
ADPLATES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2001**



ADPLATES LIMITED

COMPANY INFORMATION

DIRECTORS

V J Tickel
M E Gill
M Hearn
S Parish
J Stratford

SECRETARY

M E Gill

COMPANY NUMBER

2299109

REGISTERED OFFICE

29 Clerkenwell Road
London
EC1M 5TA

AUDITORS

Saltrick & Saltrick
Chartered Accountants & Registered Auditor
2 Lions Gate
33/39 High Street
Fordingbridge
Hampshire, SP6 1AX

**ACCOUNTANTS AND
BUSINESS ADVISERS**

Vantis MBS
82 St John Street
London
EC1M 4JN

ADPLATES LIMITED

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ADPLATES LIMITED

DIRECTORS' REPORT For the year ended 31 December 2001

The directors present their report and the financial statements for the year ended 31 December 2001.

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 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.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity continues to be that of pre-press services and electronic image manipulation.

The company continued its principal activities throughout the year, achieving a consistent level of trade. The directors expect this to continue for the foreseeable future.

RESULTS AND DIVIDENDS

The loss for the year after taxation, amounted to £385,673 (2000 - Profit £981,566).

No dividends were paid (2000 - £662,063) or proposed (2000 - £151,542) for the year.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1.00 each	
	<u>31/12/01</u>	<u>1/1/01</u>
V J Tickel	-	-
M E Gill	-	-
M Hearn	200	200
S Parish	400	400
J Stratford	200	200

In addition to the above, Messrs Tickel, Gill and Stroud hold 400 (2000 - 400) shares on behalf of the company's management which include the above directors.

ADPLATES LIMITED

DIRECTORS' REPORT For the year ended 31 December 2001

The beneficial interests of the directors in the issued share capital of the parent company were as follows:

	Ordinary shares of £1.00 each	
	<u>31/12/01</u>	<u>1/1/01</u>
V J Tickel	11,246	11,246
M E Gill	7,945	7,945
M Hearn	-	-
S Parish	4,642	4,642
J Stratford	-	-

POLITICAL AND CHARITABLE CONTRIBUTIONS

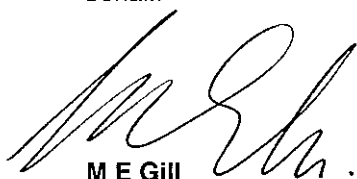
During the year the company made charitable donations of £460 (2000 - £600).

AUDITORS

The auditors, Saltrick & Saltrick, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 09.10.02
behalf.

and signed on its



M E Gill
Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ADPLATES LIMITED

We have audited the financial statements of Adplates Limited for the year ended 31 December 2001 set out on pages 4 to 20. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

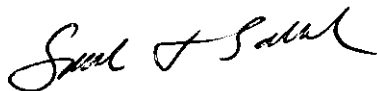
BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saltrick & Saltrick

Chartered Accountants
Registered Auditor

2 Lions Gate
33/39 High Street
Fordingbridge
Hampshire, SP6 1AX

15/10/2002

ADPLATES LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2001

	Note	2001 £	2000 £
TURNOVER	1, 2	13,012,235	12,831,688
Cost of sales		(6,036,659)	(5,803,174)
GROSS PROFIT		6,975,576	7,028,514
Selling and distribution costs		(2,052,820)	(1,812,256)
Administrative expenses		(4,663,487)	(3,962,134)
Other operating income	3	619,174	382,100
OPERATING PROFIT	4	878,443	1,636,224
EXCEPTIONAL ITEMS			
Other exceptional items	8	(584,102)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		294,341	1,636,224
Income from other investments		315	278
Interest receivable		2,852	4,016
Interest payable	7	(264,453)	(187,157)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,055	1,453,361
TAX ON PROFIT ON ORDINARY ACTIVITIES	9	(431,207)	(471,795)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(398,152)	981,566
DIVIDENDS	10	-	(813,605)
(LOSS)/RETAINED PROFIT FOR THE YEAR		(398,152)	£ 167,961

All amounts relate to continuing operations.

There were no recognised gains and losses for 2001 or 2000 other than those included in the profit and loss account.

The notes on pages 7 to 20 form part of these financial statements.

ADPLATES LIMITED

BALANCE SHEET
As at 31 December 2001

	Note	2001		2000	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	11		2,369,726		2,306,726
Investments	12		20,000		20,000
CURRENT ASSETS					
Stocks	13	67,375		62,750	
Debtors	14	4,406,729		4,047,044	
Investments	15	1,000		1,000	
Cash at bank and in hand		10,941		14,904	
		<u>4,486,045</u>		<u>4,125,698</u>	
CREDITORS: amounts falling due within one year	16	<u>(3,982,878)</u>		<u>(3,386,720)</u>	
NET CURRENT ASSETS			<u>503,167</u>		<u>738,978</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,892,893</u>		<u>3,065,704</u>
CREDITORS: amounts falling due after more than one year	17		<u>(2,339,661)</u>		<u>(2,114,320)</u>
NET ASSETS			<u>£ 553,232</u>		<u>£ 951,384</u>
CAPITAL AND RESERVES					
Called up share capital	18		10,000		10,000
Capital redemption reserve			500		500
Profit and loss account	19		542,732		940,884
SHAREHOLDERS' FUNDS - All Equity	20		<u>£ 553,232</u>		<u>£ 951,384</u>

The financial statements were approved by the board on 09.10.02 and signed on its behalf.



M E Gill
Director



S Parish
Director

The notes on pages 7 to 20 form part of these financial statements.

ADPLATES LIMITED

CASH FLOW STATEMENT
For the year ended 31 December 2001

	Note	2001 £	2000 £
Net cash flow from operating activities	21	1,486,155	1,771,104
Returns on investments and servicing of finance	22	(261,286)	(182,863)
Taxation		(325,696)	(324,377)
Capital expenditure and financial investment	22	(693,280)	(268,895)
Equity dividends paid		(151,542)	(662,063)
CASH INFLOW BEFORE FINANCING		54,351	332,906
Financing	22	(589,707)	(574,164)
DECREASE IN CASH IN THE PERIOD		£ (535,356)	£ (241,258)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 23)
For the year ended 31 December 2001

	2001 £	2000 £
Decrease in cash in the period	(535,356)	(241,258)
Cash inflow from increase in debt and financing leasing	589,707	574,164
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	54,351	332,906
New finance leases	(51,527)	(828,123)
MOVEMENT IN NET DEBT IN THE PERIOD	2,824	(495,217)
Net debt at 1 January 2001	(1,281,346)	(786,129)
NET DEBT AT 31 DECEMBER 2001	£ (1,278,522)	£ (1,281,346)

The notes on pages 7 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and include the results of the company's operations which are described in the Directors' Report.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive 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:

Plant and machinery	-	Over 5 years
Motor vehicles	-	Over 5 years
Fixtures and fittings	-	Over 7 years
Improvements to property	-	Over 15 years

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. Scheme assets are held separately from those of the company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company, being pre-press services and electronic image manipulation.

A geographical analysis of turnover is as follows:

	2001 £	2000 £
United Kingdom	10,790,903	10,903,853
Rest of European Union	1,564,573	1,438,463
Rest of World	656,759	489,372
	<u>£ 13,012,235</u>	<u>£ 12,831,688</u>

3. OTHER OPERATING INCOME

	2001 £	2000 £
Other operating income	619,174	382,100
	<u>£ 619,174</u>	<u>£ 382,100</u>

4. OPERATING PROFIT

The operating profit is stated after :

	2001 £	2000 £
Depreciation of tangible fixed assets:		
- owned by the company	255,171	608,327
- held under finance leases and hire purchase contracts	350,677	325,325
Auditors' remuneration	17,776	21,000
Operating lease rentals:		
- other operating leases	195,000	195,000
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2001 £	2000 £
Wages and salaries	5,834,100	4,857,052
Social security costs	634,671	533,047
Other pension costs - defined contribution scheme	91,433	71,237
	<u>£ 6,560,204</u>	<u>£ 5,461,336</u>

Included within wages and salaries are benefits in kind provided to directors with a monetary value of £58,746 (2000 - £60,796).

The average monthly number of employees, including directors, during the year was as follows:

	2001	2000
Production	76	71
Sales, distribution and administration	78	77
	<u>154</u>	<u>148</u>

6. DIRECTORS' REMUNERATION

	2001 £	2000 £
Emoluments	<u>£ 833,052</u>	<u>£ 641,241</u>
Company pension contributions to money purchase pension schemes	<u>£ 12,177</u>	<u>£ 12,551</u>

During the year retirement benefits were accruing to 3 directors (2000 - 3) in respect of money purchase pension schemes.

Included in the above are emoluments, excluding pension contributions, received by the highest paid director of £265,002 (2000 - £208,254). During the year the company made payments of £Nil (2000 - £Nil) to a defined contribution pension scheme on behalf of this director.

ADPLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

7. INTEREST PAYABLE

	2001 £	2000 £
On bank loans and overdrafts	36,087	35,927
On other loans	99,856	47,118
On finance leases and hire purchase contracts	128,510	104,112
	<u>£ 264,453</u>	<u>£ 187,157</u>

8. EXCEPTIONAL ITEMS

	2001 £	2000 £
Exceptional item - bad debt	£ 584,102	£ -

The exceptional item is a bad debt provision against the balance owing from Blue Tag Limited. The balance owing before the provision is shown in note 26 to the accounts.

9. TAXATION

	2001 £	2000 £
UK corporation tax		
Current tax on income for the period at 30% (2000 - 30%)	300,932	465,198
Adjustments in respect of prior periods - corporation tax	130,275	6,597
	<u>£ 431,207</u>	<u>£ 471,795</u>

10. DIVIDENDS

	2001 £	2000 £
On equity shares		
Total dividends paid	-	662,063
Total dividends proposed	-	151,542
	<u>£ -</u>	<u>£ 813,605</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

11. TANGIBLE FIXED ASSETS

	Plant and machinery	Furniture, fittings and equipment	Leasehold improvements	Total
	£	£	£	£
Cost				
At 1 January 2001	7,049,087	639,572	493,816	8,182,475
Additions	604,801	86,033	115,473	806,307
Disposals	(238,478)	-	-	(238,478)
At 31 December 2001	<u>7,415,410</u>	<u>725,605</u>	<u>609,289</u>	<u>8,750,304</u>
Depreciation				
At 1 January 2001	5,264,040	435,160	176,549	5,875,749
Charge for the year	531,183	47,052	27,612	605,847
On disposals	(101,018)	-	-	(101,018)
At 31 December 2001	<u>5,694,205</u>	<u>482,212</u>	<u>204,161</u>	<u>6,380,578</u>
Net book value				
At 31 December 2001	<u>£ 1,721,205</u>	<u>£ 243,393</u>	<u>£ 405,128</u>	<u>£ 2,369,726</u>
At 31 December 2000	<u>£ 1,785,047</u>	<u>£ 204,412</u>	<u>£ 317,267</u>	<u>£ 2,306,726</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2001	2000
	£	£
Land and buildings	101,400	109,200
Plant and machinery	632,661	776,814
Motor vehicles	424,784	532,629
	<u>£ 1,158,845</u>	<u>£ 1,418,643</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

12. FIXED ASSET INVESTMENTS

	Unlisted invest- ments £
Cost	
At 1 January 2001 and 31 December 2001	£ 20,000
Net book value	
At 31 December 2001	£ 20,000
At 31 December 2000	£ 20,000

13. STOCKS

	2001 £	2000 £
Work in progress	£ 67,375	£ 62,750

The difference between purchase price or production cost of stocks and their replacement cost is not material.

14. DEBTORS

	2001 £	2000 £
Due after more than one year		
Amounts owed by group undertakings	344,825	-
Due within one year		
Trade debtors	1,512,341	2,161,225
Amounts owed by group undertakings	2,324,258	1,761,880
Other debtors	123,327	67,831
Prepayments and accrued income	101,978	56,108
	£ 4,406,729	£ 4,047,044

Included within other debtors due within one year are the following loans: £2,000 (2000 - £8,000) due from S Parish a director of the company. The maximum amount outstanding during the year was £8,000 (2000 - £14,000); and £1,739 (2000 - £8,474) owed by VJ Tickel, a director of the company. The maximum amount outstanding during the year was £8,474 (2000 - £8,474).

ADPLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2001

15. CURRENT ASSET INVESTMENTS

	2001 £	2000 £
Other investments	£ 1,000	£ 1,000

Investments comprise short term investments in shares in companies which are traded on a recognised stock exchange. The market value of these investments as at 31 December 2001 was £6,393 (2000 - £6,025).

16. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Bank loan and overdraft	626,534	95,141
Net obligations under finance leases and hire purchase contracts	423,997	593,542
Trade creditors	997,460	716,756
Amounts owed to group undertakings	503,976	447,921
Corporation tax	804,363	698,852
Social security and other taxes	513,873	537,435
Proposed dividend	-	151,542
Other creditors	10,146	10,146
Accruals and deferred income	102,529	135,385
	£ 3,982,878	£ 3,386,720

The bank loan and overdraft are secured by a standard bank debenture and cross guarantee between Adplates Limited, Adplates Group Limited, Optikos Laboratories Limited and Tag Creative Limited. Net obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

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

	2001	2000
	£	£
Net obligations under finance leases and hire purchase contracts	239,932	608,567
Amounts owed to group undertakings	1,672,712	990,975
Other creditors	427,017	514,778
	<u>£ 2,339,661</u>	<u>£ 2,114,320</u>

Net obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2001	2000
	£	£
Between two and five years	<u>£ 239,932</u>	<u>£ 608,567</u>

Net obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

18. SHARE CAPITAL

	2001	2000
	£	£
Authorised, allotted, called up and fully paid		
10,000 Ordinary shares of £1.00 each	<u>£ 10,000</u>	<u>£ 10,000</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

19. RESERVES

Profit and loss account	£
At 1 January 2001	940,884
Loss retained for the year	(398,152)
	<hr/>
At 31 December 2001	£ 542,732
	<hr/>

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the year	(398,152)	981,566
Dividends	-	(813,605)
	<hr/>	<hr/>
	(398,152)	167,961
Opening shareholders' funds	951,384	783,423
	<hr/>	<hr/>
Closing shareholders' funds	£ 553,232	£ 951,384
	<hr/>	<hr/>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	878,443	1,636,224
Depreciation of tangible fixed assets	605,847	933,653
Loss on disposal of tangible fixed assets	75,960	102,897
Increase in stocks	(4,625)	(21,500)
Increase in debtors	(943,790)	(1,528,276)
Increase in creditors	874,320	648,106
	<hr/>	<hr/>
NET CASH INFLOW FROM OPERATIONS	£ 1,486,155	£ 1,771,104
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2001 £	2000 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	2,852	4,016
Interest paid	(135,943)	(83,045)
Hire purchase interest	(128,510)	(104,112)
Dividends received	315	278
	<u> </u>	<u> </u>
NET CASH OUTFLOW FOR RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	£ (261,286)	£ (182,863)
	<u> </u>	<u> </u>

	2001 £	2000 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(754,780)	(334,651)
Sale of tangible fixed assets	61,500	85,756
Purchase of unlisted investments	-	(20,000)
	<u> </u>	<u> </u>
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	£ (693,280)	£ (268,895)
	<u> </u>	<u> </u>

	2001 £	2000 £
FINANCING		
Repayment of loans	-	(74,372)
Principal payment under finance lease	(589,707)	(499,792)
	<u> </u>	<u> </u>
NET CASH OUTFLOW FROM FINANCING	£ (589,707)	£ (574,164)
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

23. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2001 £	Cash flow £	Other non-cash changes £	31 December 2001 £
Cash at bank and in hand:	14,904	(3,963)	-	10,941
Bank overdraft	(95,141)	(531,393)	-	(626,534)
	<u>(80,237)</u>	<u>(535,356)</u>	<u>-</u>	<u>(615,593)</u>
LIQUID RESOURCES :				
Current asset investments	1,000	-	-	1,000
DEBT :				
Debts due within one year	(593,542)	589,707	(420,162)	(423,997)
Debts falling due after more than one year	(608,567)	-	368,635	(239,932)
	<u>(1,202,109)</u>	<u>589,707</u>	<u>(51,527)</u>	<u>(673,929)</u>
NET DEBT	£ (1,281,346)	£ 54,351	£ (51,527)	£ (1,278,522)

24. PENSION COMMITMENTS

The company has a defined contribution scheme for some of its directors and former directors. The company is under no obligation to make contributions to the scheme. The company also makes pension scheme payments for certain of its employees on a defined contribution basis.

25. OPERATING LEASE COMMITMENTS

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	31 December 2001 £	31 December 2000 £	31 December 2001 £	31 December 2000 £
Expiry date:				
Within 1 year	-	28,667	-	854
Between 2 and 5 years	-	-	23,462	23,462
After more than 5 years	<u>360,000</u>	<u>195,000</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

26. RELATED PARTY TRANSACTIONS

During the year the company traded with fellow subsidiaries of Adplates Group Limited.

The following amounts were due to the company from the holding company and fellow subsidiaries and associates:

	2001	<i>2000</i>
	£	<i>£</i>
Trading balances		
Turning Point Technologies Limited	-	163,308
Blue Tag Limited	-	129,878
Tag Creative Limited	50,132	110,848
Tag At Comma Limited	745,459	294,067
Tag Studios Limited	157,787	-
East Central One Media Limited	53,127	-
Non-trading balances		
Tag At Comma Limited	171,531	-
Tag Creative Limited	536,209	432,779
Blue Tag Limited	874,102	396,270
Transcolour (Scotland) Limited	82,759	107,488
Zeal Creative Services Limited	-	141,305
East Central One Media Limited	241,318	-
Tag Worldwide Sweden AB	84,616	72,968
Highstar Technology Limited	36,808	-
Adplates Retail Limited	1,196	1,230
World Writers Limited	90,688	-

ADPLATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2001

The following amounts were due by the company to the holding company and fellow subsidiaries:

	2001	2000
	£	£
Trading balances		
Tag Worldwide Sweden AB	-	32,685
Turning Point Technologies Limited	236,350	104,571
	2001	2000
	£	£
Non-trading loan		
Optikos Laboratories Limited	329,837	106,790
Adplates Group Limited	754,256	1,091,253
Tag At Comma Limited	705,000	-

The following amount was due to the pension fund:

	2001	2000
	£	£
Adplates Pension Fund	479,038	516,729

During the year, the following transactions took place with fellow subsidiaries:

	SALES		PURCHASES	
	2001	2000	2001	2000
	£	£	£	£
Optikos Laboratories Limited	-	53,910	-	53,295
Turning Point Technologies Limited	155,234	233,638	564,004	1,131,751
Blue Tag Limited	11,579	85,224	-	29,087
Transcolour (Scotland) Limited	-	7,681	-	76,138
Tag Creative Limited	478,080	496,798	40,727	32,614
Tag At Comma Limited	1,099,993	760,198	-	6,570
Tag Worldwide Sweden AB	-	-	-	32,685
East Central One Media Limited	77,130	-	-	-
World Writers Limited	111,498	-	12,027	-
Tag Studios Limited	218,676	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

In addition to the above transactions, Adplates Limited received management fees from Tag At Comma Limited totalling £468,829 (2000 - £230,000); Optikos Limited £Nil (2000 - £6,750); Tag Creative Limited £75,000 (2000 - £69,750); Turning Point Technologies Limited £79,000 (2000 - £75,000); and World Writers Limited £16,500 (2000 - £Nil).

During the year, the company made sales to Highstar Technology Limited of £2,556 (2000 - £2,556) and purchases from the company of £38,191 (2000 - £52,598). Highstar Technology Limited is a company in which V J Tickel and M E Gill are directors.

During the year the company paid rent of £324,074 (2000 - £150,000) to VMM Limited, a company in which V J Tickel, M E Gill and M J Stroud are directors.

The company no longer provides a guarantee to the bankers of Blue Tag Limited, a fellow subsidiary, (2000 - £100,000).

Included within other debtors is an amount of £193,000 owing from The Clerkenwell Partnership Limited. The directors and shareholders of The Clerkenwell Partnership Limited are also directors of Adplates Limited.

27. CONTINGENT LIABILITIES

At the balance sheet date the company had contingent liabilities in respect of unlimited bank guarantees in respect of other group companies. The amount covered by these guarantees at the year end is £89,715 (2000 - £410,395). Subject to these, the company did not have any contingent liabilities of a material amount at the balance sheet date that have not been provided for in these accounts.

28. PARENT COMPANY

The parent and ultimate parent company is Adplates Group Limited, a company incorporated in England and Wales.