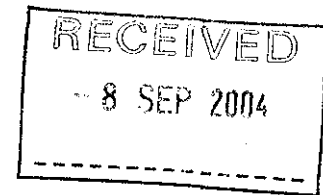


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**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003
FOR
BLP (NORTHERN) LIMITED**



BLP (NORTHERN) LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Financial Statements	10

BLP (NORTHERN) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2003**

DIRECTORS:	B Kane L Kane P Kane A J Smare M F Wrightson K M Scott P Kane V Kane S Wrightson A Gladstone S B Dobinson
SECRETARY:	V Kane
REGISTERED OFFICE:	Unit 99/15, North Tyne Ind Estate Whitley Road Benton Newcastle Upon Tyne Tyne and Wear NE12 9SZ
REGISTERED NUMBER:	2605236 (England and Wales)
AUDITORS:	Robson Laidler LLP Registered Auditors Fernwood House Fernwood Road Jesmond Newcastle Upon Tyne NE2 1TJ
SOLICITORS:	Robert Muckle Norham House 12 New Bridge Street West Newcastle Upon Tyne NE1 8AS

BLP (NORTHERN) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a manufacturing printer.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2003.

DIRECTORS

The directors during the year under review were:

B Kane
L Kane
P Kane
A J Smare
M F Wrightson
K M Scott
P Kane
V Kane
S Wrightson
A Gladstone
S B Dobinson

The beneficial interests of the directors holding office on 31 December 2003 in the issued share capital of the company were as follows:

	31.12.03	1.1.03
Ordinary £1 shares		
B Kane	2,433	2,433
L Kane	9,731	9,731
P Kane	9,731	9,731
A J Smare	-	-
M F Wrightson	2,432	2,432
K M Scott	-	-
P Kane	-	-
V Kane	-	-
S Wrightson	-	-
A Gladstone	-	-
S B Dobinson	-	-
Preference £1 shares		
B Kane	-	-
L Kane	110,000	110,000
P Kane	110,000	110,000
A J Smare	20,000	20,000
M F Wrightson	80,000	80,000
K M Scott	40,000	40,000
P Kane	-	-
V Kane	-	-
S Wrightson	-	-
A Gladstone	-	-
S B Dobinson	40,000	40,000

CHARITABLE DONATIONS

During the year, the company made charitable donations of £41,813 (2002: £49,776).

BLP (NORTHERN) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2003**

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

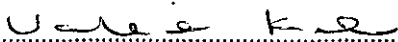
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

AUDITORS

The auditors, Robson Laidler LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....

By order of the board
V Kane - Secretary

Date: 2 September 2004

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BLP (NORTHERN) LIMITED

We have audited the financial statements of BLP (Northern) Limited for the year ended 31 December 2003 on pages five to twenty three. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Laidler LLP
Registered Auditors
Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
NE2 1TJ

Date: 2 September 2004

BLP (NORTHERN) LIMITED
**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	2003		2002	
		£	£	£	£
TURNOVER	2		13,847,228		11,793,982
Cost of sales			<u>6,981,761</u>		<u>5,626,968</u>
GROSS PROFIT			6,865,467		6,167,014
Distribution costs		339,112		278,647	
Administrative expenses		<u>5,679,241</u>		<u>5,601,691</u>	
			<u>6,018,353</u>		<u>5,880,338</u>
			847,114		286,676
Other operating income			<u>11,200</u>		<u>11,200</u>
OPERATING PROFIT	4		858,314		297,876
Income from investments			-	300,572	
Interest receivable and similar income	5	<u>25,394</u>		<u>29,266</u>	
			<u>25,394</u>		<u>329,838</u>
			883,708		627,714
Amounts written off investments	6		-		<u>300,572</u>
			883,708		327,142
Interest payable and similar charges	7		<u>74,747</u>		<u>115,625</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			808,961		211,517
Tax on profit on ordinary activities	8		<u>313,162</u>		<u>130,893</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			495,799		80,624
Retained profit brought forward			<u>1,816,679</u>		<u>1,736,055</u>
RETAINED PROFIT CARRIED FORWARD			<u>£2,312,478</u>		<u>£1,816,679</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

BLP (NORTHERN) LIMITED

**BALANCE SHEET
31 DECEMBER 2003**

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	9		89,486		94,457
Tangible assets	10		2,356,077		2,769,274
Investments	11		-		-
			<u>2,445,563</u>		<u>2,863,731</u>
CURRENT ASSETS:					
Stocks	12	763,892		760,717	
Debtors	13	1,946,020		2,471,242	
Cash at bank and in hand		<u>1,661,615</u>		<u>1,069,776</u>	
		4,371,527		4,301,735	
CREDITORS: Amounts falling due within one year	14	<u>3,651,899</u>		<u>4,151,469</u>	
NET CURRENT ASSETS:			<u>719,628</u>		<u>150,266</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			3,165,191		3,013,997
CREDITORS: Amounts falling due after more than one year	15		(27,074)		(297,419)
PROVISIONS FOR LIABILITIES AND CHARGES:	19		(314,926)		(377,986)
ACCRUALS AND DEFERRED INCOME:	20		<u>(58,400)</u>		<u>(69,600)</u>
			<u>£2,764,791</u>		<u>£2,268,992</u>
CAPITAL AND RESERVES:					
Called up share capital	21		424,327		424,327
Share premium	22		27,986		27,986
Profit and loss account			<u>2,312,478</u>		<u>1,816,679</u>
SHAREHOLDERS' FUNDS:	25		<u>£2,764,791</u>		<u>£2,268,992</u>

ON BEHALF OF THE BOARD:

.....
P Kane - Director

.....
L Kane - Director

Approved by the Board on 2 September 2004

The notes form part of these financial statements

BLP (NORTHERN) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		1,501,724		1,460,540
Returns on investments and servicing of finance	2		(49,353)		(86,359)
Taxation			(261,237)		(128,866)
Capital expenditure	2		<u>(129,867)</u>		<u>(93,168)</u>
			1,061,267		1,152,147
Management of liquid resources	2		-		750,000
Financing	2		<u>(469,428)</u>		<u>(1,238,916)</u>
Increase in cash in the period			<u>£591,839</u>		<u>£663,231</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period			591,839		663,231
Cash inflow from decrease in liquid resources			-		(750,000)
Cash outflow from decrease in debt and lease financing			<u>917,244</u>		<u>780,572</u>
Change in net debt resulting from cash flows			1,509,083		693,803
New finance leases			<u>(53,798)</u>		<u>(85,588)</u>
Movement in net debt in the period			1,455,285		608,215
Net debt at 1 January			<u>(569,150)</u>		<u>(1,177,365)</u>
Net funds/(debt) at 31 December			<u>£886,135</u>		<u>£(569,150)</u>

The notes form part of these financial statements

BLP (NORTHERN) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	858,314	297,876
Depreciation charges	609,040	618,436
Loss on sale of fixed assets	-	20,000
Profit on sale of fixed assets	(7,208)	(8,726)
Government grants	(11,200)	(11,200)
Increase in stocks	(3,175)	(174,807)
(Increase)/Decrease in debtors	(58,086)	545,579
Increase in creditors	<u>114,039</u>	<u>173,382</u>
Net cash inflow from operating activities	<u>1,501,724</u>	<u>1,460,540</u>

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

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	25,394	29,266
Interest paid	(24,531)	(18,237)
Interest element of hire purchase payments	<u>(50,216)</u>	<u>(97,388)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(49,353)</u>	<u>(86,359)</u>
Capital expenditure		
Purchase of tangible fixed assets	(165,667)	(107,138)
Sale of tangible fixed assets	<u>35,800</u>	<u>13,970</u>
Net cash outflow for capital expenditure	<u>(129,867)</u>	<u>(93,168)</u>
Management of liquid resources		
Purchase of current asset investments	-	750,000
Net cash inflow from management of liquid resources	<u>-</u>	<u>750,000</u>

The notes form part of these financial statements

BLP (NORTHERN) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	2003 £	2002 £
Financing		
New loan taken out in year	-	563,463
Loan repayments in year	(1,069,051)	(1,344,035)
Amount introduced by directors	599,623	-
Amount withdrawn by directors	-	(458,344)
	<u>-</u>	<u>(458,344)</u>
Net cash outflow from financing	<u>(469,428)</u>	<u>(1,238,916)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.03 £	Cash flow £	Other non-cash changes £	At 31.12.03 £
Net cash:				
Cash at bank and in hand	<u>1,069,776</u>	<u>591,839</u>		<u>1,661,615</u>
	<u>1,069,776</u>	<u>591,839</u>		<u>1,661,615</u>
Debt:				
Hire purchase	(940,261)	842,251	(53,798)	(151,808)
Debts falling due within one year	(594,310)	(2,288)	-	(596,598)
Debts falling due after one year	<u>(104,355)</u>	<u>77,281</u>	<u>-</u>	<u>(27,074)</u>
	<u>(1,638,926)</u>	<u>917,244</u>	<u>(53,798)</u>	<u>(775,480)</u>
Total	<u>(569,150)</u>	<u>1,509,083</u>	<u>(53,798)</u>	<u>886,135</u>

Analysed in Balance Sheet

Cash at bank and in hand	1,069,776	1,661,615
Hire purchase		
within one year	(747,197)	(124,734)
after one year	(193,064)	(27,074)
Debts falling due within one year	(594,310)	(596,598)
Debts falling due after one year	<u>(104,355)</u>	<u>(27,074)</u>
	<u>(569,150)</u>	<u>886,135</u>

The notes form part of these financial statements

BLP (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2001, is being written off evenly over its estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	-10% on cost
Fixtures and fittings	-10% on cost
Computer equipment	-varying rates of 10 to 33% on cost
Motor vehicles	-25% on reducing balance

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Government Grants

Government grants received in respect of capital expenditure are treated as deferred income and carried on the balance sheet as a liability. The deferred credit is released to the profit and loss account on an annual basis over the useful economic life of the asset concerned.

Exemption from preparing group accounts

The company has taken advantage of the exemption available to small and medium sized company and has not prepared group accounts. The accounts relate to the holding company only.

BLP (NORTHERN) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003****2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2003 £	2002 £
UK sales	13,209,578	11,790,732
Overseas sales	<u>637,650</u>	<u>3,250</u>
	<u>13,847,228</u>	<u>11,793,982</u>

3. STAFF COSTS

	2003 £	2002 £
Wages and salaries	4,838,767	4,703,135
Social security costs	546,984	441,299
Other pension costs	<u>88,231</u>	<u>81,129</u>
	<u>5,473,982</u>	<u>5,225,563</u>

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

	2003	2002
Production	116	126
Administration	<u>36</u>	<u>36</u>
	<u>152</u>	<u>162</u>

The company operates a defined benefit scheme for staff and directors. Payments to the scheme in the year amounted to £88,231 (2002 - £89,129).

BLP (NORTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Hire of plant and machinery	32,285	25,854
Other operating leases	89,237	96,027
Depreciation - owned assets	476,530	224,899
Depreciation - assets on hire purchase contracts	127,539	388,566
(Profit)/Loss on disposal of fixed assets	(7,208)	11,274
Goodwill written off	4,971	4,971
Auditors' remuneration	10,450	14,860
Pension costs	88,231	80,794
Lease of property	<u>321,126</u>	<u>306,375</u>
Directors' emoluments	2,490,761	2,280,950
Directors' pension contributions to money purchase schemes	<u>42,224</u>	<u>30,775</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>7</u>	<u>7</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2003	2002
	£	£
Emoluments etc	731,440	653,868
Contributions to money purchase schemes	<u>4,328</u>	<u>-</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003	2002
	£	£
Bank interest receivable (gross)	<u>25,394</u>	<u>29,266</u>

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2003	2002
	£	£
Amount written off investments	<u>-</u>	<u>300,572</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	24,443	18,237
Other interest payable	88	-
Hire purchase interest	<u>50,216</u>	<u>97,388</u>
	<u>74,747</u>	<u>115,625</u>

BLP (NORTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

8. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
Current tax:		
UK corporation tax	373,213	189,617
Adjustment in respect of earlier years	<u>3,009</u>	<u>(59)</u>
Total current tax	376,222	189,558
Deferred taxation	<u>(63,060)</u>	<u>(58,665)</u>
Tax on profit on ordinary activities	<u><u>313,162</u></u>	<u><u>130,893</u></u>

UK corporation tax was charged at 30% in 2002.

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>808,961</u>	<u>211,517</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	242,688	63,455
Effects of:		
Expenses not deductible for tax purposes	61,302	73,543
Capital allowances in the period lower than depreciation	69,223	52,619
Adjustments to tax charge in respect of previous periods	<u>3,009</u>	<u>(59)</u>
Current tax charge	<u><u>376,222</u></u>	<u><u>189,558</u></u>

BLP (NORTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

9. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
	£
COST:	
At 1 January 2003	
and 31 December 2003	<u>99,428</u>
AMORTISATION:	
At 1 January 2003	4,971
Charge for year	<u>4,971</u>
At 31 December 2003	<u>9,942</u>
NET BOOK VALUE:	
At 31 December 2003	<u>89,486</u>
At 31 December 2002	<u>94,457</u>

10. TANGIBLE FIXED ASSETS

	<u>Plant and machinery</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
COST:			
At 1 January 2003	5,063,010	571,308	5,634,318
Additions	29,125	190,340	219,465
Disposals	<u>-</u>	<u>(169,304)</u>	<u>(169,304)</u>
At 31 December 2003	<u>5,092,135</u>	<u>592,344</u>	<u>5,684,479</u>
DEPRECIATION:			
At 1 January 2003	2,540,844	324,201	2,865,045
Charge for year	501,855	102,214	604,069
Eliminated on disposals	<u>-</u>	<u>(140,712)</u>	<u>(140,712)</u>
At 31 December 2003	<u>3,042,699</u>	<u>285,703</u>	<u>3,328,402</u>
NET BOOK VALUE:			
At 31 December 2003	<u>2,049,436</u>	<u>306,641</u>	<u>2,356,077</u>
At 31 December 2002	<u>2,522,167</u>	<u>247,107</u>	<u>2,769,274</u>

BLP (NORTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

10. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<u>Plant and machinery</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
COST:			
At 1 January 2003	3,187,811	333,685	3,521,496
Additions	-	54,636	54,636
Transferred to ownership	<u>(2,049,013)</u>	<u>(333,685)</u>	<u>(2,382,698)</u>
At 31 December 2003	<u>1,138,798</u>	<u>54,636</u>	<u>1,193,434</u>
DEPRECIATION:			
At 1 January 2003	1,494,215	122,901	1,617,116
Charge for year	113,880	13,659	127,539
Transferred to ownership	<u>(929,147)</u>	<u>(122,901)</u>	<u>(1,052,048)</u>
At 31 December 2003	<u>678,948</u>	<u>13,659</u>	<u>692,607</u>
NET BOOK VALUE:			
At 31 December 2003	<u>459,850</u>	<u>40,977</u>	<u>500,827</u>
At 31 December 2002	<u>1,693,596</u>	<u>210,784</u>	<u>1,904,380</u>

11. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 January 2003	
and 31 December 2003	<u>300,572</u>
PROVISIONS:	
At 1 January 2003	
and 31 December 2003	<u>300,572</u>
NET BOOK VALUE:	
At 31 December 2003	<u>-</u>
At 31 December 2002	<u>-</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

BLP Direct Mail Limited
Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

BLP (NORTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

12. STOCKS

	2003 £	2002 £
Raw materials & consumables	140,982	81,085
Finished goods & goods for resale	386,040	409,617
Work in progress	<u>236,870</u>	<u>270,015</u>
	<u>763,892</u>	<u>760,717</u>

13. DEBTORS

	2003 £	2002 £
Amounts falling due within one year:		
Trade debtors	1,754,530	1,682,378
Prepayments & accrued income	184,507	182,675
Sundry debtors	592	16,490
Directors' current accounts	<u>6,391</u>	<u>566,284</u>
	<u>1,946,020</u>	<u>2,447,827</u>

Amounts falling due after more than one year:

S419 tax recoverable	<u>-</u>	<u>23,415</u>
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Aggregate amounts	<u>1,946,020</u>	<u>2,471,242</u>
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**14. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Bank loans and overdrafts (see note 16)	398,064	518,710
Other loans (see note 16)	73,800	75,600
Hire purchase contracts (see note 17)	124,734	747,197
Trade creditors	1,570,798	1,503,375
Sundry creditors	122,123	59,583
Directors' current accounts	39,730	-
Social security & other taxes	764,800	579,658
Corporation tax	349,798	258,228
Accrued expenses	<u>208,052</u>	<u>409,118</u>
	<u>3,651,899</u>	<u>4,151,469</u>

BLP (NORTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

**15. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2003 £	2002 £
Other loans (see note 16)	-	104,355
Hire purchase contracts (see note 17)	<u>27,074</u>	<u>193,064</u>
	<u><u>27,074</u></u>	<u><u>297,419</u></u>

16. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank loans	398,064	518,710
Other loans	<u>73,800</u>	<u>75,600</u>
	<u><u>471,864</u></u>	<u><u>594,310</u></u>

Amounts falling due between one and two years:

Other loans	<u>-</u>	<u>75,600</u>
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Amounts falling due between two and five years:

Other loans	<u>-</u>	<u>28,755</u>
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BLP (NORTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2003 £	2002 £
Gross obligations repayable:		
Within one year	128,931	782,436
Between one and five years	<u>28,393</u>	<u>205,585</u>
	<u>157,324</u>	<u>988,021</u>
Finance charges repayable:		
Within one year	4,197	35,239
Between one and five years	<u>1,319</u>	<u>12,521</u>
	<u>* 5,516</u>	<u>47,760</u>
Net obligations repayable:		
Within one year	124,734	747,197
Between one and five years	<u>27,074</u>	<u>193,064</u>
	<u>151,808</u>	<u>940,261</u>

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2003 £	2002 £	2003 £	2002 £
Expiring:				
Within one year	-	-	72,090	15,410
Between one and five years	-	-	24,079	83,102
In more than five years	<u>316,500</u>	<u>316,500</u>	<u>-</u>	<u>-</u>
	<u>316,500</u>	<u>316,500</u>	<u>96,169</u>	<u>98,512</u>

BLP (NORTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

18. SECURED DEBTS

The following secured debts are included within creditors:

	2003 £	2002 £
Bank loans	398,064	518,710
Other loans	73,800	179,955
Hire purchase contracts	151,808	940,261
	<u>623,672</u>	<u>1,638,926</u>

The bank loans and overdraft are secured by a legal mortgage over the company's assets. The bank loans are repayable by instalments. Interest is charged at 1.625% above base rate.

19. PROVISIONS FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred tax	<u>314,926</u>	<u>377,986</u>

	Deferred tax £
Balance at 1 January 2003	377,986
Charged to profit & loss account	(63,060)
Balance at 31 December 2003	<u>314,926</u>

	2003 £	2002 £
Deferred tax provision	314,926	377,986
Accelerated capital allowances	<u>314,926</u>	<u>377,986</u>

20. ACCRUALS AND DEFERRED INCOME

	2003 £	2002 £
Deferred government grants		
Brought forward	69,600	80,800
Release to profit & loss account	(11,200)	(11,200)
	<u>58,400</u>	<u>69,600</u>

BLP (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

21. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2003 £	2002 £
50,000	Ordinary	£1	50,000	50,000
400,000	Preference	£1	<u>400,000</u>	<u>400,000</u>
			<u>450,000</u>	<u>450,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2003 £	2002 £
24,327	Ordinary	£1	24,327	24,327
400,000	Preference	£1	<u>400,000</u>	<u>400,000</u>
			<u>424,327</u>	<u>424,327</u>

The preference shares hold no right to receive notices or vote at any general meeting or to receive any dividend. The shares are redeemable at the option of the company.

22. SHARE PREMIUM

	2003 £	2002 £
Brought forward	<u>27,986</u>	<u>27,986</u>

23. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 31 December 2003:

	£
M F Wrightson	
Balance outstanding at start of year	54,886
Balance outstanding at end of year	-
Maximum balance outstanding during year	<u>55,426</u>
B Kane	
Balance outstanding at start of year	58,320
Balance outstanding at end of year	-
Maximum balance outstanding during year	<u>94,217</u>
L Kane	
Balance outstanding at start of year	230,976
Balance outstanding at end of year	6,391
Maximum balance outstanding during year	<u>513,585</u>
P Kane	
Balance outstanding at start of year	222,103
Balance outstanding at end of year	156,029
Maximum balance outstanding during year	<u>488,900</u>

BLP (NORTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

24. RELATED PARTY DISCLOSURES

Some of the directors of this company are also trustees of the BLP Pension Scheme. Rents of £221,667 (2002 £218,000) charged in the year are in respect of property owned by the BLP Pension Scheme. This charge is on normal commercial terms.

Pension contributions of £13,200 (2002 £13,200) were paid to the scheme in the year.

The company also paid £98,500 in rent to BLP Properties, a partnership in which some of the directors of the company have an interest. The rent paid was on normal commercial terms.

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	495,799	80,624
Issue of shares		
Net addition to shareholders' funds	* 495,799	80,624
Opening shareholders' funds	2,268,992	2,188,368
Closing shareholders' funds	2,764,791	2,268,992
Equity interests	2,764,791	2,268,992

26. CONTROL

The company is under the control of its directors.