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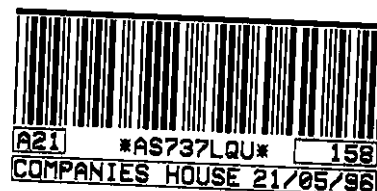
Registered no: 247892

EDWARD FOX and SON LIMITED

Annual report

for the year ended 31 December 1995

13/05/96



EDWARD FOX and SON LIMITED

Annual report  
For the year ended 31 December 1995

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## Directors report for the year ended 31 December 1995

The directors present their report and the audited financial statements for the year ended 31 December 1995.

### Principal activity

The principal activity of the company is that of printer.

### Review of business and future developments

The Directors consider the result for the period to be satisfactory. During the year extraordinary dividends of £966,700 were paid to the former holding company, the National Farmers Union Mutual Insurance Society Limited, prior to the company being acquired by Edward Fox Holdings Limited. Fixed assets with a value of £566,700 were sold and leased back.

### Financial results and dividends

The profit for the year after taxation amounted to £103,880 (year ended 31 December 1994 profit £77,740) out of which a dividend of £966,700 is proposed, £966,700 of which has been paid, (year ended 31 December 1994 £200,000) leaving a loss of £892,820 (year ended 31 December 1994 loss £122,260) which has been taken from reserves.

### Directors

The directors during the year, none of whom holds any shares in the company were as follows:

L R Allfrey	Appointed Chairman - 12 December 1995
C J Jewkes	Appointed 12 December 1995
R J Keeley	Appointed 12 December 1995
N Carter	Resigned 12 December 1995
W E Cooper	Resigned 12 December 1995

Mr C J Jewkes and Mr R J Keeley having been appointed during the year, retire and being eligible, offer themselves for re-election.

### Changes in fixed assets

The movements in fixed assets during the year, including the revaluation of assets, is set out in note 8 to the financial statements.

## Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that 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.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

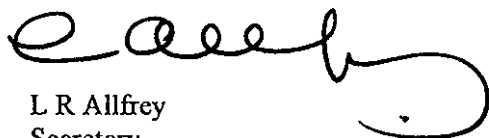
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Auditors

Coopers & Lybrand resigned as auditors of the company on 11 December 1995.

Messrs Daffern & Co were appointed auditors on 12 December 1995 to succeed Coopers & Lybrand. A resolution to reappoint the auditors, Daffern & Co, will be proposed at the Annual General Meeting.

By order of the board



L R Allfrey  
Secretary  
13th May 1996

## Report of the auditors to the members of Edward Fox and Son Limited

We have audited the financial statements on pages 4 to 17.

### Respective responsibilities of directors and auditors

As described on page 2, 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 at 31 December 1995 and of its loss, total recognised gains and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DAFFERN & CO  
Chartered Accountants and Registered Auditors  
Leamington Spa  
13th May 1996

Profit and loss account  
for the year ended 31 December 1995

	Notes	1995 £	1994 £
Turnover	2		
Continuing operations		2,895,043	2,289,717
Cost of sales			
Continuing operations		1,661,635	1,412,208
<b>Gross profit</b>		<u>1,233,408</u>	<u>877,509</u>
Net operating expenses			
Continuing operations		905,707	772,599
Operating profit			
Continuing operations		<u>327,701</u>	<u>104,910</u>
Loss on sale of shop	19	-	5,031
		327,701	99,879
Interest receivable		14,013	19,199
Finance lease charges		(8,124)	-
Profit on ordinary activities before taxation	3	333,590	119,078
Taxation on profit on ordinary activities	6	218,981	41,338
<b>Profit on ordinary activities after Taxation</b>		<u>114,609</u>	<u>77,740</u>
Dividends	7	996,700	200,000
Retained loss for the year	15	<u>(882,091)</u>	<u>(122,260)</u>

## Statement of total recognised gains and losses

	1995 £	1994 £
Profit for the financial year	103,880	77,740
Unrealised (deficit)/surplus on revaluation of assets	(34,759)	9,436
Total recognised gains and losses for the year	<u>69,121</u>	<u>87,176</u>

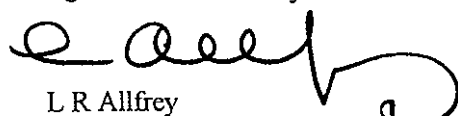
## Note of historical cost profit and losses

	1995 £	1994 £
Reported profit on ordinary activities before taxation	333,590	119,078
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	68,382	49,512
Realisation of revaluation surpluses of previous years on assets sold in the year	301,817	9,932
Historical cost profit for the year retained before taxation and dividends	<u>703,789</u>	<u>178,522</u>
Historical cost loss for the year retained after taxation and dividends	<u>(511,892)</u>	<u>(62,816)</u>

Balance sheet  
at 31 December 1995

	Notes	£	1995 £	£	1994 £
<b>Fixed assets</b>					
Tangible assets	8		663,012		846,122
<b>Current assets</b>					
Stocks	9	81,844		74,015	
Debtors and prepayments	10	714,677		485,706	
Cash at bank and in hand		195		126,029	
		<u>796,716</u>		<u>685,750</u>	
<b>Creditors:</b>					
Amounts falling due within one year	11	695,093		273,454	
<b>Net current assets</b>			<u>101,623</u>		<u>412,296</u>
<b>Total assets less current Liabilities</b>			<u>764,635</u>		<u>1,258,418</u>
<b>Creditors:</b>					
Amounts falling due after one year	12	426,097		-	
<b>Provisions for liabilities and charges</b>	13	-		3,030	
		<u>-</u>	<u>426,097</u>	<u>3,030</u>	
<b>Net assets</b>			<u>338,538</u>		<u>1,255,388</u>
<b>Capital and reserves</b>					
Called up share capital	14		66,000		66,000
Share premium account			9,000		9,000
Revaluation reserve	15		107,605		444,181
Profit and loss account	15		155,933		736,207
<b>Equity Shareholders Funds</b>	16		<u>338,538</u>		<u>1,255,388</u>

These accounts on pages 4 to 17 were approved by the Board of Directors on 13th May 1996 and were signed on its behalf by:

  
L R Allfrey  
Chairman



Cash flow statement  
for the year ended 31 December 1995

	Notes	£	1995 £	£	1994 £
<b>Operating activities</b>					
Net cash inflow from continuing activities		366,446		126,165	
Net cash inflow from discontinued activities		-		11,123	
		<u>          </u>		<u>          </u>	
Net cash inflow from operating activities (reconciliation to operating profit on page 8)			366,446		137,288
<b>Returns on investments and servicing of finance</b>					
Interest received		16,557		24,892	
Dividends paid		(966,700)		(400,000)	
		<u>          </u>		<u>          </u>	
Net cash (out)/inflow from returns on investments and servicing of finance			(950,143)		(375,108)
<b>Taxation</b>					
UK corporation tax paid			(51,790)		(113,308)
<b>Investment activities</b>					
Purchase of tangible fixed assets		(50,105)		(73,365)	
Sale of plant and machinery		8,480		10,051	
Sale of stationery shop		-		37,000	
		<u>          </u>		<u>          </u>	
Net cash outflow from investing activities			(41,625)		(26,314)
			<u>          </u>		<u>          </u>
Net cash (outflow)/inflow before financing			(677,112)		(377,442)
<b>Financing</b>					
	21				
Sale and leaseback of assets			538,361		-
Lease Income received			-		213,906
			<u>          </u>		<u>          </u>
Decrease in cash and cash equivalents	19,20		(138,751)		(163,536)
			<u>          </u>		<u>          </u>

## Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	1994 £
Continuing operating activities		
Operating profit	319,577	105,597
Depreciation charges	196,956	171,804
Gain on disposals	(6,980)	(6,777)
Increase in stocks	(7,829)	(6,044)
Increase in debtors	(231,515)	(110,203)
Increase/(decrease) in creditors	96,237	(28,212)
Net cash inflow from continuing operating activities	<u>366,446</u>	<u>126,165</u>

## Notes to the financial statements for the year ended 31 December 1995

### 1 Holding company

The company's ultimate holding company is Edward Fox Holdings Limited, registered in England and Wales.

### 2 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### Basis of accounting

The accounts have been prepared on the historical cost basis of accounting as adjusted for the revaluation of fixed assets.

#### Turnover

Turnover represents the invoiced value, excluding value added tax, of goods supplied to customers.

#### Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and estimated net realisable value. In the case of work in progress and finished goods, cost includes direct labour and the appropriate proportion of production overheads. Where necessary, provision is made for obsolete, slow moving and defective stocks.

#### Depreciation

Fixed assets are depreciated at rates estimated to reduce them to their appropriate residual values at the end of their economic lives. The rates used are as follows:

Computer	either 25% or 20% per annum on cost
Plant and Machinery	either 10% or 7% per annum on cost
Fixtures and Fittings	either 10% or 20% per annum on cost
Motor Vehicles	either 33% or 25% per annum on cost

#### Deferred taxation

Tax deferred is accounted for, at current corporation tax rates, in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

#### Leases

Assets held under finance leases are included in tangible assets at cost and are depreciated over the shorter of the lease term or its useful life.

Finance charges are allocated to accounting periods over the lease term to reflect a constant rate of interest on the remaining balance of the obligation.

Operating leases are written off on a straight line basis over the period of the lease.

## 3 Profit on ordinary activities before taxation

	1995 £	1994 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation - owned assets	178,063	174,929
Depreciation - leased assets	18,893	-
Directors' emoluments	66,941	45,705
Auditors' remuneration	6,500	7,234
Other operating leases	67,500	36,619
	<hr/>	<hr/>
And after crediting:		
Profit on sale of fixed assets	6,980	6,777
Interest receivable	14,013	19,199
	<hr/>	<hr/>

## 4 Directors' emoluments

	1995 £	1994 £
Fees	1,668	3,307
Other emoluments (including pension contributions and benefits in kind)	65,273	42,398
	<hr/>	<hr/>
	66,941	45,705
	<hr/>	<hr/>

Fees and other emoluments (excluding pension contributions) include amounts paid to:

	1995 £	1994 £
The Chairman	880	960
	<hr/>	<hr/>
The highest paid director	61,153	41,332
	<hr/>	<hr/>

The number of directors (including the chairman and the highest paid director) who received fees and other emoluments (excluding pension contributions) within the following ranges was:

	1995 Number	1994 Number
£0 to £5,000	4	7
£40,001 to £45,000	-	1
£60,001 to £65,000	1	-

## 5 Employee information

The average number of persons employed by the company (including executive directors) during the year was:

	1995 Number	1994 Number
By activity		
Management and General administration	12	11
Production	29	29
Sales	4	6
Non-executive directors	2	5
	<hr/>	<hr/>
Total	47	51
	<hr/>	<hr/>

	1995 £	1994 £
Staff costs (for the above persons):		
Wages and Salaries	726,343	652,715
Social Security costs	71,586	65,918
Pension costs	67,216	71,968
Mortgage Subsidy costs	10,515	750
	<hr/>	<hr/>
	875,660	791,351
	<hr/>	<hr/>

### Pension costs

a). Until 12 December 1995, the employees of Edward Fox & Son Limited were entitled to join the Edward Fox & Son (1984) Retirement Benefit Scheme. Since 12 December 1995, no new members have been admitted to the scheme.

b). The scheme is a defined benefit scheme established with effect from 1 April 1984 under a trust deed dated 30 March 1984.

c). The scheme is funded under the projected units cost method whereby a contribution as recommended by the actuaries is paid into the scheme at the following rates: Members - 5% of salaries and the Company - 10.5% of salaries plus the cost of insuring the benefits payable on death in service.

d). The most recent actuarial valuation was performed by the Pensions Actuary of the NFU Mutual Insurance Society Ltd as at 1 April 1994.

e). The results of the valuation indicate that the assets of the scheme are sufficient to meet current and future liabilities.

f). The next actuarial valuation will be carried out as at 1 April 1997.

## 6 Tax on profit on ordinary activities

	1995 £	1994 £
United Kingdom corporation tax at 33% (1994 33%):		
Current	223,399	52,342
Deferred (note 13)	(3,030)	(9,679)
Over Provision in respect of prior years:		
Current	(1,388)	(1,325)
	<u>218,981</u>	<u>41,338</u>

## 7 Dividends

	1994 £	1993 £
Interim	966,700	-
Proposed - final	30,000	200,000
	<u>996,700</u>	<u>200,000</u>

## 8 Tangible fixed assets

a). During the year the directors revalued all assets with the exception of the assets leased to third parties, to net replacement value.

b).	Assets leased to third parties £	Plant and machinery £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 1995	1,139,765	1,529,093	44,054	121,323	2,834,235
Revaluation Reserve	-	(39,071)	-	4,312	(34,759)
Additions	-	20,291	1,115	28,699	50,105
Disposals	(1,139,765)	(570)	-	(30,218)	(1,170,553)
At 31 December 1995	<u>-</u>	<u>1,509,743</u>	<u>45,169</u>	<u>124,116</u>	<u>1,679,028</u>
Depreciation					
At 1 January 1995	1,139,765	754,356	21,914	72,078	1,988,113
Charge for the year	-	149,454	5,249	42,253	196,956
Disposals	(1,139,765)	(570)	-	(28,718)	(1,169,053)
At 31 December 1995	<u>-</u>	<u>903,240</u>	<u>27,163</u>	<u>85,613</u>	<u>1,016,016</u>
Net Book Value					
At 31 December 1995	<u>-</u>	<u>606,503</u>	<u>18,006</u>	<u>38,503</u>	<u>663,012</u>
At 31 December 1994	<u>-</u>	<u>774,737</u>	<u>22,140</u>	<u>49,245</u>	<u>846,122</u>

Fixed assets with a net book value of £547,807 are held under finance leases.

c). The historical cost and related depreciation of fixed assets is set out below:

	Assets leased to third parties £	Plant and machinery £	Fixtures and fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 January 1995	1,139,765	1,104,164	44,054	102,072	2,390,055
Additions	-	20,291	1,115	28,699	50,105
Disposals	(1,139,765)	(570)	-	(24,060)	(1,164,395)
<b>At 31 December 1995</b>	<b>-</b>	<b>1,123,885</b>	<b>45,169</b>	<b>106,711</b>	<b>1,275,765</b>
<b>Depreciation</b>					
At 1 January 1995	1,139,765	585,756	22,193	62,377	1,810,091
Charge for the year	-	91,572	4,930	32,072	128,574
Disposals	(1,139,765)	(570)	-	(23,093)	(1,163,428)
<b>At 31 December 1995</b>	<b>-</b>	<b>676,758</b>	<b>27,123</b>	<b>71,356</b>	<b>775,237</b>
<b>Net Book Value</b>					
At 31 December 1995	-	447,127	18,046	35,355	500,528
At 31 December 1994	-	518,408	21,861	39,695	579,964

## 9 Stocks

	1995 £	1994 £
Raw materials	46,864	47,883
Work in Progress	34,980	25,986
Finished Goods	-	146
	<b>81,844</b>	<b>74,015</b>

## 10 Debtors

	1995 £	1994 £
Trade debtors	655,703	361,992
Fellow subsidiaries and holding company		-
48,721		
Other debtors	4,846	29,276
Prepayments	54,128	45,717
	<b>714,677</b>	<b>485,706</b>

## 11 Creditors: amounts falling due within one year

	1995	1994
	£	£
Bank loans and overdrafts	12,917	-
Holding company	29,477	-
Trade creditors	168,361	108,687
Lease creditor	112,264	-
Corporation tax	222,563	52,342
Other taxation	12,265	9,302
Social security	9,326	9,362
Other creditors	83,883	314
Accruals	44,037	93,447
	<u>695,093</u>	<u>273,454</u>

The bank overdraft is secured by a debenture over the assets of the Company.

## 12 Creditors: amounts falling due after one year

	1995	1994
	£	£
Lease creditor	<u>426,097</u>	<u>-</u>

## 13 Provisions for liabilities and charges

## Deferred taxation

This provision represents taxation on the excess of the net book values of assets on which capital allowances have been claimed over the corresponding written down values for taxation purposes.

	1995	1994
	£	£
At 1 January 1995	3,030	12,709
Transfer to Profit and Loss Account	<u>(3,030)</u>	<u>(9,679)</u>
At 31 December 1995	<u>-</u>	<u>3,030</u>

## 14 Called up Share capital

	1995	1994
	£	£
Authorised: 100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Issued and fully paid: 66,000 Ordinary shares of £1 each	<u>66,000</u>	<u>66,000</u>



## 15 Share premium account and reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 January 1995	9,000	444,181	736,207
Transfer from revaluation reserve to profit and loss account	-	(301,817)	301,817
Revaluation during the year	-	(34,759)	-
Retained loss for the year	-	-	(882,091)
At 31 December 1995	<u>9,000</u>	<u>107,605</u>	<u>155,933</u>

## 16 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial year	114,609	77,740
Dividends	996,700	200,000
	<u>(882,091)</u>	<u>(122,260)</u>
Other recognised gains and losses relating to the year (net)	<u>(34,759)</u>	<u>9,436</u>
Net subtraction to shareholders' funds	(916,850)	(112,824)
Opening shareholders' funds	<u>1,255,388</u>	<u>1,368,212</u>
Closing shareholders' funds	<u>338,538</u>	<u>1,255,388</u>

## 17 Capital commitments

	1995 £	1994 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>-</u>	<u>12,934</u>

## 18 Financial commitments

The company has the following annual commitments in respect of operating leases which expire as follows:-

### Land and buildings

	1995 £	1994 £
After five years	<u>61,500</u>	<u>-</u>

The future minimum lease payments to which the company is committed under finance leases are as follows:

	1995 £	1994 £
Within one year	112,264	-
Between one and two years	94,782	-
Between two and five years	211,313	-
Over five years	<u>120,002</u>	<u>-</u>
	538,361	-
Obligations payable within one year	112,264	-
Obligations payable after one year	<u>426,097</u>	<u>-</u>
	538,361	-

## 19 Analysis of changes in cash and cash equivalents during the year

	1995 £	1994 £
Balance at 1st January	126,029	289,565
Net cash outflow	<u>(138,751)</u>	<u>(163,536)</u>
Balance at 31st December	<u>(12,722)</u>	<u>126,029</u>

## 20 Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1995	1994	Change in the Year	1994	1993	Change in the year
Cash at bank & in hand	<u>(12,722)</u>	<u>126,029</u>	<u>(138,751)</u>	<u>126,029</u>	<u>289,565</u>	<u>(163,536)</u>

## 21 Analysis of changes in financing during the year

	1995 £	1994 £
<b>Lease equipment</b>		
Financing at 1 January	-	(213,906)
Cash inflow from financing	<u>-</u>	<u>213,906</u>
Financing at 31 December	<u>-</u>	<u>-</u>
<b>Sale and lease back of equipment</b>		
Financing at 1 January	-	-
Cash inflow from financing	566,700	-
Capital element of finance lease payments	<u>(28,339)</u>	<u>-</u>
Financing at 31 December	<u>538,361</u>	<u>-</u>