

Company number: 1523936

BROGLIA PRESS 86 LIMITED

FINANCIAL STATEMENTS

30 JUNE 1996



BROGLIA PRESS 86 LIMITED

FINANCIAL STATEMENTS

for the Year ended 30th June 1996

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 13

BROGLIA PRESS 86 LIMITED

COMPANY INFORMATION

30th June 1996

CHAIRMAN	J.Porter
OTHER DIRECTORS	M.J.Vaughan
SECRETARY	J Porter
REGISTERED OFFICE	Gadoline House 2 Godstone road Whyteleafe, Surrey CR3 0EA
AUDITORS	Morison Stoneham Chartered Accountants 805 Salisbury House 31 Finsbury Circus London EC2M 5SQ

BROGLIA PRESS 86 LIMITED

DIRECTORS' REPORT

30th June 1996

The directors present their report and the audited financial statements for the Year ended 30th June 1996.

Principal activity

The principal activity of the company is that of printing and publishing.

Business review

The company's balance sheet as detailed on page 6 shows a deficiency of shareholders' funds amounting to £291,186.

Profit, dividends and appropriations

The results for the Year are shown in the profit and loss account on page 5.

The directors do not propose payment of an ordinary dividend, the profit for the Year is to be transferred to reserves.

Fixed assets

Changes in fixed assets during the year are set out in note 8 to the accounts.

Share Issue

On 23rd June 1996 the company issued 500,000 6% cumulative redeemable £1 preference shares to Gold Group International Limited by way of capitalisation of the loan due to Gold Group.

Directors

The directors of the company during the Year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30th June 1996 Ordinary shares	1 July 1995 Ordinary shares
J.Porter	-	-
M.J.Vaughan	-	-

continued

BROGLIA PRESS 86 LIMITED


DIRECTORS' REPORT
(continued)

30th June 1996

Auditors

Morison Stoneham are not offering themselves for reappointment and a resolution proposing that Edwards & Co. be appointed as auditors of the company in their place will be put to the members at the forthcoming Annual General Meeting.

On behalf of the board


J Porter
Secretary

21st March 1997

BROGLIA PRESS 86 LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- 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.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

BROGLIA PRESS 86 LIMITED

AUDITORS' REPORT

Auditors' report to the members of
Broglia Press 86 Limited

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 7.

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 error or other irregularity. 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 30th June 1996 and of its profit for the Year then ended and have been properly prepared in accordance with the Companies Act 1985.

805 Salisbury House
31 Finsbury Circus
London EC2M 5SQ
~~21st March~~ 1997
30 April

Morison Stoneham
Morison Stoneham
Registered Auditors
Chartered Accountants

BROGLIA PRESS 86 LIMITED

PROFIT AND LOSS ACCOUNT

for the Year ended 30th June 1996

	Note	1996 £	1995 £
Turnover	2	4,699,323	4,260,026
Cost of sales		(3,666,827)	(3,554,562)
Gross profit		1,032,496	705,464
Net operating expenses			
Distribution costs		(174,693)	(168,685)
Administrative expenses	6	(709,180)	(943,878)
Other operating income		25,560	14,556
Operating profit/(loss)	3	174,183	(392,543)
Interest payable	5	(85,515)	(42,471)
Profit/(loss) on ordinary activities before taxation		88,668	(435,014)
Taxation	7	(56,960)	-
Profit/(loss) on ordinary activities after taxation		£ 31,708	£ (435,014)
retained for the Year	15		

Movements in reserves are shown in note 15

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1996 or 1995 other than the profit/(loss) for the Year.

BALANCE SHEET

at 30th June 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	8		643,873		823,067
Current assets					
Stocks	9	144,740		222,785	
Debtors	10	1,376,186		1,115,469	
Cash at bank and in hand		581		45,538	
			<u>1,521,507</u>	<u>1,383,792</u>	
Creditors: amounts falling due within one year	11	<u>(1,850,842)</u>		<u>(2,374,100)</u>	
Net current liabilities			<u>(329,335)</u>		<u>(990,308)</u>
Total assets less current liabilities			<u>314,538</u>		<u>(167,241)</u>
Creditors: amounts falling due after more than one year	12		<u>(605,724)</u>		<u>(655,653)</u>
			<u>(291,186)</u>		<u>(822,894)</u>
Capital and reserves					
Called up share capital	14		500,240		240
Profit and loss account	15		<u>(791,426)</u>		<u>(823,134)</u>
Total shareholders' funds	13		<u>(291,186)</u>		<u>(822,894)</u>

The financial statements on pages 5 to 13 were approved by the board of directors on 21st March 1997.

J. Porter



Director

BROGLIA PRESS 86 LIMITED

NOTES ON FINANCIAL STATEMENTS

30th June 1996

1 Accounting policies**Basis of accounting**

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

Cashflow Statement

The company has not prepared a cashflow statement as it is entitled to the exemption available to wholly owned subsidiaries, where a statement of group cashflow is included in the consolidated financial statements of the holding company.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	25% straight line
Motor vehicles	25% straight line
Fixtures and fittings	25% straight line

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Pensions

The company makes contributions to defined contribution schemes for selected senior employees. The assets of the schemes are held separately from those of the company in independently administered funds. Costs are charged to the Profit and Loss account when incurred.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

BROGLIA PRESS 86 LIMITED

NOTES ON FINANCIAL STATEMENTS

30th June 1996

3 Operating profit/(loss)

	1996 £	1995 £
Operating profit/(loss) is stated after charging		
Staff costs (note 4)	1,042,660	1,136,887
Exceptional items (note 6)	-	122,069
Auditors' remuneration	4,500	5,000
Auditors' remuneration - non-audit work	4,845	3,602
Loss on sale of assets	26	-
	<u>243,272</u>	<u>253,843</u>
Depreciation of tangible fixed assets (note 8)		
owned assets	102,024	118,903
leased assets	141,248	134,940
	<u>243,272</u>	<u>253,843</u>

BROGLIA PRESS 86 LIMITED

NOTES ON FINANCIAL STATEMENTS

30th June 1996

4 Directors and employees

	1996 £	1995 £
Staff costs including directors' emoluments		
Wages and salaries	929,360	1,007,059
Social security costs	92,769	102,098
Pension costs	20,531	19,066
Compensation for loss of office	-	8,664
	<u>1,042,660</u>	<u>1,136,887</u>

	Number	Number
Average number employed including executive directors		
Production staff	30	35
Office and management	12	12
	<u>42</u>	<u>47</u>

Directors	£	£
Directors' emoluments		
Fees	35,319	35,372
Other emoluments	3,703	4,850
Compensation for loss of office	-	8,664
	<u>39,022</u>	<u>48,886</u>

Emoluments excluding pension scheme contributions

Highest paid director	<u>34,022</u>	<u>21,860</u>
-----------------------	---------------	---------------

Other directors	Number	Number
Up to £5,000	1	1
£20,001 - £25,000	-	2
£30,001 - £35,000	1	-
	<u>1</u>	<u>3</u>

5 Interest payable

	1996 £	1995 £
Bank interest	41,461	18,811
Loan interest	6,676	8,213
Finance lease and HP Interest charges	37,378	15,447
	<u>85,515</u>	<u>42,471</u>

BROGLIA PRESS 86 LIMITED

NOTES ON FINANCIAL STATEMENTS

30th June 1996

6 Exceptional items

	1996 £	1995 £
Included in administrative expenses:		
Exceptional write-down on disposal of fixed assets	-	122,069

7 Taxation

	1996 £	1995 £
Corporation tax on profit on ordinary activities at 25% (1995 25%)	4,950	-
Group relief	52,249	-
	57,199	-
Over provision in earlier years	(239)	-
	56,960	-

8 Tangible fixed assets

	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Total £
Cost or valuation				
1 July 1995	57,829	1,597,328	114,661	1,769,818
Additions	34,216	23,588	19,949	77,753
Disposals	(24,448)	-	-	(24,448)
30th June 1996	67,597	1,620,916	134,610	1,823,123
Depreciation				
1 July 1995	18,763	908,826	19,162	946,751
Charge for Year	15,863	196,012	31,397	243,272
Disposals	(10,773)	-	-	(10,773)
30th June 1996	23,853	1,104,838	50,559	1,179,250
Net book amount				
30th June 1996	43,744	516,078	84,051	643,873
1 July 1995	39,066	688,502	95,499	823,067

The net book amount of fixed assets includes £361,805 (1995 £510,450) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

BROGLIA PRESS 86 LIMITED

NOTES ON FINANCIAL STATEMENTS

30th June 1996

9 Stocks	1996	1995
	£	£
Work in progress	87,206	87,381
Raw materials	57,534	135,404
	<u>144,740</u>	<u>222,785</u>
10 Debtors	1996	1995
	£	£
Amounts falling due within one year		
Trade debtors	892,439	630,094
Amounts owed by group undertakings	391,527	383,228
Other debtors	38,667	45,921
Prepayments and accrued income	53,553	56,226
	<u>1,376,186</u>	<u>1,115,469</u>
11 Creditors: amounts falling due within one year	1996	1995
	£	£
Bank overdraft	461,345	453,339
Trade creditors	901,427	887,762
Amounts owed to group undertakings	113,547	767,826
Corporation tax	4,030	-
Other taxation and social security	36,219	30,912
Other creditors	8,510	21,980
Accruals and deferred income	133,007	31,031
Finance leases and HP contracts - note 12	192,757	181,250
	<u>1,850,842</u>	<u>2,374,100</u>

BROGLIA PRESS 86 LIMITED

NOTES ON FINANCIAL STATEMENTS

30th June 1996

12 Creditors: amounts falling due
after more than one year

	1996 £	1995 £
Amounts owed to group undertakings	457,398	310,000
Obligations under finance leases	148,326	345,653
	<u>605,724</u>	<u>655,653</u>

Obligations under finance leases
and hire purchase contracts

These are repayable over varying periods
by monthly instalments as follows:

In the next year - see note 11	192,757	181,250
In the second to fifth year	148,325	345,653
	<u>341,082</u>	<u>526,903</u>

13 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit/(loss) for the financial Year	31,708	(435,014)
New share capital subscribed	500,000	-
Net addition to/(subtraction from) shareholders' funds	531,708	(435,014)
Opening shareholders' funds	(822,894)	(387,880)
Closing shareholders' funds	<u>(291,186)</u>	<u>(822,894)</u>

14 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary 'A' Shares	500	500	500	500
Ordinary 'B' Shares	500	500	500	500
6% Cumulative redeemable preference shares	500,000	500,000	-	-
	<u>501,000</u>	<u>501,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid Equity shares				
Ordinary 'A' Shares	120	120	120	120
Ordinary 'B' Shares	120	120	120	120
6% Cumulative redeemable preference shares	500,000	500,000	-	-
	<u>500,240</u>	<u>500,240</u>	<u>240</u>	<u>240</u>

BROGLIA PRESS 86 LIMITED

NOTES ON FINANCIAL STATEMENTS

30th June 1996

15 Profit and loss account

	1996 £
1 July 1995	(823,134)
Retained profit for the Year	<u>31,708</u>
30th June 1996	<u>(791,426)</u>

16 Ultimate parent undertaking

The company's ultimate parent undertaking at the balance sheet date was Gold Group International Limited a company registered in England and Wales.