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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000
FOR
SPEED PRINT TECHNOLOGY LIMITED



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SPEED PRINT TECHNOLOGY LIMITED
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SPEED PRINT TECHNOLOGY LIMITED

COMPANY INFORMATION

DIRECTORS:

P Kellard
R D S Gaston

SECRETARY:

N A May

REGISTERED OFFICE:

Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire SP1 1BG

REGISTERED NUMBER:

03462781

AUDITORS:

Smith & Williamson
Chartered Accountants
Registered Auditors
Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire SP1 1BG

SPEED PRINT TECHNOLOGY LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the audited financial statements of the company for the year ended 31 December 2000.

Principal Activity

The principal activity of the company in the year under review continued to be that of the design and manufacture of special purpose machines.

Review Of Business And Future Development

The results for the year and financial position of the company at the year end are as shown in the annexed financial statements.

The company continues to invest heavily in product engineering and increased worldwide marketing activity in order to establish its presence in the electronics marketplace.

A significant improvement in turnover has been achieved over the previous year amounting to nearly 60%. This has led in turn to a considerable reduction in the level of losses incurred in 1999. The company expects these losses to continue to be reduced until profitability is achieved. In the meantime, the parent company will continue to support Speed Print Technology Limited.

Dividends And Transfers To Reserves

The directors do not recommend the payment of a dividend for the year ended 31 December 2000 (1999: £nil).

The retained loss transferred to reserves will be £404,018 (1999: £679,930).

Research And Development Activities

The company is committed to research and development activities in order to continue to expand and develop its product range and market share. None of this expenditure is capitalised and £294,370 (1999: £179,498) of costs attributable to research and development have been written off in the year.

Directors And Their Interests

The directors of the company in office during the year were P Kellard and R D S Gaston.

Neither director held any beneficial interest in the issued share capital of the company at 31 December 2000 or at 31 December 1999.

P Kellard's beneficial interest in the issued share capital of the holding company, Blakell Europlacer Limited, is shown in that company's financial statements.

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.

SPEED PRINT TECHNOLOGY LIMITED

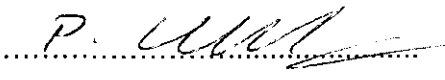
REPORT OF THE DIRECTORS

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.

Auditors

The auditors, Smith & Williamson, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

SIGNED ON BEHALF OF THE BOARD BY:

P Kellard 
Director

Dated 17/7/01

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SPEED PRINT TECHNOLOGY LIMITED**

We have audited the accounts of Speed Print Technology Limited for the year ended 31 December 2000 on pages 5 to 12. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on pages 2-3, the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we became aware of any apparent misstatements within it.

Basis of 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 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 the company's affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Smith & Williamson

SMITH & WILLIAMSON

Chartered Accountants
Registered Auditors
Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire SP1 1BG

Dated: 18 July 2001

SPEED PRINT TECHNOLOGY LIMITED

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2000**

		2000	1999
	Notes	£	£
TURNOVER	2	1,442,147	915,451
Cost of sales		(1,097,382)	(978,449)
		<hr/>	<hr/>
GROSS PROFIT		344,765	(62,998)
Administrative expenses		(749,097)	(599,555)
		<hr/>	<hr/>
OPERATING LOSS		(404,332)	(662,553)
Interest receivable & similar income	5	13,531	17
Interest payable & similar charges	6	(13,217)	(17,394)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(404,018)	(679,930)
Tax on loss on ordinary activities	7	-	-
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR		(404,018)	(679,930)
RETAINED LOSS BROUGHT FORWARD		(1,217,633)	(537,703)
RETAINED LOSS CARRIED FORWARD		(1,621,651) =====	(1,217,633) =====

CONTINUING OPERATIONS

All of the companies operations are classed as continuing. There were no acquisitions or discontinued operations during the current year or previous year.

TOTAL RECOGNISED GAINS & LOSSES

The company had no recognised gains or losses other than the loss for the current year and previous year.

The notes form part of the financial statements

SPEED PRINT TECHNOLOGY LIMITED

BALANCE SHEET As at 31 December 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	8		5,009		16,532
CURRENT ASSETS					
Stocks	9	673,912		733,631	
Debtors	10	274,562		374,029	
Cash at bank and in hand		17,718		23	
		<u>966,192</u>		<u>1,107,683</u>	
CREDITORS: Amounts falling due within one year	11	(317,125)		(2,340,848)	
		<u></u>		<u></u>	
NET CURRENT ASSETS/(LIABILITIES)			649,067		(1,233,165)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>654,076</u>		<u>(1,216,633)</u>
CREDITORS: Amounts falling due after more than one year	12		(2,274,727)		-
			<u>(1,620,651)</u>		<u>(1,216,633)</u>
			=====		=====
CAPITAL & RESERVES					
Called up share capital	16		1,000		1,000
Profit & loss account			(1,621,651)		(1,217,633)
SHAREHOLDERS FUNDS	17		<u>(1,620,651)</u>		<u>(1,216,633)</u>
			=====		=====

SIGNED ON BEHALF OF THE BOARD BY:

P Kellard
Director

P. Kellard

Approved by the Board on *17/7/01*

The notes form part of the financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2000**

1. ACCOUNTING POLICIES

Accounting convention

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

The company has, at 31 December 2000, net liabilities of £1,620,651. The company is reliant on the support of its holding company, Blakell Europlacer Limited. The extent of the holding company's support is disclosed in the notes to the financial statements. *Blakell Europlacer Limited has confirmed that this support will be continued and that the company will not seek repayment of the balance outstanding in preference to other creditors of Speed Print Technology Limited.* The financial statements have therefore been prepared on the going concern basis.

Cash flow statement

The company has taken advantage of the exemption conferred in Financial Reporting Standard No 1 (revised) and accordingly has not prepared a cash flow statement. A consolidated cash flow statement is included in the financial statements of Blakell Europlacer Limited, the holding company.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following rates in order to write off the cost of each asset, less its residual value, over the expected useful economic life of the asset:

Plant and machinery	-	15% on reducing balance
Office equipment	-	15% on reducing balance
Motor vehicle	-	25% on reducing balance

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production and calculated on an average basis.

Research and development expenditure

Costs incurred in research and development activities are charged to the profit and loss account in the period in which they are incurred.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pension Costs

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating leases

Payments made under operating lease agreements recharged to the company are charged to the profit and loss account in the period in which they are incurred.

SPEED PRINT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2000

2. TURNOVER

The turnover and loss before taxation are attributable to the principal activity of the company as stated on page 2.

3. STAFF COSTS AND NUMBERS

	2000	1999
	£	£
Wages and salaries	301,765	264,818
Social security costs	27,710	26,411
Other pension costs	6,760	2,488
	-----	-----
	336,235	293,717
	=====	=====

The average monthly number of employees of the company (including directors) during the year was as follows:

	2000	1999
	No.	No.
Directors	2	2
Management and administration	14	13
	---	---
	16	15
	==	==

4. OPERATING LOSS

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

	2000	1999
	£	£
Depreciation - owned assets	14,843	3,381
Operating lease costs – land and buildings	1,217	15,650
Operating lease costs – other	10,070	8,052
Hire of plant and machinery	556	20
Research and development costs	294,370	179,498
Auditors' remuneration	5,202	3,500
Auditors' non-audit remuneration	2,650	2,058
Exchange rate differences	12,346	(17)
	=====	=====

There were no directors to whom retirement benefits are accruing under money purchase pension schemes or received (1999 £ nil).

No directors received any emoluments during the year (1999 £ nil).

SPEED PRINT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2000**

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Interest receivable	1,185	-
Foreign exchange gains	12,346	17
	<u>13,531</u>	<u>17</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On bank loans and overdrafts	13,217	17,094
Other interest	-	293
Discounts allowed	-	7
	<u>13,217</u>	<u>17,394</u>

7. TAXATION

There is no tax charge on the loss on ordinary activities for the current and previous year.

8. TANGIBLE FIXED ASSETS

	Plant and machinery	Office equipment	Motor vehicles	Total
	£	£	£	£
COST:				
As at 1 January 2000	6,176	12,064	5,255	23,495
Additions	3,320	-	-	3,320
	<u>9,496</u>	<u>12,064</u>	<u>5,255</u>	<u>26,815</u>
As at 31 December 2000	9,496	12,064	5,255	26,815
DEPRECIATION:				
As at 1 January 2000	1,564	3,100	2,299	6,963
Charge for the year	5,140	8,964	739	14,843
	<u>6,704</u>	<u>12,064</u>	<u>3,038</u>	<u>21,806</u>
As at 31 December 2000	6,704	12,064	3,038	21,806
NET BOOK VALUE:				
As at 31 December 2000	2,792	-	2,217	5,009
As at 31 December 1999	4,612	8,964	2,956	16,532

SPEED PRINT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2000**

9. STOCKS

	2000 £	1999 £
Raw materials and consumables	178,749	329,828
Work-in-progress	173,354	45,630
Finished goods and goods for re-sale	321,809	358,173
	-----	-----
	673,912	733,631
	=====	=====

10. DEBTORS

	2000 £	1999 £
Trade debtors	166,635	184,194
Amounts owed by group undertakings:		
- Blakell North America Inc.	20,565	110,854
- Blakell Europlacer (INTL)Ltd	32,896	-
- Sovereign Technology SARL	16,215	15,210
Other debtors	822	60,211
Prepayments and accrued income	2,495	3,560
Other tax and social security	34,934	-
	-----	-----
	274,562	374,029
	=====	=====

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

	2000 £	1999 £
Bank loans and overdrafts (note 13)	-	246,117
Trade creditors	291,890	449,737
Amounts owed to group undertakings:		
- Blakell Europlacer Limited	-	1,564,341
Other taxes and social security	5,786	9,181
Other creditors	-	5,023
Accruals and deferred income	19,449	66,449
	-----	-----
	317,125	2,340,848
	=====	=====

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

Amounts owed to group undertakings:		
Blakell Europlacer Limited	2,274,727	-
	=====	=====

13. BANK LOANS AND OVERDRAFTS

An analysis of the maturity of the bank loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
- Bank overdraft	-	246,117
	=====	=====

SPEED PRINT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2000

The bank overdraft is secured by an unlimited debenture dated 8 March 1999.

The company is subject to a group overdraft facility which is secured by a floating charge over the assets of certain UK group companies. At 31 December 2000, bank borrowings of the UK group companies was £446,582.

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

Deferred taxation unprovided (at 30%) in the financial statements is as follows:

	2000 £	Unprovided 1999 £
Accelerated capital allowances	(6,034)	(8,314)
Losses	(186,812)	(107,016)
	-----	-----
	(192,846)	(115,330)
	=====	=====

15. PENSION COSTS

The parent company operates a defined contribution pension scheme membership of which is open to company employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by Speed Print Technology Ltd amounted to £6,670 (1999 £2,488). There were no outstanding contributions payable to the fund at the year end.

16. SHARE CAPITAL

Authorised:

Number: Class:	Nominal value:	2000 £	1999 £
10,000 Ordinary shares	£1	10,000	10,000
		=====	=====

Allotted, issued and fully paid:

Number: Class:	Nominal value:	2000 £	1999 £
1,000 Ordinary shares	£1	1,000	1,000
		=====	=====

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Loss for the financial year	(404,018)	(679,930)
Opening shareholders' funds	(1,216,633)	(536,703)
	-----	-----
Closing shareholders' funds	(1,620,651)	(1,216,633)
	=====	=====
All in respect of equity interests.		

SPEED PRINT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2000**

18. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2000 or 31 December 1999.

19. OTHER FINANCIAL COMMITMENTS

There were no other financial commitments at 31 December 2000 or at 31 December 1999.

20. RELATED PARTY TRANSACTIONS

Exemption has been taken from disclosing related party transactions in respect of group companies on the grounds that details of the subsidiary company are included in publicly available consolidated financial statements of Blakell Europlacer Limited, the holding company.

21. ULTIMATE PARENT COMPANY

The ultimate parent company, and controlling party, is Blakell Europlacer Limited, a company incorporated in England & Wales. Copies of the consolidated financial statements can be obtained from the registered office of that company:

The Company Secretary
Blakell Europlacer Limited
Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire
SP1 1BG