

Park Mill Business Forms Limited

Report and Accounts

30 April 1994

Registered Number: 2814431

 ERNST & YOUNG



Park Mill Business Forms Limited

COMPANY INFORMATION

DIRECTORS

B Loane
J Coll
P Crean
I Black
S Greaves
J Wassell

SECRETARY

P Crean

REGISTERED OFFICE

Darley Buildings
Wellington Road
Burton upon Trent
Staffordshire
DE14 2AD

AUDITORS

Ernst & Young
Windsor House
3 Temple Row
Birmingham B2 5LA

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 30 April 1994.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £723,000. The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The company was incorporated on 22 April 1993.

On 22 July 1993, the company acquired the business and assets of Waddington Business Forms from John Waddington plc by means of a loan from the parent undertaking.

With effect from 23 July 1993, the company commenced trading. Its principal activity is that of design, manufacture and distribution of business forms, labels and system print products.

The business has returned to profitability and the directors are satisfied with the trading performance. Continued improvements to results are expected in the coming year.

DIRECTORS

The following members of the board held office during the year:

B Loane	(appointed 30 April 1993)
P Crean	(appointed 30 April 1993)
J Coll	(appointed 30 April 1993)
K Walton	(appointed 23 July 1993, resigned 9 December 1994)
S Griffiths	(appointed 23 July 1993, resigned 30 November 1994)
I Black	(appointed 1 October 1993)
L Warriner	(appointed 23 July 1993, resigned 27 August 1993)
G Gurling	(appointed 23 July 1993, resigned 29 October 1993)
D Reading	(appointed 22 April 1993, resigned 30 April 1993)

None of the directors has a beneficial interest in any significant contract to which the company was a party during the year.

J Wassell and S Greaves were appointed directors on 29 July 1994 and I Wells was appointed to the board on 8 August 1994. I Wells resigned on 7 March 1995.

B Loane, J Coll and P Crean are directors of the company's ultimate parent undertaking Adare Printing Group plc, and their interests in shares in Adare Printing Group plc are disclosed in that company's accounts. There are no other interests requiring disclosure under the Companies Act 1985.

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued. Regular meetings are held between management and employees to allow a free flow of information and ideas.

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

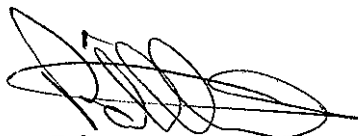
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts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

AUDITORS

Ernst & Young were appointed auditors on 13 June 1994 and in accordance with Section 384 of the Companies Act 1985, a resolution proposing their re-appointment will be put to the Annual General Meeting.

On behalf of the board



P Crean
Secretary

30 May 1995

REPORT OF THE AUDITORS
to the members of Park Mill Business Forms Limited

We have audited the accounts on pages 5 to 15, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

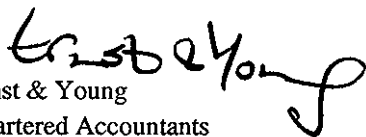
Basis of opinion

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 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 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 as at 30 April 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Chartered Accountants
Registered Auditor
Birmingham
30 May 1995

Park Mill Business Forms Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 April 1994

	<i>Notes</i>	<i>1994 £000</i>
TURNOVER	2	15,607
Cost of sales		10,646
GROSS PROFIT		4,961
Distribution costs		654
Administration costs		3,285
OPERATING PROFIT		1,022
Interest payable		13
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,009
Taxation on profit on ordinary activities	4	285
PROFIT FOR THE FINANCIAL YEAR	13	724

A statement of movements on reserves is given in note 13.

Park Mill Business Forms Limited

BALANCE SHEET

at 30 April 1994

	Notes	1994 £000
FIXED ASSETS		
Tangible assets	6	3,754
CURRENT ASSETS		
Stocks	7	1,811
Debtors	8	4,101
Cash at bank and in hand		594
		6,506
CREDITORS: amounts falling due within one year	9	6,086
NET CURRENT ASSETS		420
TOTAL ASSETS LESS CURRENT LIABILITIES		4,174
CREDITORS: amounts falling due after more than one year	10	1,326
Provisions for liabilities and charges	11	1,228
		1,620
CAPITAL AND RESERVES		
Called up share capital	12	-
Capital reserve	13	896
Profit and loss account	13	724
		1,620


P Crean - Director

30 May 1995

Park Mill Business Forms Limited

at 30 April 1994

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than the profit retained for the year as shown on page 5.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There are no amounts recorded in the profit and loss account that relate to revalued assets and therefore the result in the profit and loss account is the same as the result on an unmodified historical cost basis.

NOTES TO THE ACCOUNTS

for the year ended 30 April 1994

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Depreciation

The cost or valuation of fixed assets is written off by equal instalments over their expected useful lives as follows:

Leasehold improvements	-	period of lease
Plant and machinery	-	10 years
Equipment	-	5 years
Motor vehicles	-	4 years

Depreciation is charged on new assets three months after satisfactory commissioning.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost, including a proportion of the appropriate manufacturing overheads, and net realisable value after making due allowance for any obsolete or slow moving items. Net realisable value comprises the actual or estimated selling price (net of trade discounts) less all further cost to be incurred in marketing, selling and distribution.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Leasing

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pension contributions

Pension contributions under the company's defined contribution schemes are charged to the profit and loss account as they become payable under the scheme's rules.

Cash flow statement

The company is not required to produce a cash flow statement. It is a wholly owned indirect subsidiary undertaking of Adare Printing Group plc which prepares a consolidated cash flow statement as required under FRS 1.

2. TURNOVER

Turnover represents the total amount, less value added tax, receivable by the company for goods supplied as principal during the period.

Turnover is wholly derived from the company's principal activity and arises within the United Kingdom.

All turnover and operating profit is attributable to continuing operations.

Park Mill Business Forms Limited

NOTES TO THE ACCOUNTS

for the year ended 30 April 1994

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

1994
£000

Profit on ordinary activities before taxation
is stated after charging:

Profit on sale of fixed assets	15
Depreciation of tangible fixed assets	630
Auditors remuneration	
- audit	17
- other services	3
Operating lease rentals	
- property	47
- other plant and equipment	225
	<u>225</u>

4. TAXATION

The taxation charge on profit for the year is comprised as follows:

1994
£000

United Kingdom corporation tax:	
On the profit for the year at 33%	465
Deferred taxation credit	(180)
	<u>285</u>

5. DIRECTORS AND EMPLOYEES

The average number of persons (including directors) employed by the company during the year was:

1994
Number

Production	145
Administration	132
	<u>277</u>

1994
£000

Staff costs (for above persons):	
Wages and salaries	3,697
Social security costs	359
Other pension costs	14
	<u>4,070</u>

Park Mill Business Forms Limited

NOTES TO THE ACCOUNTS

for the year ended 30 April 1994

5. DIRECTORS AND EMPLOYEES *(continued)*

The remuneration paid to directors was:

1994
£000

Emoluments	162
Compensation for loss of office	38
	<u>200</u>

Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to:

	1994 £000
The Chairman	Nil
The highest paid director	<u>40</u>

The number of directors, other than directors who discharged their duties mainly or wholly outside the United Kingdom, who received fees and other emoluments (excluding pension contributions) falling within the following bands:

	1994 <i>No. of directors</i> £
£ 0 - £5,000	4
£ 5,001 - £10,000	1
£15,001 - £20,000	1
£25,001 - £30,000	1
£35,001 - £40,000	1
£40,001 - £45,000	<u>1</u>

Three of the directors are also directors of other group companies. The directors do not believe that it is practical to apportion their emoluments between their services as directors of the company and their services as directors of other group undertakings. The above disclosure therefore assumes their emoluments to be nil.

Park Mill Business Forms Limited

NOTES TO THE ACCOUNTS

for the year ended 30 April 1994

6. TANGIBLE FIXED ASSETS

	<i>Leasehold improvements £000</i>	<i>Plant & machinery £000</i>	<i>Motor vehicles £000</i>	<i>Equipment £000</i>	<i>Total £000</i>
Cost:					
Purchase of business	-	9,279	300	926	10,505
Additions	181	593	-	42	816
Disposals	-	(700)	(53)	(18)	(771)
At 30 April 1994	181	9,172	247	950	10,550
Depreciation:					
Purchase of business	-	6,075	244	584	6,904
Charge for the year	-	515	17	98	630
Eliminated on disposals	-	(671)	(52)	(14)	(738)
At 30 April 1994	-	5,919	209	668	6,796
Net book value: 30 April 1994	181	3,253	38	282	3,754

7. STOCKS

	<i>1994 £000</i>
Raw materials	271
Work in progress	460
Finished goods	1,080
	1,811

8. DEBTORS

	<i>1994 £000</i>
Trade debtors	3,973
Amounts owed by fellow group undertakings	3
Prepayments and other debtors	125
	4,101

Park Mill Business Forms Limited

NOTES TO THE ACCOUNTS

for the year ended 30 April 1994

9. CREDITORS

	1994
	£000
Amounts falling due within one year	
Trade creditors	3,725
Amounts owed to parent undertaking	789
Amounts owed to fellow group undertakings	31
Corporation tax	465
Other taxation and social security	522
Other creditors	170
Accruals	384
	<u>6,086</u>

10. CREDITORS

	1994
	£000
Amounts falling due after more than one year	
Amounts owed to parent undertaking	1326

11. PROVISIONS FOR LIABILITIES AND CHARGES

	1994
	£000
Acquisition provisions	515
Deferred taxation	713
	<u>1,228</u>
Acquisition provisions:	
Arising on purchase of business (see note 16)	1,775
Utilised in the year	1,260
At 30 April 1994	<u>515</u>
Deferred taxation:	

Deferred taxation provided in the accounts and the potential liability are as follows:

	Potential liability	Provided
	1994	1994
	£000	£000
Accelerated capital allowances	1,007	922
Other timing differences	209	209
	<u>798</u>	<u>713</u>

Park Mill Business Forms Limited

NOTES TO THE ACCOUNTS

for the year ended 30 April 1994

12. CALLED UP SHARE CAPITAL

	1994 £
Authorised 1,000 ordinary shares of £1 each	1,000
Allotted, called up and fully paid 2 ordinary shares of £1 each	2

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Capital reserve £000</i>	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
Incorporation, 22 April 1993	-	-	-	-
At 1 May 1993	-	-	-	-
Arising on purchase of business	896	-	-	896
Profit for the year	-	-	724	724
At 30 April 1994	896	-	724	1,620

14. FUTURE COMMITMENTS

Revenue:

The company has future revenue commitments for the annual payment of operating lease rentals on leases which expire:

	<i>Property £000</i>	<i>1994 Other £000</i>
Within one year	33	69
Two to five years	-	76
Over five years	6	-
	39	145

Park Mill Business Forms Limited

NOTES TO THE ACCOUNTS

for the year ended 30 April 1994

15. PENSION ARRANGEMENTS

The company operates a defined benefit pension scheme. The net assets of the scheme are held in a separate trustee administered fund. The pension cost for the year has been assessed in accordance with the advice of a professionally qualified actuary. Formal valuations are carried out triennially and the latest valuation was carried out at 6 April 1991 using the projected unit credit method. The principal assumptions adopted were that the investment return would be 2% higher than annual salary increases and 6% higher than the level of pension increases.

The market value of the fund was £8,662,000 at 6 April 1991 and the actuarial value of the assets was sufficient to cover the benefits that had accrued to members. The funding level expressed as a percentage of accrued benefits was 143% and the surplus is being recognised over the remaining service lives of current employees. Accrued pension costs, representing the difference between contributions paid and the charge in the profit and loss account amounted to £14,000.

16 PURCHASE OF BUSINESS

On 22 July 1993 the company acquired the business and certain assets and liabilities of Waddington Business Forms. Details of the net assets acquired and consideration are as follows:

	<i>Book value £000</i>	<i>Accounting policies £000</i>	<i>Revaluation £000</i>	<i>Provisions £000</i>	<i>Fair value £000</i>
Tangible fixed assets	3,601	-	-	-	3,601
Stocks	2,966	(285) (a)	(284) (b)	-	2,397
Debtors	3,872	-	(129) (b)	-	3,743
Cash	5	-	-	-	5
Creditors	(4,836)	-	(20) (b)	(1,775) (c)	(6,631)
Taxation	-	-	-	(893) (d)	(893)
	<u>5,608</u>	<u>(285)</u>	<u>(433)</u>	<u>(2,668)</u>	<u>2,222</u>
Consideration					1,326
Capital reserve arising					<u>896</u>

(a) Consumable stocks written off.

(b) Write down of net assets following reassessment of realisable value.

(c) Provisions for redundancy and reorganisation.

(d) Timing differences arising from fair value adjustments giving rise to a net deferred tax liability.

17. CONTINGENT LIABILITIES

The company is a party to cross guarantees with certain fellow subsidiary undertakings and its parent undertakings. Its assets are subject to fixed and floating charges through a Mortgage Debenture.

NOTES TO THE ACCOUNTS

for the year ended 30 April 1994

18. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Adare Printing Group plc, a company incorporated in the Republic of Ireland.

Copies of the parent's consolidated financial statements may be obtained from 10 Herbert Place, Dublin 2.