

**P A C GRAPHICS LIMITED  
DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MAY 2007**

**Company No: 1574580  
(England and Wales)**

**SATURDAY**



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**23/02/2008**

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**COMPANIES HOUSE**

**P A C GRAPHICS LIMITED**

**COMPANY INFORMATION**

**DIRECTORS:**

J S Allen

R E Allen

**SECRETARY:**

J S Allen

**COMPANY NUMBER:**

1574580 (England and Wales)

**REGISTERED OFFICE:**

65 Decima Street  
Bermondsey  
London SE1 5QR

**ACCOUNTANTS:**

Sargent & Co  
Chartered Accountants  
194B Addington Road  
Selsdon  
South Croydon  
Surrey CR2 8LD

**P A C GRAPHICS LIMITED**

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**P A C GRAPHICS LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2007**

The directors present their report and the financial statements for the year ended 31 May 2007

**PRINCIPAL ACTIVITY**

The company's principal activity continues to be that of Printers and Print Agents

**DIRECTORS**

The directors during the year were as follows

J S Allen  
R E Allen

**SMALL COMPANY RULES**

This report has been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the Board on 30 November 2007 and signed on its behalf

A handwritten signature in black ink, appearing to read 'JS Allen', with a horizontal line drawn underneath the signature.

J S Allen - Director

**P A C GRAPHICS LIMITED**

**ACCOUNTANTS REPORT ON THE UNAUDITED ACCOUNTS**

**TO THE DIRECTORS OF P A C GRAPHICS LIMITED**

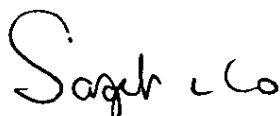
In accordance with the engagement letter dated 13 June 2007, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account and Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements for the year ended 31 May 2007 that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Sargent & Co  
Chartered Accountants  
194B Addington Road  
Selsdon  
South Croydon  
CR2 8LD

Dated 30 November 2007

**P A C GRAPHICS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MAY 2007**

	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
<u>TURNOVER</u>	1 2	403,637	328,446
Cost of Sales		<u>(195,300)</u>	<u>(170,427)</u>
<u>GROSS PROFIT</u>		208,337	158,019
Administrative Expenses		<u>(146,732)</u>	<u>(140,538)</u>
<u>OPERATING PROFIT</u>	2	61,605	17,481
Profit on disposal of Fixed Assets		<u>-</u>	<u>(267)</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>		61,605	17,214
Interest receivable		<u>5,662</u>	<u>5,287</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		67,267	22,501
Taxation on profit on ordinary activities	4	<u>(13,919)</u>	<u>(9,236)</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR</u>		<u>53,348</u>	<u>13,265</u>

None of the company's activities were acquired or discontinued during the year and there were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account

The note on pages 5 to 9 form part of these financial statements

**PAC GRAPHICS LIMITED**  
**BALANCE SHEET AS AT 31 MAY 2007**

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
		£	£
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	5	508,813	527,302
<b><u>CURRENT ASSETS</u></b>			
Stocks	1 5	5,000	4,000
Debtors	6	112,757	85,698
Cash at bank and in hand		<u>214,409</u>	<u>158,090</u>
		332,166	247,788
<b><u>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	7	<u>(88,638)</u>	<u>(71,781)</u>
<b><u>NET CURRENT ASSETS</u></b>		<u>243,528</u>	<u>176,007</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		752,341	703,309
<b><u>PROVISION FOR LIABILITIES AND CHARGES</u></b>			
Deferred Taxation	8	<u>(15,368)</u>	<u>(19,684)</u>
<b><u>NET ASSETS</u></b>		<u>736,973</u>	<u>683,625</u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called up Share Capital	9	100	100
Profit and Loss Account	10	<u>736,873</u>	<u>683,525</u>
<b><u>SHAREHOLDERS FUNDS-EQUITY</u></b>		<u>736,973</u>	<u>683,625</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s 249A(1) of the Companies Act 1985. Members have not required the company under s 249B(2) of the Companies Act 1985, to obtain an audit for the year ended 31 May 2007. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 May 2007 and of its profit for the year then ended in accordance with the requirements of s 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The financial statements, which have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the Board on 30 November 2007 and signed on its behalf

  
J S Allen Director

The notes on pages 5 to 9 form part of these financial statements

**PAC GRAPHICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2007**

**1 ACCOUNTING POLICIES**

**1.1 Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

**1.2 Turnover**

Turnover comprises the invoiced value of good and services supplied by the company, net of Value Added Tax and trade discounts

**1.3 Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets less their estimated residual value over their expected useful lives on the following bases -

Motor Vehicles	25% per annum reducing balance basis
Fixtures and Fittings	10% per annum reducing balance basis
Plant and Machinery	10% per annum straight line basis
Computer Equipment	33% per annum straight line basis

No depreciation is provided on the freehold property as it is intended that maintenance will be carried out to maintain it at a level which is at least commensurate with its original cost

**1.4 Stock**

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

**1.5 Deferred Taxation**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and the law enacted or substantively enacted at the balance sheet date



**FOR THE YEAR ENDED 31 MAY 2007 (Contd)**

The company operates a defined contribution pension scheme, PAC Graphics Limited Pension Scheme, and the pension charge represents the amounts payable by the company to the fund in respect of the year

2	<u>OPERATING PROFIT</u>	<u>2007</u>	<u>2006</u>
		£	£
	The operation profit is stated after charging		
	Depreciation of Tangible Fixed Assets owned by the company	46,383	38,934
	Directors' emoluments	40,900	39,800
	Pension costs	<u>3,878</u>	<u>4,055</u>
	During the year retirement benefits were accruing to 1 director (2006 - 1) in respect of money purchase pension scheme		
3	<u>STAFF COSTS</u>		
	Staff costs including directors remuneration were as follows -	<u>2007</u>	<u>2006</u>
		£	£
	Wages and Salaries	119,631	118,185
	Social Security costs	12,287	12,079
	Other Pension costs	<u>3,878</u>	<u>4,055</u>
		<u>135,796</u>	<u>134,319</u>
4	<u>TAXATION</u>		
	UK Corporation Tax - current year	18,231	7,746
	- prior year	4	-
	Deferred tax charge/(credit)	<u>(4,316)</u>	<u>1,490</u>
		13,919	9,236

**PAC GRAPHICS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2007 (Contd)****4 TAXATION (Contd)**

The tax assessed for the period is higher than the standard rate of UK taxation applicable to the company of 19%. The differences are explained below

	<u>2007</u> £	<u>2006</u> £
Profit on ordinary activities before tax	<u>67,267</u>	<u>22,501</u>
Profit on ordinary activities multiplied by standard rates of 19% and 20%	12,884	4,275
Expenses not deductible for tax purposes	222	29
Depreciation for period in excess of capital allowances	5,125	4,311
Adjustments to tax charge in respect of small companies relief	-	(302)
Losses carried forward/(brought forward)	<u>-</u>	<u>(567)</u>
Current tax charge for the period	<u>18,231</u>	<u>7,746</u>

**5 TANGIBLE FIXED ASSETS**

	<u>Freehold Land and Buildings</u> £	<u>Plant and Machinery etc</u> £	<u>Total</u> £
<u>Cost</u>			
At 1 June 2006	389,826	530,960	920,786
Additions	-	27,894	27,894
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 May 2007	<u>389,826</u>	<u>558,854</u>	<u>948,680</u>
<u>Depreciation</u>			
At 1 June 2006	-	393,484	393,484
Charge for the year	-	46,383	46,383
Written back on disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 May 2007	<u>-</u>	<u>439,867</u>	<u>439,867</u>
<u>Net Book Value</u>			
At 31 May 2007	<u>389,826</u>	<u>118,987</u>	<u>508,813</u>
At 31 May 2006	<u>389,826</u>	<u>137,476</u>	<u>527,302</u>

**PAC GRAPHICS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2007 (Contd)**

6	<b><u>DEBTORS</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Due within one year		
	Trade debtors	99,226	72,157
	Other debtors	<u>13,531</u>	<u>13,541</u>
		<u>112,757</u>	<u>85,698</u>

7 **CREDITORS AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

Trade Creditors	22,890	15,833
Corporation Tax	18,231	7,746
Other creditors	<u>47,517</u>	<u>48,202</u>
	<u>88,638</u>	<u>71,781</u>

Included within other creditors is an amount of £10,530 (2006 - £12,249) relating to Social Security and other taxes

8	<b><u>DEFERRED TAXATION</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Balance at 1 June	19,684	18,194
	Charge (credit) for year	<u>(4,316)</u>	<u>1,490</u>
	Balance at 31 May	<u>15,368</u>	<u>19,684</u>

The provision for deferred taxation is made up of accelerated capital allowances

9	<b><u>SHARE CAPITAL</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	<b><u>Authorised</u></b>		
	Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<b><u>Allotted, Called up and Fully Paid</u></b>		
	Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**PAC GRAPHICS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2007 (Contd)**

10	<b><u>RECONCILIATION OF RESERVES</u></b>	<b><u>Profit &amp; Loss</u></b> <b><u>Account</u></b> <b><u>£</u></b>	<b><u>Called Up</u></b> <b><u>Share Capital</u></b> <b><u>£</u></b>
	Balance at 1 June 2006	683,525	100
	Profit for the year	53,348	-
	Dividends paid	—	—
	Balance at 31 May 2007	<u>736,873</u>	<u>100</u>

11 **PENSION COMMITMENTS**

The company operates a defined contribution pension scheme, PAC Graphics Limited Pension Scheme, for the directors and senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date there were no unpaid contributions (2006 - £nil) due to the fund.

12 **RELATED PARTIES**

The controlling party is L. R. Allen by virtue of his ownership of 51% of the issued ordinary share capital in the company.