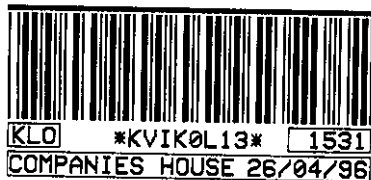


BROGLIA PRESS 86 LIMITED

FINANCIAL STATEMENTS

30 JUNE 1995



BROGLIA PRESS 86 LIMITED

FINANCIAL STATEMENTS

for the Year ended 30th June 1995

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## BROGLIA PRESS 86 LIMITED

## COMPANY INFORMATION

30th June 1995

CHAIRMAN	J Porter (appointed 30 December 1994)
OTHER DIRECTORS	J.W.Gibbins (resigned 30 December 1994) H.Start (resigned 30 November 1994) M.J.Vaughan (appointed 1 December 1994)
SECRETARY	J Porter
REGISTERED OFFICE	805 Salisbury House 31 Finsbury Circus London EC2M 4SQ
AUDITORS	Morison Stoneham Chartered Accountants 805 Salisbury House 31 Finsbury Circus London EC2M 5SQ

## BROGLIA PRESS 86 LIMITED

## DIRECTORS' REPORT

30th June 1995

The directors present their report and the audited financial statements for the Year ended 30th June 1995.

**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 £822,894. In December 1994 the company moved to larger premises at Holton Heath.

**Dividends**

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.

**Fixed assets**

Changes in fixed assets during the year are set out in the notes to the accounts as follows

Tangible fixed assets	- note 7
Fixed asset investments	- note 8

**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 1995 Ordinary shares	1 July 1994 Ordinary shares
J Porter (appointed 30 December 1994)	-	-
J.W. Gibbins (resigned 30 December 1994)	-	-
H. Start (resigned 30 November 1994)	-	-
M.J. Vaughan (appointed 1 December 1994)	-	-

**Charitable and political donations**

Payments of a charitable nature made during the year amounted to £2,445.

continued .....

## BROGLIA PRESS 86 LIMITED


DIRECTORS' REPORT  
(continued)

30th June 1995

## Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Morison Stoneham will continue in office.

On behalf of the board

  
J Porter  
Secretary

805 Salisbury House  
31 Finsbury Circus  
London EC2M 4SQ

12th April 1996

## 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 1995 and of its loss 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 4SQ  
12th April 1996

*Morison Stoneham*

Morison Stoneham  
Registered Auditors  
Chartered Accountants

## BROGLIA PRESS 86 LIMITED

## PROFIT AND LOSS ACCOUNT

for the Year ended 30th June 1995

	Note	1995 £	1994 £
Turnover	2	4,260,026	4,145,500
Cost of sales		(3,554,562)	(3,361,523)
Gross profit		705,464	783,977
Net operating expenses			
Distribution costs		(168,685)	(190,755)
Administrative expenses		(857,938)	(792,028)
Other operating income		14,556	17,013
Operating loss	3	(306,603)	(181,793)
Interest payable	7	(23,660)	(70,289)
		(330,263)	(252,082)
Exceptional write-down on disposal of fixed assets		(104,751)	-
Loss on ordinary activities before taxation		(435,014)	(252,082)
Taxation	9	-	-
Loss on ordinary activities after taxation		£ (435,014)	£ (252,082)
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 1995 or 1994 other than the loss for the Year.

Administration expenses include £122,069 which was incurred in moving premises in December 1994.



## BROGLIA PRESS 86 LIMITED

## BALANCE SHEET

at 30th June 1995

	Note	£	1995 £	£	1994 £
<b>Fixed assets</b>					
Tangible assets	7		823,067		654,523
Investments	8		-		21
			<u>823,067</u>		<u>654,544</u>
<b>Current assets</b>					
Stocks	9	222,785		210,967	
Debtors	10	1,115,469		1,044,451	
Cash at bank and in hand		45,538		11,357	
			<u>1,383,792</u>	<u>1,266,775</u>	
Creditors: amounts falling due within one year	11	(2,374,100)		(1,719,548)	
Net current liabilities			<u>(990,308)</u>	<u>(452,773)</u>	
Total assets less current liabilities			<u>(167,241e)</u>	<u>201,771</u>	
Creditors: amounts falling due after more than one year	12		<u>(655,653)</u>	<u>(589,651)</u>	
			<u>(822,894)</u>	<u>(387,880)</u>	
<b>Capital and reserves</b>					
Called up share capital	14		240		240
Profit and loss account	15		<u>(823,134)</u>		<u>(388,120)</u>
Total shareholders' funds	13		<u>(822,894)</u>		<u>(387,880)</u>

The financial statements on pages 5 to 13 were approved by the board of directors on 12th April 1996.

J Porter



Director

## BROGLIA PRESS 86 LIMITED

## NOTES ON FINANCIAL STATEMENTS

30th June 1995

**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 1995

## 3 Operating loss

	1995 £	1994 £
Operating loss is stated after crediting		
Profit on sale of assets	-	85
and after charging		
Staff costs (note 4)	1,136,887	987,081
Auditors' remuneration	5,000	6,475
Auditors' remuneration - non-audit work	3,602	1,312
Depreciation of tangible fixed assets (note 7)		
owned assets	118,903	109,760
leased assets	134,940	105,100
	<u>253,843</u>	<u>214,860</u>

## BROGLIA PRESS 86 LIMITED

## NOTES ON FINANCIAL STATEMENTS

30th June 1995

## 4 Directors and employees

	1995	1994
	£	£
Staff costs including directors' emoluments		
Wages and salaries	1,007,059	881,111
Social security costs	102,098	89,915
Pension costs	19,066	16,055
Compensation for loss of office	8,664	-
	<u>1,136,887</u>	<u>987,081</u>

	Number	Number
Average number employed including executive directors		
Production staff	35	28
Office and management	12	9
	<u>47</u>	<u>37</u>

Directors	£	£
Directors' emoluments		
Fees	35,372	7,530
Other emoluments	4,850	800
Compensation for loss of office	8,664	-
	<u>48,886</u>	<u>8,330</u>

Emoluments excluding pension scheme contributions

Highest paid director	<u>21,860</u>	<u>8,330</u>
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Other directors	Number	Number
Up to £5,000	1	1
£20,001 - £25,000	2	-
	<u>3</u>	<u>1</u>

## 5 Interest payable

	1995	1994
	£	£
Loan interest	8,213	10,689
Finance lease and HP Interest charges	15,447	59,600
	<u>23,660</u>	<u>70,289</u>

## 6 Taxation

The company has no liability for taxation. The benefit of the company's current years tax losses has been surrendered as group relief to other group companies.

## BROGLIA PRESS 86 LIMITED

## NOTES ON FINANCIAL STATEMENTS

30th June 1995

## 7 Tangible fixed assets

Cost or valuation	Vehicles £	Plant Machinery £	Fixtures Fittings £	Total £
1 July 1994	29,530	1,485,537	66,898	1,581,965
Additions	37,399	393,515	102,847	533,761
Disposals	(9,100)	(42,000)	-	(51,100)
Write-off of old assets		(239,724)	(55,084)	(294,808)
30th June 1995	57,829	1,597,328	114,661	1,769,818
<b>Depreciation</b>				
1 July 1994	7,434	884,069	35,940	927,443
Charge for Year	13,807	217,350	22,686	253,843
Disposals	(2,478)	(42,000)	-	(44,478)
Write-off of old assets	-	(150,593)	(39,464)	(190,057)
30th June 1995	18,763	908,826	19,162	946,751
<b>Net book amount</b>				
30th June 1995	39,066	688,502	95,499	823,067
1 July 1994	22,096	601,468	30,959	654,523

The net book amount of fixed assets includes £510,450 (1994 £315,298) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

## 8 Fixed asset investments

	Investments other than loans £
<b>Cost</b>	
1 July 1994	21
Additions	-
Disposals	(21)
30th June 1995	-
<b>Net book amount</b>	
30th June 1995	-
1 July 1994	21

## BROGLIA PRESS 86 LIMITED

## NOTES ON FINANCIAL STATEMENTS

30th June 1995

## 9 Stocks

	1995 £	1994 £
Work in progress	87,381	103,308
Raw materials	135,404	107,659
	<u>222,785</u>	<u>210,967</u>

## 10 Debtors

	1995 £	1994 £
Amounts falling due within one year		
Trade debtors	630,094	574,241
Amounts owed by group undertakings	383,228	442,942
Other debtors	45,921	13,359
Prepayments and accrued income	56,226	13,909
	<u>1,115,469</u>	<u>1,044,451</u>

## 11 Creditors: amounts falling due within one year

	1995 £	1994 £
Bank overdraft	453,339	16,242
Trade creditors	887,762	867,756
Amounts owed to group undertakings	767,826	643,615
Other taxation and social security	30,912	32,097
Other creditors	21,980	2,950
Accruals and deferred income	31,031	8,500
Finance leases and HP contracts - note 12	181,250	148,388
	<u>2,374,100</u>	<u>1,719,548</u>

## BROGLIA PRESS 86 LIMITED

## NOTES ON FINANCIAL STATEMENTS

30th June 1995

12 Creditors: amounts falling due  
after more than one year

	1995 £	1994 £
Amounts owed to group undertakings	310,000	310,000
Obligations under finance leases	345,653	279,651
	<u>655,653</u>	<u>589,651</u>

Obligations under finance leases  
and hire purchase contractsThese are repayable over varying periods  
by monthly instalments as follows:

In the next year - see note 11	181,250	148,388
In the second to fifth year	345,653	279,651
	<u>526,903</u>	<u>428,039</u>

## 13 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Loss for the financial Year	(435,014)	(252,082)
Net subtraction from shareholders' funds	(435,014)	(252,082)
Opening shareholders' funds	<u>(387,880)</u>	<u>(135,798)</u>
Closing shareholders' funds	<u>(822,894)</u>	<u>(387,880)</u>

## 14 Called up share capital

	1995		1994	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary 'A' Shares	500	500	500	500
Ordinary 'B' Shares	500	500	500	500
	<u>1,000</u>	<u>1,000</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
	<u>240</u>	<u>240</u>	<u>240</u>	<u>240</u>

## BROGLIA PRESS 86 LIMITED

## NOTES ON FINANCIAL STATEMENTS

30th June 1995

## 15 Profit and loss account

	1995 £
1 July 1994	(388,120)
Retained loss for the Year	(435,014)
	<hr/>
30th June 1995	(823,134)
	<hr/> <hr/>

## 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.



## BROGLIA PRESS 86 LIMITED

## TRADING AND PROFIT AND LOSS ACCOUNT

for the Year ended 30th June 1995

	1995		1994	
	£	£	£	£
<b>Turnover</b>				
Sales		4,260,026		4,145,500
<b>Cost of sales</b>				
Opening stock	210,966		163,736	
Purchases	1,503,301		1,326,748	
Scans and proofing	-		60	
Laminating, binding and finishing	-		312,754	
Scans, proofing and outwork	934,999		746,473	
Repairs and maint of plant and machine	104,477		72,453	
Minor assets	2,322		3,844	
Salaries and wages	730,534		678,463	
National insurance	73,398		69,671	
Depreciation plant and machinery	217,350		198,287	
Closing stock	(222,785)		(210,966)	
		3,554,562		3,361,523
<b>Gross profit</b>	16.56%	705,464	18.91%	783,977
<b>Other operating income</b>				
Sale of scrap	8,388		1,399	
Interest received	66		2,324	
Rent received	5,644		8,908	
Bad debts recovered	-		3,623	
Administration services	458		674	
Profit on sale of tangible assets	-		85	
		14,556		17,013
		720,020		800,990
Establishment expenses	761,546		486,318	
Distribution expenses	168,685		190,755	
Administration expenses	128,271		27,628	
Financial expenses	96,532		348,371	
		1,155,034		1,053,072
<b>Net loss for the year</b>		(435,014)		(252,082)

## BROGLIA PRESS 86 LIMITED

## SCHEDULE TO THE TRADING AND PROFIT AND LOSS ACCOUNT

for the Year ended 30th June 1995

	1995 £	1994 £
<b>Establishment expenses</b>		
Salaries	241,153	195,118
National insurance	28,700	19,727
Pension scheme contributions	17,809	16,055
Motor expenses	21,215	14,126
Travelling expenses	6,663	6,938
Entertaining	11,066	19,345
Computer expenses	14,859	17,645
Rent	64,291	30,000
Rates	30,269	10,750
Light and heat	58,423	37,942
Insurance	19,209	17,701
Repairs and maintenance	138,090	39,254
Printing postage and stationary	10,524	18,838
Donations	2,021	2,445
Telephone	21,106	11,831
Sundry expenses	27,981	16,435
Trade subscriptions	2,874	4,121
Directors' fees	35,372	7,530
Directors' national insurance	-	517
Directors' pension costs	1,257	-
Compensation for loss of office	8,664	-
	<u>761,546</u>	<u>486,318</u>
<b>Distribution expenses</b>		
Advertising and marketing	22,946	33,721
Commissions payable	37,614	35,370
Packing materials	10,273	12,798
Carriage	97,852	108,866
	<u>168,685</u>	<u>190,755</u>
<b>Administration expenses</b>		
Staff advertising	4,282	11,055
Loss write-off old assets	87,496	-
Depreciation motor vehicles	13,807	6,634
Depreciation fixtures and fittings	22,686	9,939
	<u>128,271</u>	<u>27,628</u>
<b>Financial expenses</b>		
Bank charges and interest	11,356	842
Bad and doubtful debts	49,421	265,991
Loan interest	8,213	10,689
Finance lease and HP Interest charges	15,447	59,600
Legal and professional fees	3,493	3,462
Auditors' remuneration	5,000	6,475
Auditors' remuneration - non-audit work	3,602	1,312
	<u>96,532</u>	<u>348,371</u>