

FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 1998  
FOR  
SPEED PRINT TECHNOLOGY LIMITED



SPEED PRINT TECHNOLOGY LIMITED  
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SPEED PRINT TECHNOLOGY LIMITED

COMPANY INFORMATION

DIRECTORS: P Kellard  
R D S Gaston

SECRETARY: R D Watts

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 period ended 31 December 1998.

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of the design and manufacture of special purpose machines.

### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

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

The company was incorporated on 10 November 1997. The entire issued share capital of the company was purchased by Blakell Europlacer Limited on 9 September 1998. These financial statements represent the company's first thirteen months of trading.

Despite the significant loss, the directors are satisfied with the result for the period and are confident that the level of activity will significantly increase in the forthcoming year as the company's products command a greater share of the market. In the meantime, the parent company will continue to support Speed Print Technology Limited during its initial years of development.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend the payment of a dividend for the period ended 31 December 1998.

The retained loss transferred to reserves will be £537,703.

### **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 £363,369 of costs attributable to design and development have been written off in the year.

### **DIRECTORS AND THEIR INTERESTS**

The directors of the company in office during the period were:

A E Tucker	(appointed 10 November 1997; resigned 9 September 1998)
R A F Long	(appointed 10 November 1997; resigned 9 September 1998)
R Evans	(appointed 29 January 1998; resigned 9 September 1998)
T M Ruddock	(appointed 1 April 1998; resigned 9 September 1998)
P Kellard	(appointed 9 September 1998)
R D S Gaston	(appointed 9 September 1998)

The directors holding office at 31 December 1998 did not hold any beneficial interest in the issued share capital of the company. P Kellard's beneficial interest in the holding company, Blakell Europlacer Limited, is shown in that company's financial statements.

SPEED PRINT TECHNOLOGY LIMITED

REPORT OF THE DIRECTORS

YEAR 2000 COMPLIANCE

The directors have identified the key risks to the business and have developed a plan to minimise their impact. They have considered not only their own systems but also those of their major suppliers and customers. Although no organisation can guarantee that no year 2000 problems will arise, they believe that, having identified and removed the major risks to the business in accordance with the plan they have developed, it will be possible to quickly resolve any such problems as may arise without significant additional costs.

New computer equipment at a cost of £5,473 was purchased and capitalised during the period under review. It is not believed there will be any year 2000 compliance risks associated with these items and no costs regarding compliance are envisaged to be incurred in the forthcoming year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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.

AUDITORS

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

ON BEHALF OF THE BOARD:

P Kellard  
Director



Dated: 15/1/99

**SPEED PRINT TECHNOLOGY LIMITED**

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

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 7 and 8.

**Respective responsibilities of directors and auditors**

As described on page 3, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements 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 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 1998 and of its loss for the period 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: 19.11.99

**SPEED PRINT TECHNOLOGY LIMITED**

**PROFIT AND LOSS ACCOUNT  
for the Period Ended 31 December 1998**

	Notes	Period ended 31 December 1998 £
<b>TURNOVER</b>	2	2,093,710
Cost of sales		(1,517,248) -----
<b>GROSS PROFIT</b>		576,462
Administrative expenses		(1,172,275)
Other operating income		65,000 -----
<b>OPERATING LOSS</b>	4	(530,813)
Interest payable and similar charges	5	(6,890) -----
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(537,703)
Tax on loss on ordinary activities	6	- -----
<b>LOSS FOR THE FINANCIAL PERIOD</b>		£(537,703) =====

**CONTINUING OPERATIONS**

All of the company's activities are classed as continuing.

**TOTAL RECOGNISED GAINS AND LOSSES**

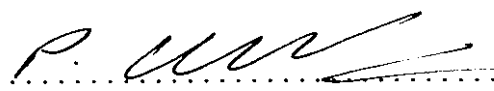
The company had no recognised gains or losses other than the loss for the current period.

**SPEED PRINT TECHNOLOGY LIMITED**

**BALANCE SHEET**  
As at 31 December 1998

	Notes	1998	
		£	£
<b>FIXED ASSETS:</b>			
Tangible assets	7		18,737
<b>CURRENT ASSETS:</b>			
Stocks	9	194,014	
Debtors	10	298,249	
Cash at bank and in hand		296	
		-----	
		492,559	
<b>CREDITORS: Amounts falling due within one year</b>	11	(1,047,999)	
		-----	
<b>NET CURRENT LIABILITIES</b>			(555,440)
			-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			£ (536,703)
			=====
<b>CAPITAL AND RESERVES:</b>			
Called up share capital	14		1,000
Profit and loss account			(537,703)
			-----
<b>SHAREHOLDERS' FUNDS</b>	18		£ (536,703)
			=====

ON BEHALF OF THE BOARD:

P Kellard .....   
Director

Approved by the Board on .... 15/4/99.

The notes form part of these financial statements



**SPEED PRINT TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the Period Ended 31 December 1998**

**1. ACCOUNTING POLICIES**

**Accounting convention**

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

**Going concern**

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand and through financial assistance from Blakell Europlacer Limited, the holding company. The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash inflows and given the company's infancy, significant working capital is required to generate business.

The directors have prepared projected cash flow information and they consider it appropriate to prepare the financial statements on the going concern basis, given the continued financial support of its holding company.

The financial statements do not include any adjustments that would result from a withdrawal of either the overdraft facility by the company's bankers or the support of its holding company.

**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.

**Tangible fixed assets**

Depreciation is provided at the following annual 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 vehicles	-	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.

**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.

SPEED PRINT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the Period Ended 31 December 1998

**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.

2. **TURNOVER**

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

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

3. **STAFF COSTS AND NUMBERS**

	1998 £
Wages and salaries	458,305
Social security costs	46,794
Other pension costs	8,277
	-----
	513,376
	=====

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

	1998 No.
Directors	3
Management and administration	16
	--
	19
	==

**SPEED PRINT TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the Period Ended 31 December 1998**

**4. OPERATING LOSS**

The operating loss is stated after charging:

	1998 £
Depreciation - owned assets	3,582
Operating lease costs	24,920
Hire of equipment	6,195
Auditors' remuneration	4,000
Auditors' non-audit remuneration	-
Previous auditors' remuneration	4,781
	=====
Directors' emoluments (including estimated monetary value of benefits in kind)	159,640
Company contributions paid to money purchase pension schemes	8,277
	=====

The number of directors to whom retirement benefits are accruing under money purchase pension schemes is 3.

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	1998 £
On bank loans and overdrafts	6,222
Other interest	668
	-----
	6,890
	=====

**6. TAXATION**

There is no tax charge on the loss on ordinary activities for the current period.

**7. TANGIBLE FIXED ASSETS**

	Plant and machinery	Office equipment	Motor vehicles	Total
	----- £	----- £	----- £	----- £
<b>COST:</b>				
Additions	5,000	12,064	5,255	22,319
	-----	-----	-----	-----
As at 31 December 1998	5,000	12,064	5,255	22,319
	-----	-----	-----	-----
<b>DEPRECIATION:</b>				
Charge for the period	750	1,518	1,314	3,582
	-----	-----	-----	-----
As at 31 December 1998	750	1,518	1,314	3,582
	-----	-----	-----	-----
<b>NET BOOK VALUE:</b>				
As at 31 December 1998	4,250	10,546	3,941	18,737
	=====	=====	=====	=====

**SPEED PRINT TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the Period Ended 31 December 1998**

**8. INVESTMENTS**

Other investments  
other than loans

	-----
	£
<b>COST:</b>	
Additions	6,000
Disposals	(6,000)
	-----
As at 31 December 1998	-
	=====

The investment above relates to 20 shares in Autotex Limited which were purchased and sold at nil gain/loss during the period.

**9. STOCKS**

	1998
	£
Raw materials and consumables	61,714
Work in progress	70,300
Finished goods and goods for re-sale	62,000
	-----
	194,014
	=====

**10. DEBTORS**

	1998
	£
Trade debtors	288,247
Prepayments and accrued income	10,002
	-----
	298,249
	=====

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

	1998
	£
Bank loans and overdrafts (note 12)	233,037
Trade creditors	386,143
Amounts owed to group undertakings:	
- Blakell Europlacer Limited	359,323
Other taxes and social security	35,104
Accruals and deferred income	34,392
	-----
	1,047,999
	=====

SPEED PRINT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the Period Ended 31 December 1998

12. **BANK LOANS AND OVERDRAFTS**

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

	1998
	£
Amounts falling due within one year or on demand:	
Bank overdraft	233,037
	=====

The bank overdraft is secured by an unscheduled mortgage debenture dated 23 March 1998 incorporating automatic right of set off.

13. **PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred taxation unprovided in the financial statements is as follows:

	Unprovided 1998 £
Accelerated capital allowances	804
	=====

The liability has been calculated at 31%. Deferred tax has not been provided for as there are tax losses available.

14. **SHARE CAPITAL**

Authorised:			
Number:	Class:	Nominal value:	1998 £
10,000	Ordinary shares	£1	10,000
			=====
Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	1998 £
1,000	Ordinary shares	£1	1,000
			=====

The company allotted and issued 1,000 ordinary £1 shares on 10 November 1997.

SPEED PRINT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the Period Ended 31 December 1998

15. **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 the ultimate parent company.

16. **CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 1998.

17. **OTHER FINANCIAL COMMITMENTS**

There were no other financial commitments at 31 December 1998.

18. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1998 £
Loss for the financial period	(537,703)
Issue of shares	1,000
	-----
<b>NET REDUCTION IN SHAREHOLDERS' FUNDS</b>	<b>(536,703)</b>
Opening shareholders' funds	-
	-----
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>(536,703)</b>
	=====
All in respect of equity interests.	

19. **OPERATING LEASES**

The company is committed to making the following payments within the forthcoming accounting year for operating leases which expire as follows:

	Other -----
Within two to five years	15,068
	=====

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 the consolidated financial statements of Blakell Europlacer Limited, the holding company.