

Staples Printers Properties Limited

Directors' report and financial statements

Year ended 31 December 1994

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 1994.

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 £584,992.

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 Mr J Quinney 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	239,459	239,459
J Quinney	Ordinary	4,000	4,000
J Quinney	Preference	25,124	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

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

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

30 March 1995

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 judgements 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 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 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

30 March 1995

Staples Printers Properties Limited

Profit and loss account for the year ended 31 December 1994

	Note	1994 £	1993 £
Rents receivable from group companies		993,900	952,000
Other operating income	3	49,083	-
Depreciation of tangible fixed assets		(48,460)	(48,470)
Other operating charges		(13,916)	(6,637)
Operating profit		980,607	896,893
Provision for loss on disposal of fixed assets		(51,451)	-
Profit on ordinary activity before interest		929,156	896,893
Interest receivable and similar income	4	22,980	49,028
Interest payable and similar charges	5	(128,584)	(151,936)
Profit on ordinary activity before taxation	3	823,552	793,985
Taxation on profit on ordinary activity	7	(238,560)	(49,836)
Retained profit for the financial year		584,992	744,149
Retained profit brought forward		7,307,766	6,563,617
Retained profit carried forward		7,892,758	7,307,766

There were no acquisitions or discontinued operations within the company during 1994 and 1993.

The company has no recognised gains or losses in either 1994 or 1993 other than the profit for those years.

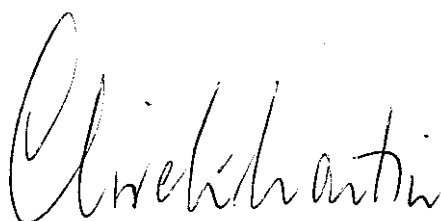
Staples Printers Properties Limited

Balance sheet at 31 December 1994

	Note	1994	1993
		£	£
Fixed assets			
Tangible assets	8	5,775,349	5,875,260
Current assets			
Debtors	9	4,157,000	3,704,816
Creditors: amounts falling due within one year	10	<u>(1,187,887)</u>	<u>(1,020,606)</u>
Net current assets			
Due within one year		(30,887)	(315,790)
Debtors due after one year		<u>3,000,000</u>	<u>3,000,000</u>
Total net current assets		<u>2,969,113</u>	<u>2,684,210</u>
Total assets less current liabilities		<u>8,744,462</u>	<u>8,559,470</u>
Creditors: amounts falling due after more than one year	11	<u>(850,000)</u>	<u>(1,250,000)</u>
Net assets		<u>7,894,462</u>	<u>7,309,470</u>
Capital and reserves			
Called up share capital	12	100	100
Other reserves	13	1,604	1,604
Profit and loss account		<u>7,892,758</u>	<u>7,307,766</u>
Equity shareholders' funds		<u>7,894,462</u>	<u>7,309,470</u>

These financial statements were approved by the Board of Directors on 30 March 1995 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

	1994	1993
	£	£
<i>Profit on ordinary activity before taxation is stated after charging:</i>		
Depreciation and other amounts written off tangible fixed assets:		
owned assets	46,440	46,450
leased assets	2,020	2,020
<i>after crediting:</i>		
Rents receivable from property	993,900	952,000
Release of provision for loan to group undertaking	49,083	-

Staples Printers Properties Limited

Notes (continued)

4 Interest receivable and similar income

	1994 £	1993 £
Receivable from group undertakings	22,707	13,953
Other	273	35,075
	<u>22,980</u>	<u>49,028</u>

5 Interest payable and similar charges

	1994 £	1993 £
On external bank loans, overdrafts and other loans wholly repayable within five years	128,584	150,035
On all other loans	-	1,901
	<u>128,584</u>	<u>151,936</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

	1994 £	1993 £
UK corporation tax charge at 33% (1993:33%) on the profit for the year on ordinary activity	239,680	49,836
Adjustments relating to prior years	(1,120)	-
	<u>238,560</u>	<u>49,836</u>

There is a potential deferred tax liability of £856,177 (1993: £739,250) which arises because of accelerated capital allowances less losses carried forward.

Staples Printers Properties Limited

Notes (continued)

8 Tangible fixed assets

	Land & Buildings £
<i>Cost</i>	
At beginning of year	5,951,430
Provision for loss on sale	(51,451)
At end of year	<u>5,899,979</u>
<i>Depreciation</i>	
At beginning of year	76,170
Charge for year	48,460
At end of year	<u>124,630</u>
<i>Net book value</i>	
At 31 December 1994	<u>5,775,349</u>
At 31 December 1993	<u>5,875,260</u>

The net book value of land and buildings comprises:

	1994 £	1993 £
Freehold	5,741,588	5,839,479
Long leasehold	33,761	35,781
	<u>5,775,349</u>	<u>5,875,260</u>

The cost of land and buildings has been reduced by a provision for a loss on sale of freehold property after the year end.

The gross book value of land and buildings includes depreciable freehold properties of £4,645,002 (1993: £4,645,002).

Staples Printers Properties Limited

Notes (continued)

9 Debtors

	1994 £	1993 £
Amounts owed by group undertakings	<u>4,157,000</u>	<u>3,704,816</u>

Of the above amounts owed by group undertakings £3,000,000 (1993:£3,000,000) is due after one year.

10 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank loan and overdrafts	415,801	408,943
Other loan	500,000	500,000
Amounts owed to group undertakings	240,597	49,836
Other creditors including taxation and social security:		
Other taxes and social security	7,809	7,546
Accruals	<u>23,680</u>	<u>54,281</u>
	<u>1,187,887</u>	<u>1,020,606</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

	1994 £	1993 £
Bank loans	<u>850,000</u>	<u>1,250,000</u>

The above loans are entirely due within five years.

12 Called up share capital

	1994 £	1993 £
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Staples Printers Properties Limited

Notes (continued)

13 Reserves

Amortisation
Reserve
£

At beginning and end of year 1,604

14 Contingent liabilities

The company has guaranteed the bank borrowings of fellow group undertakings. The amount outstanding at the year end was £807,500 (1993: £528,600).

The company has also guaranteed certain hire purchase agreements of fellow group undertakings. The amount outstanding at the year end was £1,464,343 (1993: £762,067)

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

	1994 £	1993 £
Profit for financial year	584,992	744,149
Opening shareholders' funds	<u>7,309,470</u>	<u>6,565,321</u>
Closing shareholders' funds	<u>7,894,462</u>	<u>7,309,470</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.