

Avon Imaging Limited

Accounts for the year ended 2 April 2000
together with directors' and auditors' reports

Registered number: 2902986

Directors' report

For the year ended 2 April 2000

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 2 April 2000.

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 £358,610 (1999: £163,000). The directors do not propose a dividend (1999: £nil).

The directors expect the level of activity to increase in the future.

Directors' report (continued)

Directors and their interests

The directors who served during the year were as follows:

S Hodgson
M Gwyther
G Luff

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


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

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.

Unit 6
Thatcham Business Village
Colthrop Lane
Thatcham
Berkshire
RG19 4LW

By order of the Board,



S Hodgson
Director

29 September 2000

To the Shareholders of Avon Imaging Limited:

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 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 2 April 2000 and of its profit 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

29 September 2000

Profit and loss account

For the year ended 2 April 2000

	Note	2000 £	1999 £
Turnover	1	1,999,089	1,796,002
Cost of sales		(1,223,277)	(1,168,757)
Gross profit		775,812	627,245
Distribution costs		(51,846)	(44,919)
Administrative expenses		(357,847)	(378,579)
Operating profit		366,119	203,747
Interest payable and similar charges	2	(40,379)	(40,385)
Interest receivable and similar income		10,870	21,638
Profit on ordinary activities before taxation	3	336,610	185,000
Tax credit (charge) on profit on ordinary activities	6	22,000	(22,000)
Profit on ordinary activities after taxation, being retained profit for the financial year	13	358,610	163,000
Retained deficit brought forward		(95,560)	(258,560)
Retained profit (deficit) carried forward		263,050	(95,560)

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.

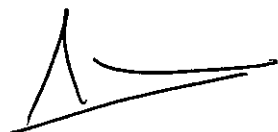
All results for both years derived from continuing operations.

Balance sheet

2 April 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	7	<u>413,971</u>	<u>336,005</u>
Current assets			
Stocks	8	28,059	31,703
Debtors	9	768,047	322,050
Cash at bank and in hand		<u>41,654</u>	<u>318,430</u>
		837,760	672,183
Creditors: Amounts falling due within one year	10	<u>(881,961)</u>	<u>(797,028)</u>
Net current liabilities		<u>(44,201)</u>	<u>(124,845)</u>
Total assets less current liabilities		369,770	211,160
Creditors: Amounts falling due after more than one year	11	<u>(106,520)</u>	<u>(306,520)</u>
Net assets (liabilities)		<u>263,250</u>	<u>(95,360)</u>
Capital and reserves			
Called-up share capital	12	200	200
Profit and loss account		<u>263,050</u>	<u>(95,560)</u>
Equity shareholders' funds (deficit)	13	<u>263,250</u>	<u>(95,360)</u>

Signed on behalf of the Board on 29 September 2000



S Hodgson

Director

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

Statement of accounting policies

2 April 2000

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.

At 2 April 2000 the company had net current liabilities of £44,201 (1999: £124,845). The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the accounts as a fellow group undertaking has confirmed its intention and ability to provide such financial support as may be necessary to enable the company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months. The company's ultimate parent company has also confirmed that the company will not be required to pay amounts due to other group undertakings unless the company has sufficient funds to pay other creditors in full.

Cash flow statement

Under the provisions of Financial Reporting Standard 1 (Revised), the company is exempt from the requirement to present a cash flow statement as its ultimate parent company, Trader Media Group Limited, produces accounts which contain a consolidated cash flow statement.

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

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Statement of accounting policies (continued)

Leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

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, excluding value added tax and trade discounts, derived from the provision of goods and services to customers during the period.

Notes to accounts

2 April 2000

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

	2000 £	1999 £
Finance leases	-	6,178
Interest on loans repayable within five years	40,379	34,207
	<u>40,379</u>	<u>40,385</u>

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000 £	1999 £
Depreciation and amounts written off tangible fixed assets		
- owned	219,551	199,105
Auditors' remuneration	3,848	3,255
Operating lease rentals		
- land and buildings	<u>56,490</u>	<u>56,490</u>

Notes to accounts (continued)

4 Staff costs

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

	2000 Number	1999 Number
Sales and marketing	2	1
Administration and management	7	9
Production	85	98
	<u>94</u>	<u>108</u>

The aggregate payroll costs of these persons were as follows:

	2000 £	1999 £
Wages and salaries	904,542	891,539
Social security costs	72,363	71,323
	<u>976,905</u>	<u>962,862</u>

5 Directors remuneration

	2000 £	1999 £
Directors' emoluments	<u>54,196</u>	<u>51,232</u>

6 Tax on profit on ordinary activities

The tax credit (charge) comprises:

	2000 £	1999 £
UK corporation tax	-	(22,000)
Adjustment in respect of prior year UK corporation tax	<u>22,000</u>	<u>-</u>
	<u>22,000</u>	<u>(22,000)</u>

Notes to accounts (continued)

7 Tangible fixed assets

	Motor vehicles £	Plant and machinery £	Computers, fixtures and fittings £	Total £
Cost				
Beginning of year	29,765	866,138	75,736	971,639
Additions	7,300	288,144	2,073	297,517
Disposals	-	(124,546)	-	(124,546)
End of year	<u>37,065</u>	<u>1,029,736</u>	<u>77,809</u>	<u>1,144,610</u>
Depreciation				
Beginning of year	5,748	592,935	36,951	635,634
Charge for year	7,172	206,102	6,277	219,551
Disposals	-	(124,546)	-	(124,546)
End of year	<u>12,920</u>	<u>674,491</u>	<u>43,228</u>	<u>730,639</u>
Net book value				
Beginning of year	<u>24,017</u>	<u>273,203</u>	<u>38,785</u>	<u>336,005</u>
End of year	<u>24,145</u>	<u>355,245</u>	<u>34,581</u>	<u>413,971</u>

8 Stocks

	2000 £	1999 £
Raw materials	17,529	19,223
Work in progress	10,530	12,480
	<u>28,059</u>	<u>31,703</u>

Notes to accounts (continued)

9 Debtors

Amounts falling due within one year	2000 £	1999 £
Trade debtors	96,342	95,271
Amounts owed by group undertakings	583,923	130,597
Amounts owed by associated undertakings	71,279	63,793
Other debtors	5,000	5,031
Prepayments and accrued income	11,503	27,358
	<u>768,047</u>	<u>322,050</u>

10 Creditors: Amounts falling due within one year

	2000 £	1999 £
Trade creditors	118,638	76,767
Amounts owed to group undertakings	671,353	593,842
Other creditors including taxation and social security:		
UK corporation tax	-	22,000
Other taxation and social security	21,619	35,415
Other creditors	12	199
Accruals and deferred income	70,339	68,805
	<u>881,961</u>	<u>797,028</u>

11 Creditors: Amounts falling due after more than one year

	2000 £	1999 £
Amounts owed to parent company	<u>106,520</u>	<u>306,520</u>

Notes to accounts (continued)

12 Called-up share capital

	2000 £	1999 £
<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>

13 Reconciliation of movement in shareholders' funds

	2000 £	1999 £
Profit for the financial year	358,610	163,000
Opening deficit in equity shareholders' funds	<u>(95,360)</u>	<u>(258,360)</u>
Closing equity shareholders' funds (deficit)	<u>263,250</u>	<u>(95,360)</u>

14 Financial commitments

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

	Land and buildings	
	2000 £	1999 £
Expiry date		
Within 2 – 5 years	<u>56,490</u>	<u>56,490</u>

16 Ultimate parent company

The company's immediate parent company is Trader Media Holdings 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 Media Holdings 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.

Under the provisions of Financial Reporting Standard 8, the company is exempt from the requirement to disclose details of certain related party transactions, as it is a wholly owned subsidiary of Trader Media Group Limited whose consolidated accounts are available to the public.