

Rofc

REGISTERED NUMBER: 116914 (Scotland)

Abbreviated Accounts
for the Year Ended 31 August 2003
for
Image & Print Group Ltd



Image & Print Group Ltd

Contents of the Financial Statements
for the Year Ended 31 August 2003

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

Image & Print Group Ltd

Company Information
for the Year Ended 31 August 2003

DIRECTORS:

S McPhee
G R Fulton
F Boyle
A F Hair

SECRETARY:

G R Fulton

REGISTERED OFFICE:

Unit 9
Oakbank Industrial Estate
Garscube Road
GLASGOW
G20 7LU

REGISTERED NUMBER:

116914 (Scotland)

AUDITORS:

T B Dunn & Co
Registered Auditor
Chartered Accountants
Glasgow

BANKERS:

Royal Bank of Scotland
23 Sauchiehall Street
Glasgow
G2 3AD

Image & Print Group Ltd

Report of the Directors
for the Year Ended 31 August 2003

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of typesetting, colour reprographics, colour and commercial lithoprinting.

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 August 2003.

FUTURE DEVELOPMENTS

The Company continues to identify markets where it can create a niche using the existing in-house skills and resources. New investments in equipment will allow for growth in sales and profits.

DIRECTORS

The directors during the year under review were:

S McPhee
G R Fulton
F Boyle
A F Hair

The directors holding office at 31 August 2003 did not hold any beneficial interest in the issued share capital of the company at 1 September 2002 or 31 August 2003.

Details of the interest of the company's directors in the issued share capital of IPG Holdings Limited can be obtained from the company secretary at Unit 9, Oakbank Industrial Estate, Garscube Road, Glasgow.

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;
- 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.

Image & Print Group Ltd

Report of the Directors
for the Year Ended 31 August 2003

AUDITORS

The auditors, T B Dunn & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Graham R. Fulton', written in a cursive style.

G R Fulton - Secretary

31 October 2003

Report of the Independent Auditors to
Image & Print Group Ltd
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages five to seventeen, together with the full financial statements of the company for the year ended 31 August 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to seventeen are properly prepared in accordance with that provision.



T B Dunn & Co
Registered Auditor
Chartered Accountants
Glasgow

31 October 2003

Image & Print Group Ltd

Abbreviated Profit and Loss Account
for the Year Ended 31 August 2003

	Notes	2003		2002	
		£	£	£	£
GROSS PROFIT			1,418,778		1,601,872
Distribution costs		22,353		29,548	
Administrative expenses		<u>1,111,927</u>	<u>1,134,280</u>	<u>1,196,087</u>	<u>1,225,635</u>
OPERATING PROFIT	4		284,498		376,237
Interest receivable and similar income			<u>2,989</u>		<u>451</u>
			287,487		376,688
Interest payable and similar charges	5		<u>43,591</u>		<u>44,883</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			243,896		331,805
Tax on profit on ordinary activities	6		<u>55,348</u>		<u>69,861</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			188,548		261,944
Retained profit brought forward			<u>1,099,090</u>		<u>837,146</u>
RETAINED PROFIT CARRIED FORWARD			<u><u>£1,287,638</u></u>		<u><u>£1,099,090</u></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

Image & Print Group Ltd

Abbreviated Balance Sheet

31 August 2003

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		833,127		1,025,751
CURRENT ASSETS:					
Stocks	8	31,387		43,745	
Debtors	9	1,453,276		1,645,184	
Cash at bank and in hand		86,263		35,739	
		1,570,926		1,724,668	
CREDITORS: Amounts falling due within one year	10	651,211		994,565	
NET CURRENT ASSETS:			919,715		730,103
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,752,842		1,755,854
CREDITORS: Amounts falling due after more than one year	11		(332,549)		(509,461)
PROVISIONS FOR LIABILITIES AND CHARGES:	15		(82,655)		(97,303)
			<u>£1,337,638</u>		<u>£1,149,090</u>
CAPITAL AND RESERVES:					
Called up share capital	16		50,000		50,000
Profit and loss account			1,287,638		1,099,090
SHAREHOLDERS' FUNDS:	18		<u>£1,337,638</u>		<u>£1,149,090</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



S McPhee - Director



G R Fulton - Director

Approved by the Board on 31 October 2003

The notes form part of these financial statements

Image & Print Group Ltd

Cash Flow Statement
for the Year Ended 31 August 2003

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		334,255		339,242
Returns on investments and servicing of finance	2		(40,602)		(44,432)
Taxation			(42,143)		(52,486)
Capital expenditure and financial investment	2		(1,790)		(57,101)
			<u>249,720</u>		<u>185,223</u>
Financing	2		(199,196)		(197,067)
Increase/(Decrease) in cash in the period			<u><u>£50,524</u></u>		<u><u>£(11,844)</u></u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		50,524		(11,844)	
Cash outflow from decrease in debt and lease financing		<u>115,863</u>		<u>127,622</u>	
Change in net debt resulting from cash flows			166,387		115,778
New finance leases			<u>-</u>		<u>(499,500)</u>
Movement in net debt in the period			166,387		(383,722)
Net debt at 1 September			<u>(492,363)</u>		<u>(108,641)</u>
Net debt at 31 August			<u><u>£(325,976)</u></u>		<u><u>£(492,363)</u></u>

The notes form part of these financial statements

Image & Print Group Ltd

Notes to the Cash Flow Statement
for the Year Ended 31 August 2003

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

	2003 £	2002 £
Operating profit	284,498	376,237
Depreciation charges	202,914	168,815
Profit on sale of fixed assets	-	(4,355)
Government grants	(8,500)	(674)
Decrease in stocks	12,358	18,866
Decrease/(Increase) in debtors	191,908	(223,576)
(Decrease)/Increase in creditors	(348,923)	3,929
Net cash inflow from operating activities	334,255	339,242

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

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	2,989	451
Interest paid	(14,485)	(35,967)
Interest element of hire purchase payments	(29,106)	(8,916)
Net cash outflow for returns on investments and servicing of finance	(40,602)	(44,432)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(10,290)	(78,275)
Sale of tangible fixed assets	-	20,500
Cash receipts - grant received	8,500	674
Net cash outflow for capital expenditure	(1,790)	(57,101)
Financing		
Loan repayments in year	(83,333)	(69,445)
Capital element of hire purchase payments	(115,863)	(127,622)
Net cash outflow from financing	(199,196)	(197,067)

The notes form part of these financial statements

Image & Print Group Ltd

Notes to the Cash Flow Statement
for the Year Ended 31 August 2003

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.02 £	Cash flow £	At 31.8.03 £
Net cash:			
Cash at bank and in hand	35,739	50,524	86,263
	<u>35,739</u>	<u>50,524</u>	<u>86,263</u>
Debt:			
Hire purchase	(528,102)	115,863	(412,239)
	<u>(528,102)</u>	<u>115,863</u>	<u>(412,239)</u>
Total	<u>(492,363)</u>	<u>166,387</u>	<u>(325,976)</u>
Analysed in Balance Sheet			
Cash at bank and in hand	35,739		86,263
Hire purchase			
within one year	(115,863)		(93,579)
after one year	(412,239)		(318,660)
	<u>(492,363)</u>		<u>(325,976)</u>

The notes form part of these financial statements

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

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

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.

Leasehold improvements	- Over term of lease
Plant and machinery	- 10% on cost and 20% on cost
Fixtures and fittings	- 20% on cost

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. Contributions payable for the year are charged in the profit and loss account.

2. OTHER OPERATING INCOME

	2003	2002
	£	£
Discounts received	27,700	24,988
Sundry income	729	-
Government grants	8,500	674
	<hr/>	<hr/>
	36,929	25,662
	<hr/>	<hr/>

Image & Print Group Ltd

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2003

3. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	913,489	1,060,342
Social security costs	97,094	108,230
Other pension costs	41,349	40,528
	<u>1,051,932</u>	<u>1,209,100</u>

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

	2003	2002
Production & distribution	27	30
Administration, sales & management	14	12
	<u>41</u>	<u>42</u>

4. OPERATING PROFIT

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

	2003	2002
	£	£
Hire of plant and machinery	11,099	10,416
Depreciation - owned assets	146,623	83,712
Depreciation - assets on hire purchase contracts	56,291	85,103
Profit on disposal of fixed assets	-	(4,355)
Auditors' remuneration	6,042	6,084
	<u>233,644</u>	<u>358,769</u>
Directors' emoluments	233,644	358,769
Directors' pension contributions to money purchase schemes	20,504	19,150
	<u>254,148</u>	<u>377,919</u>

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

	2003	2002
Money purchase schemes	4	4
	<u>4</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	2003	2002
	£	£
Emoluments etc	59,228	97,168
Pension contributions to money purchase schemes	5,089	4,776
	<u>64,317</u>	<u>101,944</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	2	20
Bank loan interest	13,163	21,888
Other interest paid	1,320	14,059
Hire purchase interest	29,106	8,916
	<u>43,591</u>	<u>44,883</u>

Image & Print Group Ltd

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2003

6. 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	67,894	39,881
Group relief	-	(4,129)
Underprovision - tax	2,102	-
	<hr/>	<hr/>
Total current tax	69,996	35,752
Deferred taxation	(14,648)	34,109
	<hr/>	<hr/>
Tax on profit on ordinary activities	<u>55,348</u>	<u>69,861</u>

UK corporation tax has been charged at 20.37% (2002 - 19.58%).

7. TANGIBLE FIXED ASSETS

	Leasehold improvements	Plant and machinery	Fixtures and fittings	Totals
	£	£	£	£
COST:				
At 1 September 2002	95,725	1,885,335	20,360	2,001,420
Additions	1,055	8,755	480	10,290
Disposals	-	(126,974)	-	(126,974)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2003	96,780	1,767,116	20,840	1,884,736
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION:				
At 1 September 2002	66,526	890,455	18,688	975,669
Charge for year	13,552	188,116	1,246	202,914
Eliminated on disposals	-	(126,974)	-	(126,974)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2003	80,078	951,597	19,934	1,051,609
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:				
At 31 August 2003	16,702	815,519	906	833,127
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2002	29,199	994,880	1,672	1,025,751
	<hr/>	<hr/>	<hr/>	<hr/>

Image & Print Group Ltd

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2003

7. TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery
	£
COST:	
At 1 September 2002	1,242,405
Transferred to ownership	(679,495)
	<hr/>
At 31 August 2003	562,910
	<hr/>
DEPRECIATION:	
At 1 September 2002	410,224
Charge for year	56,291
Transferred to ownership	(396,151)
	<hr/>
At 31 August 2003	70,364
	<hr/>
NET BOOK VALUE:	
At 31 August 2003	492,546
	<hr/>
At 31 August 2002	832,181
	<hr/>

8. STOCKS

	2003	2002
	£	£
Paper and consumables	15,534	17,096
Work in progress	15,853	26,649
	<hr/>	<hr/>
	31,387	43,745
	<hr/>	<hr/>

Image & Print Group Ltd

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2003

9. **DEBTORS**

	2003 £	2002 £
Amounts falling due within one year:		
V.A.T.	29,776	53,469
Trade debtors	459,635	646,148
Other debtors	11,258	-
Prepayments & accrued income	28,959	21,920
	<u>529,628</u>	<u>721,537</u>
Amounts falling due after more than one year:		
Amounts due by group undertaking	923,648	923,647
	<u>923,648</u>	<u>923,647</u>
Aggregate amounts	<u>1,453,276</u>	<u>1,645,184</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003 £	2002 £
Bank loans and overdrafts (see note 12)	83,333	83,333
Hire purchase contracts (see note 13)	93,579	115,863
Trade creditors	330,742	371,002
Other creditor	-	112,513
Social security & other taxes	29,624	24,416
Taxation	67,894	40,041
Accrued expenses	46,039	247,397
	<u>651,211</u>	<u>994,565</u>

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

	2003 £	2002 £
Bank loans (see note 12)	13,889	97,222
Hire purchase contracts (see note 13)	318,660	412,239
	<u>332,549</u>	<u>509,461</u>

Image & Print Group Ltd

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2003

12. 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	<u>83,333</u>	<u>83,333</u>
Amounts falling due between one and two years:		
Bank loans	<u>13,889</u>	<u>83,333</u>
Amounts falling due between two and five years:		
Bank loans	<u>-</u>	<u>13,889</u>

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2003 £	2002 £
	Hire purchase contracts	
Gross obligations repayable:		
Within one year	115,964	144,969
Between one and five years	<u>347,892</u>	<u>463,856</u>
	<u>463,856</u>	<u>608,825</u>
Finance charges repayable:		
Within one year	22,385	29,106
Between one and five years	<u>29,232</u>	<u>51,617</u>
	<u>51,617</u>	<u>80,723</u>
Net obligations repayable:		
Within one year	93,579	115,863
Between one and five years	<u>318,660</u>	<u>412,239</u>
	<u>412,239</u>	<u>528,102</u>

Image & Print Group Ltd

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2003

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

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	50,000	50,000	14,594	8,756
Between one and five years	-	-	89,424	43,102
	<u>50,000</u>	<u>50,000</u>	<u>104,018</u>	<u>51,858</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2003	2002
	£	£
Bank loans	97,222	180,555
Other creditors	-	112,513
	<u>97,222</u>	<u>293,068</u>

The Royal Bank of Scotland Limited hold a floating charge over the whole of the company's assets and an unlimited inter-company guarantee.

Royal Bank Invoice Finance Limited hold a floating charge over the whole of the company's assets.

15. PROVISIONS FOR LIABILITIES AND CHARGES

	2003	2002
	£	£
Deferred tax	<u>82,655</u>	<u>97,303</u>
	Deferred tax	
	£	
Balance at 1 September 2002	97,303	
Timing differences	(14,648)	
Balance at 31 August 2003	<u>82,655</u>	
Deferred tax provision		
	2003	2002
	£	£
Accelerated capital allowances	<u>82,655</u>	<u>97,303</u>
	<u>82,655</u>	<u>97,303</u>

Image & Print Group Ltd

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2003

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

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

17. ULTIMATE PARENT COMPANY

The directors are of the opinion that the company's ultimate holding company is IPG Holdings Ltd, a company registered in Scotland.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	<u>188,548</u>	<u>261,944</u>
Net addition to shareholders' funds	188,548	261,944
Opening shareholders' funds	<u>1,149,090</u>	<u>887,146</u>
Closing shareholders' funds	<u>1,337,638</u>	<u>1,149,090</u>
Equity interests	<u>1,337,638</u>	<u>1,149,090</u>