows:		
Current obligations	269,373	427,814
Non-current obligations	1,921,419	707,872
	<u>2,190,792</u>	<u>1,135,686</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 31 May 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings 2002 £	2001 £
Operating leases which expire:		
Within 2 to 5 years	<u>4,281</u>	<u>1,338</u>

WINCANTON PRINT COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2002

17. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	<u>100</u>	<u>100</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2002		2001	
	£	£	£	£
(Loss)/Profit for the financial year		(109,138)		42,662
Dividends		<u>(68,708)</u>		<u>-</u>
		(177,846)		42,662
Opening shareholder's equity funds	392,805		577,366	
Prior year adjustment (see note 8)	<u>-</u>		<u>(227,223)</u>	
		392,805		350,143
Closing shareholder's equity funds		<u>214,959</u>		<u>392,805</u>

19. PENSION COMMITMENTS

Pensions

At the end of the year there were no pension contributions outstanding or any prepaid contributions.