

# ALLIANCE & LEICESTER PRINT SERVICES LIMITED

Company Number 3805760

Report and Accounts  
For the year ended 31 December 2004



# Alliance & Leicester Print Services Limited

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# Alliance & Leicester Print Services Limited

## Directors' Report for the year ended 31 December 2004

The directors present their report, together with the audited accounts for the year ended 31 December 2004.

### Principal Activity

The principal activity of the Company is to provide printing services to other companies in the Alliance & Leicester Group.

### Business Review and Future Developments

No significant changes to the current business activities are envisaged.

The directors consider the financial position of the Company as at the year end and subsequently, to be satisfactory. They believe that there are sufficient resources to enable the Company to continue in business for the foreseeable future to meet present and projected activities and to take advantage of any new opportunities that may arise.

### Results and Dividend

The profit on ordinary activities before tax for the year ended 31 December 2004 was £2,325,147 (2003: £3,536,715) which, after tax, resulted in a profit of £1,627,603 (2003: 2,476,309).

The directors propose a dividend for the year of £1,600,000 (2003: £2,477,000) to be paid on 24 August 2005.

The results for the year under review are as set out in the Profit and Loss Account on page 7, together with the supporting notes to the accounts.

### Directors and Directors' Interests

The following persons were directors of the Company during the year:

Mrs C L Bayliss	
Mr G R Evans	(Alternate to H R Riley)
Mr S Leonard	
Mr C G Love	(Alternate to S Leonard, appointed 20 October 2004)
Mrs H R Riley	
Mrs N J Veall	(Alternate to G Wilkinson, appointed 1 March 2004)
Mr G Wilkinson	
Mr M J Hall	(Alternate to S Leonard, resigned 20 October 2004)
Mr J Hennigan	(Alternate to G Wilkinson, resigned 1 March 2004)
Mr C S Rhodes	(Resigned 20 October 2004)

None of the directors hold any beneficial interests in shares or debentures of the Company. The beneficial interests of the directors in Ordinary shares of the parent Company, Alliance & Leicester plc, were:

Directors	Fully Paid Shares of 50p each	
	At 1 January 2004 or date of appointment if later	At 31 December 2004
C L Bayliss	Nil	72
G R Evans	1,289	1,298
S Leonard	1,019	1,273
C G Love	394	394
H R Riley	3,537	3,362
N J Veall	4,311	5,037
G Wilkinson	2,951	1,678

# Alliance & Leicester Print Services Limited

## Directors' Report for the year ended 31 December 2004 (continued)

### Options to Acquire Shares

In addition, the following directors have options to subscribe for such shares granted under the terms of Alliance & Leicester Share Option Schemes:

Directors	At 01.01.04 (or date of appointment)	Number of Options During the Year		At 31.12.04	Exercise Price £	Market price at date of exercise £	Exercise period
		Granted	Exercised				
C L Bayliss	3,411			3,411	8.79½ #		01/09/06-01/09/13
	909			909	8.79½ ~		01/09/06-01/09/13
		4,595		4,595	8.60 ~		03/03/07-03/03/14
		5,212		5,212	8.34 ~		29/07/07-29/07/14
G R Evans	1,489			1,489	7.95 #		06/08/05-06/08/12
	1,596			1,596	7.54½ #		26/02/06-26/02/13
	719			719	8.79½ #		01/09/06-01/09/13
	735			735	8.79½ ~		01/09/06-01/09/13
		1,432		1,432	8.60 ~		03/03/07-03/03/14
		1,602		1,602	8.34 ~		29/07/07-29/07/14
S Leonard	3,544			3,544	6.70 #		23/02/04-23/02/11
	775			775	8.05½ #		23/07/04-23/07/11
	2,172			2,172	8.05½ ~		23/07/04-23/07/11
	3,141			3,141	8.37 ~		12/03/05-12/03/12
	11,158			11,158	7.95 ~		06/08/05-06/08/12
	1,503			1,503	6.32 \$		01/11/07-01/05/08
	7,620			7,620	7.54½ ~		26/02/06-26/02/13
	7,674			7,674	8.79½ ~		01/09/06-01/09/13
		7,267		7,267	8.60 ~		03/03/07-03/03/14
		8,393		8,393	8.34 ~		29/07/07-29/07/14
C G Love	Nil	Nil		Nil	Nil		
H R Riley	1,348		(1,348)	Nil	6.70 #	8.95	23/02/04-23/02/11
	1,245		(1,245)	Nil	6.70 ~	8.95	23/02/04-23/02/08
	3,309			3,309	8.05½ ~		23/07/04-23/07/11
	1,553			1,553	8.37 ~		12/03/05-12/03/12
	5,886			5,886	7.95 ~		06/08/05-06/08/12
	901			901	6.32 \$		01/11/05-01/05/06
	3,962			3,962	7.54½ ~		26/02/06-26/02/13
	2,384			2,384	8.79½ #		01/09/06-01/09/13
	1,287			1,287	8.79½ ~		01/09/06-01/09/13
	537			537	6.89 \$		01/11/06-01/05/07
		3,779		3,779	8.60 ~		03/03/07-03/03/14
		4,403		4,403	8.34 ~		29/07/07-29/07/14
N J Veall	3,375		(3,375)	Nil	7.85 #	8.58½ ~	04/03/02-04/03/09
	686		(686)	Nil	5.10 #	8.58½ ~	17/02/03-17/02/10
	2,205			2,205	5.10 ~		17/02/03-17/02/07
	5,783			5,783	6.70 ~		23/02/04-23/07/11
	4,403			4,403	8.05½ ~		23/07/04-23/07/11
	1,970			1,970	8.37 ~		12/03/05-12/03/12
	6,483			6,483	7.95 ~		06/08/05-06/08/12
	4,707			4,707	7.54½ ~		26/02/06-26/02/12
	4,361			4,361	8.79½ ~		01/09/06-01/09/13
	1,342			1,342	6.89 \$		01/11/06-01/05/07
		4,294		4,294	8.60 ~		03/03/07-03/03/14
		4,871		4,871	8.34 ~		29/07/07-29/07/14
G Wilkinson	193			193	9.00½ #		06/03/01-06/03/08
	1,832			1,832	9.00½ ~		06/03/01-06/03/05
	2,993		(2,993)	Nil	7.85 ~	9.02	04/03/02-04/03/06
	4,218		(4,218)	Nil	6.70 #	9.02	23/02/04-23/02/11
	9,888		(9,888)	Nil	6.70 ~	9.02	23/02/04-23/02/08
	6,365		(6,365)	Nil	8.05½ ~	9.02	23/07/04-23/07/11
	3,091			3,091	8.37 ~		12/03/05-12/03/12
	12,468			12,468	7.95 ~		06/08/05-06/08/12
	2,818			2,818	6.32 \$		01/11/07-01/05/08
	8,283			8,283	7.54½ ~		26/02/06-26/02/13
	7,674			7,674	8.79½ ~		01/09/06-01/09/13
		7,558		7,558	8.60 ~		03/03/07-03/03/14
		8,872		8,872	8.34 #		29/07/07-29/07/14

§ Options granted under the Alliance & Leicester ShareSave Scheme  
# Options granted under the Alliance & Leicester Approved Company Share Option Scheme  
~ Options granted under the Alliance & Leicester Unapproved Company Share Option Scheme

# Alliance & Leicester Print Services Limited

## Directors' Report for the year ended 31 December 2004 (continued)

### Bonus Awards

The following table shows the directors' interests in deferred and matching share options awarded under the deferred bonus scheme

Executive Director	Bonus Year		Value of award £	Market Value at date of grant £	No. of shares under Option	Exercise Price £	Exercise Period
C L Bayliss	2004	Deferred Shares	10,861.80	8.60	1,263	Nil	03/03/07-03/03/11
	2004	Matching Shares	10,861.80	8.60	1,263	Nil	03/03/07-03/03/11
S Leonard	2002	Deferred Shares	4,636.98	8.37	554	Nil	12/03/05-12/03/09
	2002	Matching Shares	4,636.98	8.37	554	Nil	12/03/05-12/03/09
	2003	Deferred Shares	20,235.69	7.545	2,682	Nil	26/02/06-26/02/10
	2003	Matching Shares	20,235.69	7.545	2,682	Nil	26/02/06-26/02/10
	2004	Deferred Shares	23,994.00	8.60	2,790	Nil	03/03/07-03/03/11
	2004	Matching Shares	23,994.00	8.60	2,790	Nil	03/03/07-03/03/11
H Riley	2001	Deferred Shares	2,775.07	6.785	409	Nil	15/03/04-15/03/08
	2001	Matching Shares	2,775.07	6.785	409	Nil	15/03/04-15/03/08
	2002	Deferred Shares	2,854.17	8.37	341	Nil	12/03/05-12/03/09
	2002	Matching Shares	2,854.17	8.37	341	Nil	12/03/05-12/03/09
	2003	Deferred Shares	7,952.43	7.545	1,054	Nil	26/02/06-26/02/10
	2003	Matching Shares	7,952.43	7.545	1,054	Nil	26/02/06-26/02/10
	2004	Deferred Shares	9,511.60	8.60	1,106	Nil	03/03/07-03/03/11
	2004	Matching Shares	9,511.60	8.60	1,106	Nil	03/03/07-03/03/11
N J Veall*	2001	Deferred Shares	Nil	6.785	Nil	Nil	15/03/04-15/03/08
	2001	Matching Shares	Nil	6.785	Nil	Nil	15/03/04-15/03/08
	2002	Deferred Shares	2,803.95	8.37	335	Nil	12/03/05-12/03/09
	2002	Matching Shares	2,803.95	8.37	335	Nil	12/03/05-12/03/09
	2003	Deferred Shares	7,665.72	7.545	1,016	Nil	26/02/06-26/02/10
	2003	Matching Shares	7,665.72	7.545	1,016	Nil	26/02/06-26/02/10
	2004	Deferred Shares	7,593.80	8.60	883	Nil	03/03/07-03/03/11
	2004	Matching Shares	7,593.80	8.60	883	Nil	03/03/07-03/03/11
G Wilkinson**	2001	Deferred Shares	Nil	6.785	Nil	Nil	15/03/04-15/03/08
	2001	Matching Shares	Nil	6.785	Nil	Nil	15/03/04-15/03/08
	2002	Deferred Shares	5,691.60	8.37	680	Nil	12/03/05-12/03/09
	2002	Matching Shares	5,691.60	8.37	680	Nil	12/03/05-12/03/09
	2003	Deferred Shares	23,117.88	7.545	3,064	Nil	26/02/06-26/02/10
	2003	Matching Shares	23,117.88	7.545	3,064	Nil	26/02/06-26/02/10
	2004	Deferred Shares	24,991.60	8.60	2,906	Nil	03/03/07-03/03/11
	2004	Matching Shares	24,991.60	8.60	2,906	Nil	03/03/07-03/03/11

Neither the matching or deferred share options granted are subject to a performance objective.

### Notes

\* N J Veall exercised her 2001 Matching and Deferred bonus options on 20/08/04 at a market price of £8.60

\*\* G Wilkinson exercised his 2001 Matching and Deferred bonus options on 21/12/04 at a market price of £9.02

# Alliance & Leicester Print Services Limited

## Directors' Report for the year ended 31 December 2004 (continued)

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### Directors' Interests in Contracts

No director had a material interest at any time during the year in any contract of significance with the Company.

### Corporate Governance

The Company's policies on Corporate Governance are consistent with those established at Group level and referred to in the Group Report and Accounts for 2004 of Alliance & Leicester plc.

### Creditors' Payment Policy

The Company's policy on creditor payment is consistent with that established at Group level. The Group is a signatory of the DTI's Better Payment Practice Code, details of which can be found at [www.payontime.co.uk](http://www.payontime.co.uk). The Company recognises the importance of maintaining good business relationships with its suppliers.

The Company policy is to:

- pay all invoices within the agreed terms;
- agree the terms of payment at the start of business with that supplier;
- ensure suppliers are aware of the payment terms;
- pay in accordance with any contractual and other legal obligations.

Trade creditor days of the Company for the year ended 31 December 2004 were 15 days (2003: 31 days), based on the ratio of Company trade creditors at the end of the year to the amounts invoiced during the year by trade creditors.

### Employment Policy

The Company does not have any employees. These are provided by Alliance & Leicester plc and a management charge exists to cover staff expenses.


### Auditors

The Company's auditors are Deloitte & Touche LLP. The Company has dispensed with the obligation to re-appoint auditors annually in accordance with S386 of the Companies Act 1985 as amended.

Approved by the directors

On 15 August 2005

And signed on their behalf by:



Richard Hawker  
Secretary

Registered Office:

Building 3 Floor 2  
Carlton Park  
Narborough  
Leicester  
LE19 0AL

# **Alliance & Leicester Print Services Limited**

## **Statement of Directors' Responsibilities for the year ended 31 December 2004**

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United Kingdom 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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements the directors are required to:

- select appropriate accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare financial accounts on the going concern basis unless it is inappropriate to assume that the Company will continue to be 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 the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent Auditors' Report to the Members of Alliance & Leicester Print Services Limited**

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We have audited the financial statements of Alliance & Leicester Print Services Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under 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 in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

## **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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Birmingham

*25 August 2005*



# Alliance & Leicester Print Services Limited

## Profit and Loss Account

for the year ended 31 December 2004

	Notes	Continuing Operations	
		2004 £	2003 £
Turnover	2	26,267,178	31,730,629
Cost of Sales		(23,461,083)	(27,591,851)
<b>Gross Profit</b>		<b>2,806,095</b>	<b>4,138,778</b>
Administrative expenses		(480,948)	(602,063)
<b>Operating profit being profit on ordinary activities before taxation</b>	4	<b>2,325,147</b>	<b>3,536,715</b>
Tax on profit on ordinary activities	5	(697,544)	(1,060,406)
<b>Profit on ordinary activities after taxation</b>		<b>1,627,603</b>	<b>2,476,309</b>
Dividends	6	(1,600,000)	(2,477,000)
<b>Retained profit/(loss) for the year</b>	10	<b>27,603</b>	<b>(691)</b>

In both the current and preceding years, the Company had no recognised gains or losses other than the profit for the financial year. Accordingly no statement of total recognised gains and losses is provided.

The accompanying notes form an integral part of the profit and loss account.

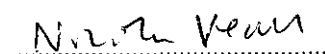
# Alliance & Leicester Print Services Limited

## Balance Sheet

as at 31 December 2004

	Notes	2004 £	2003 £
<b>Current assets</b>			
Debtors	7	4,121,367	7,764,663
<b>Creditors: amounts falling due within one year</b>	8	(4,092,056)	(7,762,955)
<b>Net Assets</b>		<b>29,311</b>	<b>1,708</b>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	29,310	1,707
<b>Total shareholders' funds</b>	11	<b>29,311</b>	<b>1,708</b>

These financial statements were approved by the directors on 15 August 2005  
and signed on their behalf by :



**N Veall**  
**Director**

The accompanying notes form an integral part of the balance sheet.

# Alliance & Leicester Print Services Limited

## Notes to the financial statements for the year ended 31 December 2004

### 1. Accounting policies

#### *Accounting Convention*

The Company prepares its accounts under the historical cost convention, and in accordance with applicable UK accounting standards.

#### *Cash Flow Statement*

As a wholly owned subsidiary of Alliance & Leicester plc, the Company is exempt under FRS1 (revised 1996) Cash Flow Statements from producing a cash flow statement on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated financial statements

### 2. Turnover

Turnover comprises the value of goods and services provided, excluding VAT. The origin and destination of all turnover was the United Kingdom.

### 3. Directors and Employees

The emoluments of the Chairman were £nil (2003: £nil). No other directors received any emoluments in respect of qualifying services to the Company during the year (2003: £nil). There are no employees of the Company.

### 4. Profit on Ordinary Activities before Taxation

The profit on ordinary activities before tax is stated after the following charges:

	2004 £	2003 £
Remuneration of the auditor and its associates		
For audit services	16,008	15,615

### 5. Tax on Profit on Ordinary Activities

#### Analysis of charge in year

	2004 £	2003 £
Analysis of charge in year		
UK corporation tax on profits for the year at 30 % (2003: 30%)	697,544	1,061,015
Adjustment to UK corporation tax on profits for prior periods	-	(609)
Tax on profit on ordinary activities	697,544	1,060,406

The tax charge for the period is equal to the standard rate of corporation tax in the UK (30%).

# Alliance & Leicester Print Services Limited

## Notes to the Financial Statements for the year ended 31 December 2004 (continued)

### 6. Dividends

	2004 £	2003 £
Final Dividend	1,600,000	2,477,000

### 7. Debtors

	2004 £	2003 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	3,717,006	7,051,742
Other debtors	404,361	712,921
<b>Total Debtors</b>	<b>4,121,367</b>	<b>7,764,663</b>

### 8. Creditors

	2004 £	2003 £
<b>Amounts falling due within one year:</b>		
Bank overdraft (unsecured)	-	203
Trade creditors	585,962	1,285,209
Amounts owed to group undertakings	1,600,000	2,477,000
Corporation tax	697,544	1,061,015
Accruals and deferred income	1,208,550	2,939,528
<b>Total Creditors</b>	<b>4,092,056</b>	<b>7,762,955</b>

### 9. Called Up Share Capital

	2004 £	2003 £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	1	1

# Alliance & Leicester Print Services Limited

## Notes to the Financial Statements for the year ended 31 December 2004 (continued)

### 10. Reserves

	2004 £	2003 £
At 1 January	1,707	2,398
Retained profit/(loss) for the year	27,603	(691)
At 31 December	29,310	1,707

### 11. Reconciliation of Movements in Shareholders' Funds

	2004 £	2003 £
Profit for the financial year	1,627,603	2,476,309
Dividend	(1,600,000)	(2,477,000)
Net movement in shareholders' funds	27,603	(691)
Opening shareholders' funds	1,708	2,399
Closing shareholders' funds	29,311	1,708

### 12. Ultimate Parent Undertaking and Other Related Party Transactions

The Company is a subsidiary undertaking of Alliance & Leicester plc, which is the ultimate parent undertaking and controlling entity and is incorporated in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is the Alliance & Leicester Group; these accounts may be obtained from the Company's registered office at Carlton Park, Narborough, Leicester LE19 0AL.

As permitted by paragraph 3(c) of FRS 8, no disclosure is made of transactions with members of the Alliance & Leicester Group.