



ARTHURANDERSEN

Avon Imaging Limited

Accounts for the year ended 1 April 2001
together with directors' and auditors' reports

Registered number: 2902986



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Directors' report

For the year ended 1 April 2001

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 1 April 2001.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts 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 enable them to ensure that the accounts 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

The principal activity of the company was to undertake contract typesetting and reprographic work.

Business review and dividends

The profit for the year after taxation amounted to £419,000 (2000: £359,000). The directors do not propose a dividend (2000: £nil).

The directors expect the general level of activity to continue.

Directors' report (continued)

Directors and their interests

The directors who served during the year were as follows:

S Hodgson	(resigned 2 October 2000)
M Gwyther	
G Luff	(resigned 2 October 2000)
G Gibbons	(resigned 19 October 2000)
J R Harris	(appointed 19 October 2000)

The directors held the following beneficial interest in the shares of the company.

	Class of share	Interest at beginning and end of year Number of shares
M Gwyther	Ordinary	<u>49</u>

Apart from that disclosed above no director had any interest in the shares of the company required to be disclosed under Schedule 7 of the Companies Act 1985.

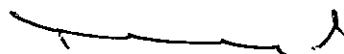
The interests of the directors in the shares of the ultimate parent company are shown in the directors' report of that company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Arthur Andersen as auditors is to be proposed at the forthcoming annual general meeting.

St James Court
Wilderspool Causeway
Warrington
Cheshire
WA4 6PS

By order of the Board,



T Maycock
Secretary

20 June 2001

To the Shareholders of Avon Imaging Limited:

We have audited the accounts on pages 4 to 13 which 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 on page 1 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

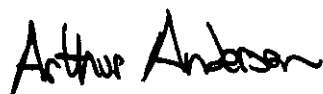
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 1 April 2001 and of its profit and cashflows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

20 June 2001

Profit and loss account
For the year ended 1 April 2001

	Note	Continuing operations	
		2001 £'000	2000 £'000
Turnover	1	1,968	1,999
Cost of sales		(986)	(1,223)
Gross profit		982	776
Distribution costs		(49)	(52)
Administrative expenses		(517)	(358)
Operating profit		416	366
Interest payable and similar charges	2	(1)	(40)
Interest receivable and similar income		4	11
Profit on ordinary activities before taxation	3	419	337
Tax on profit on ordinary activities	6	-	22
Profit on ordinary activities after taxation, being retained profit for the financial year	13	419	359
Retained profit (deficit) brought forward		263	(96)
Retained profit carried forward		682	263

There were no recognised gains or losses in either year other than those shown above.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

1 April 2001

	Note	2001 £'000	2000 £'000
Fixed assets			
Tangible assets	7	402	414
Current assets			
Stocks	8	28	28
Debtors	9	960	768
Cash at bank and in hand		136	42
		1,124	838
Creditors: Amounts falling due within one year	10	(132)	(882)
Net current assets (liabilities)		992	(44)
Total assets less current liabilities		1,394	370
Creditors: Amounts falling due after more than one year	11	(712)	(107)
Net assets		682	263
Capital and reserves			
Called-up share capital	12	-	-
Profit and loss account		682	263
Equity shareholders' funds	13	682	263

Signed on behalf of the Board on 20 June 2001

J R Harris



Director

The accompanying notes are an integral part of this balance sheet.

Cash flow statement

For the year ended 1 April 2001

	Note	2001 £'000	2000 £'000
Net cash inflow from operating activities	14	253	51
Returns on investments and servicing of finance	15	3	(29)
Capital expenditure and financial investment	15	(162)	(298)
Increase (decrease) in cash in the year	16	<u>94</u>	<u>(276)</u>

The accompanying notes are an integral part of this cash flow statement.

Statement of accounting policies

1 April 2001

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Motor vehicles	5 years
Plant and machinery	5 years
Computers, fixtures and fittings	3 - 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Turnover

Turnover represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Notes to accounts

1 April 2001

1 Turnover

Turnover is attributable to the principal activity of the company and is earned entirely within the United Kingdom.

2 Interest payable and similar charges

	2001 £'000	2000 £'000
Interest on loans repayable within five years	<u>1</u>	<u>40</u>

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2001 £'000	2000 £'000
Depreciation and amounts written off tangible fixed assets		
- owned	174	220
Auditors' remuneration	3	4
Operating lease rentals		
- land and buildings	<u>60</u>	<u>56</u>

4 Staff costs

The average monthly number of employees (including directors) was as follows:

	2001 Number	2000 Number
Sales and marketing	2	2
Administration and management	10	7
Production	<u>78</u>	<u>85</u>
	<u>90</u>	<u>94</u>

The aggregate payroll costs of these persons were as follows:

	2001 £'000	2000 £'000
Wages and salaries	880	905
Social security costs	<u>70</u>	<u>72</u>
	<u>950</u>	<u>977</u>

Notes to accounts (continued)

5 Directors remuneration

	2001 £'000	2000 £'000
Directors' emoluments	<u>58</u>	<u>54</u>

6 Tax on profit on ordinary activities

The tax credit comprises:

	2001 £'000	2000 £'000
Adjustment in respect of prior year UK corporation tax	<u>-</u>	<u>22</u>

The low tax charge is a result of group losses being relieved to the company.

7 Tangible fixed assets

	Motor vehicles £'000	Plant and machinery £'000	Computers, fixtures and fittings £'000	Total £'000
Cost				
Beginning of year	37	1,029	78	1,144
Additions	-	162	-	162
Disposals	-	(133)	-	(133)
End of year	<u>37</u>	<u>1,058</u>	<u>78</u>	<u>1,173</u>
Depreciation				
Beginning of year	13	674	43	730
Charge for the year	7	163	4	174
Disposals	-	(133)	-	(133)
End of year	<u>20</u>	<u>704</u>	<u>47</u>	<u>771</u>
Net book value				
End of year	<u>17</u>	<u>354</u>	<u>31</u>	<u>402</u>
Beginning of year	<u>24</u>	<u>355</u>	<u>35</u>	<u>414</u>

Notes to accounts (continued)

8 Stocks

	2001 £'000	2000 £'000
Raw materials and consumables	10	18
Work in progress	18	10
	<u>28</u>	<u>28</u>

9 Debtors

Amounts falling due within one year:	2001 £'000	2000 £'000
Trade debtors	99	96
Amounts owed by group undertakings	843	584
Amounts owed by associated undertakings	-	71
Other debtors	5	5
Prepayments and accrued income	13	12
	<u>960</u>	<u>768</u>

10 Creditors: Amounts falling due within one year

	2001 £'000	2000 £'000
Trade creditors	29	119
Amounts owed to group undertakings	77	671
Other taxation and social security	4	22
Accruals and deferred income	22	70
	<u>132</u>	<u>882</u>

11 Creditors: Amounts falling due after more than one year

	2001 £'000	2000 £'000
Amounts owed to parent company	<u>712</u>	<u>107</u>

12 Called-up share capital

	2001 £	2000 £
<i>Authorised</i>		
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>
<i>Allotted, called-up and fully paid</i>		
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>

Notes to accounts (continued)

13 Reconciliation of movement in equity shareholders' funds

	2001 £'000	2000 £'000
Profit for the financial year	419	359
Opening equity shareholders' funds (deficit)	263	(96)
Closing equity shareholders' funds	<u>682</u>	<u>263</u>

14 Reconciliation of operating profit to operating cash flow

	2001 £'000	2000 £'000
Operating profit	416	366
Depreciation charges	174	220
Increase in stocks	-	4
Decrease in debtors	(192)	(446)
Increase in creditors	(145)	(93)
Net cash inflow from operating activities	<u>253</u>	<u>51</u>

15 Analysis of cash flows

	2001 £'000	2000 £'000
<i>Returns on investments and servicing of finance</i>		
Interest received	4	11
Interest paid	(1)	(40)
Net cash inflow (outflow)	<u>3</u>	<u>(29)</u>
<i>Capital expenditure and financial investment</i>		
Purchase of tangible fixed assets	<u>(162)</u>	<u>(298)</u>

Notes to accounts (continued)

16 Analysis and reconciliation of net funds

	2 April 2000 £'000	Cash flow £	1 April 2000 £'000
Cash in hand at bank being net funds	42	94	136
		2001 £'000	2000 £'000
Increase (decrease) in cash in the year		94	(276)
Net funds at beginning of the year		42	318
Net funds at end of year		136	42

17 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	2001 £'000	2000 £'000
Expiry date		
- within 2 – 5 years	-	56
- after 5 years	60	-

18 Ultimate parent company

The company's immediate parent company is Trader Publishing Limited which is incorporated in Great Britain and registered in England and Wales. The company's ultimate parent company is Trader Media Group Limited which is incorporated in Great Britain and registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by Trader Publishing Limited. The largest group in which the results of the company are consolidated is that headed by the ultimate parent company. The consolidated accounts of this group are available to the public and will be filed at the registrar of companies.

Notes to accounts (continued)

19 Related party transactions

In the course of normal operations the company has traded on an arm's length basis with companies which are subsidiaries of Trader Media Group Limited. Details of these transactions during the year are noted as follows:

Related party	Relationship	Value of sales £'000	Value of purchases £'000	Balance (owed to) due from as at 1 April 2001 £'000
Trader Publishing Ltd	Parent company	647	-	56
Western Regional Publishing Ltd	Fellow subsidiary undertaking	370	-	35
Resort Marketing and Publishing Ltd	Fellow subsidiary undertaking	3	-	4
Wiltshire (Bristol) Ltd	Fellow subsidiary undertaking	623	-	32
Auto Trader Publications (GMG) Ltd	Fellow subsidiary undertaking	-	12	(12)
Trader Media Group Ltd	Parent company	-	105	797
Trader Media Ltd	Fellow subsidiary undertaking	-	-	(146)