

**THE PERFECT POSTER COMPANY LIMITED**  
(Registered Number: 1131184)

**DIRECTORS' REPORT AND ACCOUNTS**

**26 DECEMBER 1997**



# **THE PERFECT POSTER COMPANY LIMITED**

## **DIRECTORS' REPORT AND ACCOUNTS**

**52 WEEKS ENDED 26 DECEMBER 1997**

### **DIRECTORS' REPORT**

The directors submit their report and the accounts of the company for the 52 weeks ended 26 December 1997.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts 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 accounts, 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 accounts.
- Prepare the accounts 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 accounts comply with the Companies Act 1985. They are 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.

### **REVIEW OF THE BUSINESS**

The company did not trade during the 52-week period under review.

### **RESULTS AND DIVIDENDS**

The company's profit, after taxation, was nil (1996: profit of £3,799,625). The directors do not recommend payment of a dividend (1996: £Nil).

**THE PERFECT POSTER COMPANY LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**52 WEEKS ENDED 26 DECEMBER 1997**

**DIRECTORS' REPORT (Continued)**

**DIRECTORS**

The following directors served during the year:

L P Healy  
B M A Hopkins  
J J Parkinson  
A J Round

(appointed 1 May 1997)

None of the directors had any beneficial interest in the shares of the company during the year. The interests of the directors, who are not directors of Independent Newspapers Plc, in share options of that company at the beginning (or date of appointment, if later) and end of the year were:

	At 27 December 1996	Granted During Year	Exercised During Year	At 26 December 1997	Weighted Average Exercise Price
A J Round	-	75,000	-	75000	355.00p

The interests of the other directors, who are also directors of Independent Newspapers Plc, are disclosed in that company's accounts.

**AUDITORS**

On 1 July 1998, Price Waterhouse merged with Coopers and Lybrand. Price Waterhouse resigned as auditors on 7 August 1998 and PricewaterhouseCoopers, the firm created as a result of this merger, was appointed by the directors to succeed as auditors.

By order of the Board



**A J Round**  
Company Secretary

**AUDITORS' REPORT TO THE MEMBERS OF  
THE PERFECT POSTER COMPANY LIMITED**

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 26 December 1997 and of its result for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*

PricewaterhouseCoopers  
Chartered Accountants  
and Registered Auditors

1 Embankment Place  
London WC2N 6NN

*20 August 1998.*

**THE PERFECT POSTER COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT**

**52 WEEKS ENDED 26 DECEMBER 1997**

	Note	52 weeks ended 26 December 1997 £	52 weeks ended 27 December 1996 £
<b>NET OPERATING PROFIT</b>	2	-	-
Profit on sale of fixed asset investment	3	-	3,799,625
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	3,799,625
Taxation		-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		-	3,799,625
Additional finance costs of non - equity shares		(3,250)	(51,813)
<b>RETAINED PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>		(3,250)	3,747,812
Additional finance costs of non - equity shares		3,250	51,813
<b>RETAINED PROFIT FOR THE YEAR</b>		-	3,799,625
<b>ACCUMULATED PROFITS/(LOSSES) BROUGHT FORWARD</b>		3,792,057	(7,568)
<b>RETAINED PROFIT CARRIED FORWARD</b>		3,792,057	3,792,057

There were no recognised gains or losses other than the loss for the year.

There is no difference between the results reported above and the results on an unmodified historical cost basis.

The notes on pages 6 to 7 form part of these accounts.

**THE PERFECT POSTER COMPANY LIMITED**

**BALANCE SHEET**

**AS AT 26 DECEMBER 1997**

	Note	26 December 1997 £	27 December 1996 £
<b>CURRENT ASSETS</b>			
Debtors	4	3,824,560	3,824,560
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,824,560</u>	<u>3,824,560</u>
<b>CAPITAL AND RESERVES</b>			
Represented by:			
Called up share capital	5	32,503	32,503
Profit and loss account		<u>3,792,057</u>	<u>3,792,057</u>
		<u>3,824,560</u>	<u>3,824,560</u>
Comprising:			
Equity interests		3,736,997	3,740,247
Non - equity interests		<u>87,563</u>	<u>84,313</u>
		<u>3,824,560</u>	<u>3,824,560</u>

Approved by the Board on 20/8/98

*A. J. Round*

A J Round - Director

The notes on pages 6 to 7 form part of these accounts.

# THE PERFECT POSTER COMPANY LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 26 DECEMBER 1997

### 1 ACCOUNTING POLICIES

- a) The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.
- b) Investments are valued at cost less provision for any permanent diminution in value.
- c) The financial year ends on the last Friday nearest 31 December. Periodically this results in a fifty-three week year.

### 2 NET OPERATING EXPENSES

#### Auditors' Remuneration

Auditors' remuneration is borne by the parent company.

#### Directors' Emoluments and Employees

No director received any emoluments from the company in respect of services during the year (1996: Nil).

Full details of the directors emoluments in respect of their services to the group can be found in the financial statements of Independent Newspapers Holdings Limited and Independent Newspapers Plc.

There were no employees during the year (1996: Nil).

### 3 PROFIT ON SALE OF FIXED ASSET INVESTMENT

	1997 £	1996 £
Proceeds	-	4,000,000
Cost of Investment	-	(200,375)
	<u>-</u>	<u>3,799,625</u>

The company sold its stake in Buspak (UK) Limited to its immediate holding company, Independent Newspapers Holdings Limited, on 26 November 1996.

### 4 DEBTORS

	1997 £	1996 £
Amounts owed by parent undertakings	<u>3,824,560</u>	<u>3,824,560</u>
	<u>3,824,560</u>	<u>3,824,560</u>

Amounts owed by parent and associated undertakings are non-interest bearing, unsecured and repayable on demand.

# THE PERFECT POSTER COMPANY LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 26 DECEMBER 1997

### 5 CALLED UP SHARE CAPITAL

	Authorised		Allotted and fully paid	
	1997	1996	1997	1996
	£	£	£	£
Equity shares:				
Ordinary £1 shares	5,000	5,000	3	3
Non - equity shares:				
'A' redeemable cumulative £1				
Preference shares	45,000	45,000	-	-
'B' redeemable cumulative £1				
Preference shares	32,500	32,500	32,500	32,500
	<u>82,500</u>	<u>82,500</u>	<u>32,503</u>	<u>32,503</u>

The preference shares have priority on dividends and payment of capital. However they have no voting rights unless the fixed preferential dividend remains unpaid. The preference shares are redeemable at the option of the company.

### 6 ARREARS OF CUMULATIVE PREFERENCE DIVIDEND

The dividends in arrears on the 'B' 10% redeemable cumulative preference shares at 26 December 1997 amount to £55,063(1996: £51,813).

### 6 CASH FLOW STATEMENT

The company is exempt from producing a cash flow statement under Financial Reporting Standard 1 as it is wholly owned by a parent undertaking established under the law of a member state of the European Community. The parent undertaking prepares consolidated financial statements, including a consolidated cash flow statement, which includes all subsidiary undertakings. These financial statements are drawn up in accordance with companies legislation promulgated within the Republic of Ireland.

### 7 ULTIMATE HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Independent Newspapers Holdings Limited, a company incorporated in Great Britain and registered in England. The ultimate holding company is Independent Newspapers Plc, a company incorporated in the Republic of Ireland.

As permitted by paragraph 3(c) of FRS8 - Related Party Disclosures, transactions with other entities in the group are not disclosed.

The only accounts produced that include the results of the company are those of Independent Newspapers Plc. A copy of those accounts can be obtained from 1/2 Upper Hatch Street, Dublin 2.

### 8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1997	1996
	£	£
(Loss)/Profit attributable to shareholders	(3,250)	3,747,812
Additional finance costs of non - equity shares	3,250	51,813
Opening shareholders funds	<u>3,824,560</u>	<u>24,935</u>
Closing shareholders funds	<u>3,824,560</u>	<u>3,824,560</u>