

# Staples Printers Properties Limited

## Directors' report and financial statements

Year ended 31 December 1995

Registered number 558456



# Staples Printers Properties Limited

## Directors' report and financial statements

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# Staples Printers Properties Limited

## Directors' report

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

### Principal activity

The principal activity of the company is that of property owners. No significant change in this activity is planned in the foreseeable future.

### Business review

The results for the year are set out in the profit and loss account on page 5.

### Transfer to reserves

The profit for the year retained in the company is £592,931 .

### Significant changes in fixed assets

These are shown in note 8 to the financial statements.

### Market value of land and buildings

Following a valuation carried out during 1990 by an independent firm of chartered surveyors, the Directors are of the opinion that notwithstanding the current state of the property market freehold land and buildings have a market value which exceeds the book value of those assets by approximately £3 million.

### Directors and Directors' interests

The Directors who held office during the year were as follows:

CH Martin	Chairman
J Quinney	

The Director retiring by rotation is CH Martin who, being eligible, offers himself for re-election.

# Staples Printers Properties Limited

## Directors' report *(continued)*

Directors' interests in the shares of group companies were as follows:

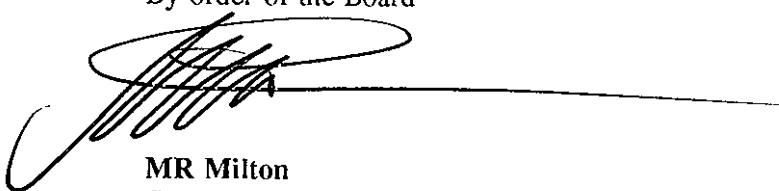
Staples Printers Limited	Class of Share	Interest at end of year	Interest at beginning of year
CH Martin	Ordinary	66,000	66,000
CH Martin	Preference	239,501	239,459
J Quinney	Ordinary	4,000	4,000
J Quinney	Preference	25,166	25,124

According to the register of Directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the Directors or their immediate families, or exercised by them during the financial year.

### Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG will therefore continue in office.

By order of the Board



MR Milton  
Secretary

The Gresham Press  
Old Woking  
Surrey  
GU22 9LH

3 April 1996

# Staples Printers Properties Limited

## Statement of 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 for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Phoenix House  
Notte Street  
Plymouth  
Devon PL1 2RT

## Report of the Auditors to the members of Staples Printers Properties Limited

We have audited the financial statements on pages 5 to 11.

### *Respective responsibilities of Directors and Auditors*

As described on page 3, 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 judgments 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 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**  
Chartered Accountants  
Registered Auditors

3 April 1996

# Staples Printers Properties Limited

## Profit and loss account for the year ended 31 December 1995

	Note	1995 £	1994 £
Rents receivable from group companies		1,033,860	993,900
Other operating income	3	500	49,083
Depreciation of tangible fixed assets		(51,460)	(48,460)
Other operating charges		(12,696)	(13,916)
<b>Operating profit</b>		<b>970,204</b>	<b>980,607</b>
Provision for loss on disposal of fixed assets		-	(51,451)
<b>Profit on ordinary activity before interest</b>		<b>970,204</b>	<b>929,156</b>
Interest receivable and similar income	4	42,464	22,980
Interest payable and similar charges	5	(149,510)	(128,584)
<b>Profit on ordinary activity before taxation</b>	3	<b>863,158</b>	<b>823,552</b>
Taxation on profit on ordinary activity	7	(270,227)	(238,560)
<b>Retained profit for the financial year</b>		<b>592,931</b>	<b>584,992</b>
Retained profit brought forward		7,892,758	7,307,766
<b>Retained profit carried forward</b>		<b>8,485,689</b>	<b>7,892,758</b>

There were no acquisitions or discontinued operations within the company during 1995 and 1994.

The company has no recognised gains or losses in either 1995 or 1994 other than the profit for those years.

# Staples Printers Properties Limited

Balance sheet  
at 31 December 1995

	Note	1995		1994	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		6,343,647		5,775,349
<b>Current assets</b>					
Debtors	9	4,315,937		4,157,000	
Creditors: amounts falling due within one year	10	(1,280,191)		(1,187,887)	
<b>Net current assets</b>					
Due within one year		35,746		(30,887)	
Debtors due after one year		3,000,000		3,000,000	
<b>Total net current assets</b>			3,035,746		2,969,113
<b>Total assets less current liabilities</b>			9,379,393		8,744,462
Creditors: amounts falling due after more than one year	11		(892,000)		(850,000)
<b>Net assets</b>			8,487,393		7,894,462
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Other reserves	13		1,604		1,604
Profit and loss account			8,485,689		7,892,758
<b>Equity shareholders' funds</b>			8,487,393		7,894,462

These financial statements were approved by the Board of Directors on 3 April 1996 and were signed on its behalf by:

CH Martin  
Director





# Staples Printers Properties Limited

## Notes

(forming part of the financial statements)

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### *Fixed assets and depreciation*

Depreciation is provided so as to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	1% per annum
Leasehold land and buildings	-	life of lease

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

### 2 Turnover

All turnover and profits before taxation are derived from rents receivable from group companies.

### 3 Profit on ordinary activity before taxation

	1995	1994
	£	£
<i>Profit on ordinary activity before taxation is stated after charging:</i>		
Depreciation and other amounts written off tangible fixed assets:		
owned assets	49,440	46,440
leased assets	2,020	2,020
	<hr/>	<hr/>
<i>after crediting:</i>		
Rents receivable from property	1,033,860	993,900
Release of provision for loan to group undertaking	-	49,083
Capital receipt	500	-
	<hr/>	<hr/>

# Staples Printers Properties Limited

## Notes (continued)

### 4 Interest receivable and similar income

	1995 £	1994 £
Receivable from group undertakings	42,464	22,707
Other	-	273
	<u>42,464</u>	<u>22,980</u>

### 5 Interest payable and similar charges

	1995 £	1994 £
On external bank loans, overdrafts and other loans wholly repayable within five years	<u>149,510</u>	<u>128,584</u>

### 6 Staff numbers and costs

The only employees of the company during this year and the previous year were the Directors, who received no emoluments.

### 7 Taxation

	1995 £	1994 £
UK corporation tax charge at 33% (1994:33%) on the profit for the year on ordinary activity	268,845	239,680
Adjustments relating to prior years	<u>1,382</u>	<u>(1,120)</u>
	<u>270,227</u>	<u>238,560</u>

There is a potential deferred tax liability of £917,393 (1994: £856,177) which arises because of accelerated capital allowances less losses carried forward.

There is a potential deferred tax liability of £862,645 (1994: £862,645) which arises because of rolled over gains on freehold properties.

# Staples Printers Properties Limited

## Notes (continued)

### 8 Tangible fixed assets

	Land & Buildings £
<i>Cost</i>	
At beginning of year	5,899,979
Additions	19,758
Transfers from group companies	700,000
Disposals	(100,000)
<b>At end of year</b>	<b>6,519,737</b>
<i>Depreciation</i>	
At beginning of year	124,630
Charge for year	51,460
<b>At end of year</b>	<b>176,090</b>
<i>Net book value</i>	
<b>At 31 December 1995</b>	<b>6,343,647</b>
At 31 December 1994	5,775,349

The net book value of land and buildings comprises:

	1995 £	1994 £
Freehold	6,311,906	5,741,588
Short leasehold	31,741	33,761
	<b>6,343,647</b>	<b>5,775,349</b>

The gross book value of land and buildings includes depreciable freehold properties of £4,952,260 (1994: £4,645,002).

# Staples Printers Properties Limited

## Notes (continued)

### 9 Debtors

	1995 £	1994 £
Amounts owed by group undertakings	4,302,000	4,157,000
Prepayments	13,937	-
	<u>4,315,937</u>	<u>4,157,000</u>

Of the above amounts owed by group undertakings £3,000,000 (1994: £3,000,000) is due after one year.

### 10 Creditors: amounts falling due within one year

	1995 £	1994 £
Bank loan and overdrafts	471,353	415,801
Other loan	500,000	500,000
Amounts owed to group undertakings	268,845	240,597
Other creditors including taxation and social security:		
Other taxes and social security	5,274	7,809
Accruals	34,719	23,680
	<u>1,280,191</u>	<u>1,187,887</u>

The bank loan and overdraft are secured by way of fixed and floating charges over all of the assets of the group.

The other loan is secured by way of a fixed charge over one of the company's freehold properties.

### 11 Creditors: amounts falling due after more than one year

	Instalments payable within five years		Instalments payable after five years		Total	
	1995 £	1994 £	1995 £	1994 £	1995 £	1994 £
Bank loans	<u>658,000</u>	<u>850,000</u>	<u>234,000</u>	<u>-</u>	<u>892,000</u>	<u>850,000</u>

The bank loan repayable after 5 years is repayable by quarterly instalments. Interest is charged to this bank loan at base rate plus 1.625%.

# Staples Printers Properties Limited

## Notes (continued)

### 12 Called up share capital

	1995	1994
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 13 Reserves

	Amortisation Reserve £
At beginning and end of year	<u>1,604</u>

### 14 Contingent liabilities

The company has guaranteed the bank borrowings of fellow group undertakings. The amount outstanding at the year end was £1,054,900 (1994: £807,500).

The company has also guaranteed certain hire purchase agreements of fellow group undertakings. The amount outstanding at the year end was £991,937 (1994: £1,464,343)

### 15 Cash flow statement

The company is exempt under Financial Reporting Standard number 1 from the requirement to include a cash flow statement as it is a wholly owned subsidiary of Staples Printers Limited, a company incorporated in Great Britain. Staples Printers Limited will publish a cash flow statement in its own financial statements including the results of Staples Printers Properties Limited.

### 16 Reconciliation of movements in shareholders' funds

	1995	1994
	£	£
Profit for financial year	592,931	584,992
Opening shareholders' funds	<u>7,894,462</u>	<u>7,309,470</u>
Closing shareholders' funds	<u>8,487,393</u>	<u>7,894,462</u>

### 17 Ultimate parent company

Staples Printers Limited, a company incorporated in Great Britain and registered in England and Wales, is regarded by the Directors as being the company's ultimate parent company. Copies of the financial statements of Staples Printers Limited can be obtained from Companies House, Crown Way, Cardiff.