

939885

PENSORD PRESS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS 1995



PENSORD PRESS LIMITED**Registered in England****Number 939885****DIRECTORS:**

H P J Meakin (Chairman)
N G Bernays (Managing)
N F Worgan
W D Littleford (USA)
I Vinall
W F A Poole

SECRETARY:

M A Rogers

REGISTERED OFFICE:

Tram Road,
Pontllanfraith,
Blackwood,
Gwent.
NP2 2YA

AUDITORS:

KPMG,
Chartered Accountants,
Registered Auditors,
Welsh Street Chambers,
Chepstow,
Gwent.
NP6 5LN

BANKERS:

National Westminster Bank PLC,
21 Lombard Street,
London.
EC3P 3AR

**PENSORD PRESS LIMITED
DIRECTORS' REPORT 1995**

The directors present their Annual Report, together with the audited financial statements for the year ended 31 December 1995.

1. 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 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;
- * State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * 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 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.

2. ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Aspen Communications PLC, a company incorporated in England.

3. DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

H P J Meakin
N G Bernays
N F Worgan
W D Littleford (USA)
P Leach (resigned 18.04.95)
I Vinall
W F A Poole

PENSORD PRESS LIMITED
DIRECTORS' REPORT 1995 (cont'd)

The interests of Messrs Meakin, Worgan and Vinall, who are also Directors of Aspen Communications PLC, are shown in the Directors' Report of that Company.

Options to subscribe for ordinary shares in Aspen Communications PLC under the terms of its share option scheme have been granted to the other directors as follows:

	No. of shares	Option price	Date of grant
N G Bernays	13,000	168p	November 1990
	4,000	114p	May 1992

The options are exercisable not earlier than three years and not later than ten years from the date of grant.

4. BUSINESS REVIEW

The principal activity of the company is the printing of magazines and periodicals.

The results for the year are shown in the profit and loss account.

5. DIVIDEND

The Directors propose a final dividend of £100,000 (1994: £Nil).

6. FIXED ASSETS

Significant changes are shown in the notes to the financial statements.

7. AUDITORS

Our auditors KPMG have indicated that a limited liability company, KPMG Audit Plc, is to undertake part of their audit business. Accordingly, a resolution is to be proposed at the Annual General Meeting for the appointment of KPMG Audit Plc as auditors of the company.



By Order of the Board
 16 April 1996

Mark A Rogers
 Secretary

**REPORT OF THE AUDITORS, KPMG
TO THE MEMBERS OF PENSORD PRESS LIMITED**

We have audited the financial statements on pages 6 to 16.

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.

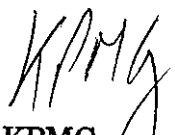
Basis of opinion

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 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,
Welsh Street Chambers,
Chepstow,
Gwent.
NP6 5LN

16 April 1996

PENSORD PRESS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1995

	NOTE	1995 £	1994 £
TURNOVER	2.	7,439,612	6,749,741
Cost of sales		(5,365,729)	(4,934,121)
GROSS PROFIT		2,073,883	1,815,620
Distribution costs	4.	437,966	432,638
Administrative expenses		1,236,309	1,234,236
		(1,674,275)	(1,666,874)
OPERATING PROFIT		399,608	148,746
Interest payable less receivable	5.	(46,608)	(31,299)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6.	353,000	117,447
Taxation	8.	(73,386)	(26,044)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		279,614	91,403
Dividend		(100,000)	-
PROFIT FOR THE FINANCIAL YEAR		179,614	91,403
Balance brought forward		1,982,150	1,890,747
RETAINED PROFIT CARRIED FORWARD		2,161,764	1,982,150
		=====	=====

The company had no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the results as reported above and on an unmodified historical cost basis. Accordingly, no note of historical cost profits and losses has been included.

PENSORD PRESS LIMITED
BALANCE SHEET AT 31 DECEMBER 1995

	NOTE	1995 £	1994 £
FIXED ASSETS			
Tangible assets	9.	3,155,924	2,242,123
CURRENT ASSETS			
Stocks	10.	340,138	268,893
Debtors	11.	1,458,776	1,498,357
Cash at bank and in hand		27,049	79,565
		<u>1,825,963</u>	<u>1,846,815</u>
CREDITORS: Amounts falling due within one year	12.	(1,604,567)	(1,643,826)
NET CURRENT ASSETS		<u>221,396</u>	<u>202,989</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,377,320</u>	<u>2,445,112</u>
CREDITORS: Amounts falling due after more than one year	13.	(768,680)	(27,902)
		<u>2,608,640</u>	<u>2,417,210</u>
DEFERRED INCOME			
Government grants	14.	(56,876)	(100,060)
		<u>2,551,764</u>	<u>2,317,150</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	15.	(360,000)	(305,000)
NET ASSETS		<u>2,191,764</u> =====	<u>2,012,150</u> =====
CAPITAL AND RESERVES			
Called up share capital	16.	30,000	30,000
Profit and loss account		2,161,764	1,982,150
SHAREHOLDERS' FUNDS	17.	<u>2,191,764</u> =====	<u>2,012,150</u> =====

These financial statements were approved by the Board of Directors at a meeting held on 16 April 1996.

N F Worgan

N Bernays

Directors

The attached notes form part of these financial statements.

PENSORD PRESS LIMITED
NOTES TO THE 1995 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.

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of Aspen Communications PLC and its cashflows are included within the consolidated cashflow statement of that company.

Turnover

Turnover represents the value of sales invoiced during the year, less returns, allowances and Value Added Tax.

Depreciation

Depreciation is provided to write off the cost of fixed assets to their estimated residual value on a straight line basis in equal annual instalments over their estimated useful lives as follows:

Plant and machinery	- 5 - 15 years
Motor vehicles	- 4 years

Freehold properties are not depreciated as they are considered to have an estimated useful life in excess of 50 years. It is company policy to maintain all buildings in good condition and any depreciation involved would not be material. Cost of repairs and maintenance which prolong the useful life of the properties are charged to the profit and loss account in the year in which they are incurred.

Stocks

Raw materials and consumables are valued at the lower of cost and net realisable value. Work in Progress is valued at the lower of cost, including a proportion of overheads, and net realisable value.

Government grants

Regional Development Grants received are credited to the profit and loss account in equal instalments over the estimated useful lives of the assets to which they relate.

PENSORD PRESS LIMITED
NOTES TO THE 1995 FINANCIAL STATEMENTS (cont'd)

Revenue Grants are credited to profit and loss account in the year in which the grant is receivable.

Taxation

Taxation charges are computed at the rates applicable to the financial year.

Deferred taxation is calculated on the liability method and is provided in accordance with SSAP 15 on those timing differences which the Directors consider cannot be expected with reasonable probability to continue for the foreseeable future.

Pension costs

The company is a contributing member of the Aspen Communications PLC pension schemes. Details of the schemes including actuarial valuation are contained in the accounts of Aspen Communications PLC. Employees of the company may choose to join either a defined contribution or a defined benefit pension scheme. Amounts charged against profit for the defined contribution scheme represent the contributions payable to the scheme in respect of the accounting period. Contributions to the defined benefit scheme are charged to the profit and loss account so as to spread the costs of pensions over the employees' working lives with the company.

2. TURNOVER

All turnover and results before taxation are derived from the printing of magazines and periodicals and are by source and by destination derived from operations in the United Kingdom.

3. STAFF NUMBERS AND COSTS

The average number of persons, including executive Directors, employed by the company during the year was as follows:

	1995	1994
Management and administration	26	26
Production	155	151
	<u>181</u>	<u>177</u>
	===	===

PENSORD PRESS LIMITED
NOTES TO THE 1995 FINANCIAL STATEMENTS (cont'd)

The aggregate payroll costs of these persons were:

	1995 £	1994 £
Wages and salaries	3,370,901	3,164,407
Social security costs	276,153	265,781
Other pension costs	136,376	124,480
	<u>3,783,430</u>	<u>3,554,668</u>
	=====	=====

4. ADMINISTRATIVE EXPENSES

Administrative expenses include the following exceptional items:

	1995 £	1994 £
Redundancy costs	-	5,542
	=====	=====

5. INTEREST PAYABLE LESS RECEIVABLE

	1995 £	1994 £
Interest on long term loans	-	3,554
Lease and hire purchase interest	40,255	12,924
Group and other interest	6,737	16,148
	<u>46,992</u>	<u>32,626</u>
Less: Interest receivable	(384)	(1,327)
	<u>46,608</u>	<u>31,299</u>
	=====	=====

PENSORD PRESS LIMITED
NOTES TO THE 1995 FINANCIAL STATEMENTS (cont'd)

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting) the following:

	1995 £	1994 £
Depreciation	293,353	359,146
Directors' emoluments	137,927	143,110
Auditors' remuneration	4,000	3,700
Profit on sale of assets	(61,314)	(9,594)
Regional Development Grant released	(43,184)	(49,518)
Hire of plant and machinery	132	1,014
	=====	=====

7. EMOLUMENTS OF DIRECTORS

The emoluments, other than pension contributions, of the directors were as follows:

	1995 £	1994 £
Chairman	-	-
	=====	=====
Highest paid Director	61,467	50,957
	=====	=====

	Number of Directors	
	1995	1994
£Nil	4	4
£35,001 - £40,000	1	1
£40,001 - £45,000	1	-
£45,001 - £50,000	-	1
£50,001 - £55,000	1	1
	7	7
	===	===

PENSORD PRESS LIMITED
NOTES TO THE 1995 FINANCIAL STATEMENTS (cont'd)

8. TAXATION

The charge/(credit) for taxation, based on profits for the year, comprises:

	1995 £	1994 £
Corporation tax at 33% (1994: 33%)		
- Current year	19,700	59,000
- Prior year	(1,314)	(9,956)
	<u>18,386</u>	<u>49,044</u>
Deferred taxation	55,000	(23,000)
	<u>73,386</u>	<u>26,044</u>
	=====	=====

9. TANGIBLE FIXED ASSETS

a) Movements during the year	Freehold land and buildings £	Plant & equipment £	Motor vehicles £	Total £
Cost				
At 1 January 1995	1,081,447	2,985,674	87,450	4,154,571
Additions	2,720	1,201,740	18,480	1,222,940
Disposals	-	-	(31,360)	(31,360)
At 31 December 1995	<u>1,084,167</u>	<u>4,187,414</u>	<u>74,570</u>	<u>5,346,151</u>
	=====	=====	=====	=====
Depreciation				
At 1 January 1995	-	1,874,752	37,696	1,912,448
Charge for the year	-	276,148	17,205	293,353
Released on disposal	-	-	(15,574)	(15,574)
At 31 December 1995	<u>-</u>	<u>2,150,900</u>	<u>39,327</u>	<u>2,190,227</u>
	=====	=====	=====	=====
Net book value				
At 31 December 1995	<u>1,084,167</u>	<u>2,036,514</u>	<u>35,243</u>	<u>3,155,924</u>
	=====	=====	=====	=====
At 31 December 1994	<u>1,081,447</u>	<u>1,110,922</u>	<u>49,754</u>	<u>2,242,123</u>
	=====	=====	=====	=====

The net book value of plant and equipment at 31 December 1995 includes £1,088,924 (1994: £127,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged on these assets during the year amount to £67,496.

PENSORD PRESS LIMITED
NOTES TO THE 1995 FINANCIAL STATEMENTS (cont'd)

b) Outstanding capital commitments not provided for in these accounts:

	1995 £	1994 £
Authorised and committed	-	839,360
Authorised not committed	- =====	- =====

10. STOCKS

	1995 £	1994 £
Raw materials	295,640	235,417
Work in progress	44,498	33,476
	<u>340,138</u> =====	<u>268,893</u> =====

11. DEBTORS

	1995 £	1994 £
Trade debtors	1,294,092	1,377,442
Prepayments and accrued income	44,366	31,213
Other debtors	49,127	35,735
Amounts owed by Group undertakings	71,191	17,928
Corporation tax	-	36,039
	<u>1,458,776</u> =====	<u>1,498,357</u> =====

PENSORD PRESS LIMITED
NOTES TO THE 1995 FINANCIAL STATEMENTS (cont'd)

12. CREDITORS: Amounts falling due within one year

	1995 £	1994 £
Trade creditors	614,437	805,273
Amounts owed to Group undertakings	430,345	426,792
Accruals	169,284	145,880
Taxation and social security	88,726	209,778
Finance liabilities	227,439	56,103
Corporation tax	74,336	-
	<u>1,604,567</u>	<u>1,643,826</u>
	=====	=====

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

	1995 £	1994 £
Finance liabilities	768,680	27,902
	<u>768,680</u>	<u>27,902</u>
	=====	=====

The maturity of finance liability obligations is as follows:

	1995 £	1994 £
Between one and two years	210,780	23,145
Between two and five years	557,900	4,757
	<u>768,680</u>	<u>27,902</u>
	=====	=====

14. GOVERNMENT GRANTS

	1995 £	1994 £
At 1 January 1995	100,060	149,578
Released to profit and loss account	(43,184)	(49,518)
At 31 December 1995	<u>56,876</u>	<u>100,060</u>
	=====	=====

PENSORD PRESS LIMITED
NOTES TO THE 1995 FINANCIAL STATEMENTS (cont'd)

15. DEFERRED TAXATION

	1995 £	1994 £
a) Movement in year		
At 1 January 1995	305,000	328,000
Charge/(release) for year	55,000	(23,000)
	<u>360,000</u>	<u>305,000</u>
	=====	=====
b) Represented by:		
Allowances exceeding depreciation	360,000	305,000
	=====	=====

The above figures represent the full potential liability at 33%.

16. CALLED UP SHARE CAPITAL

The authorised, allotted, called up and fully paid share capital comprises £30,000, comprising 600,000 ordinary shares of 5p each.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial year	179,614	91,403
Shareholders' funds at 1 January 1995	2,012,150	1,920,747
	<u>2,191,764</u>	<u>2,012,150</u>
	=====	=====
Shareholders' funds at 31 December 1995	2,191,764	2,012,150

18. PARENT UNDERTAKING

The company is a subsidiary undertaking of Aspen Communications PLC, a company registered in England. The results of the company are incorporated in the accounts of that company and the consolidated accounts of the Group are available to the public.