

FAIRFIELD PRINT LIMITED

(Registered in England No. 2936412)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31ST MAY 1996

**Leslie A Ward & Partners
151 Putney High Street
Putney
London SW15 1TA**



FAIRFIELD PRINT LIMITED
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31ST MAY 1996

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FAIRFIELD PRINT LIMITED

DIRECTORS AND OFFICIALS

<u>Directors</u>	Mr.D. Jarman (Chairman) Mr.D.J. Hissey Mr.J.R.Brooks Mr.B.R.King
<u>Secretary</u>	Mr.D.Jarman
<u>Registered Office</u>	Midas House Columbus Drive Southwood Farnborough Hampshire GU14 0NZ
<u>Bankers</u>	Barclays Bank Plc. Fleet Branch 255 Fleet Road Fleet, Aldershot Hampshire GU13 8BS
<u>Auditors</u>	Messrs.Leslie A.Ward & Partners 151 Putney High Street Putney London SW15 1TA

REPORT OF THE DIRECTORS FOR THE PERIOD TO 31ST MAY 1996

The Directors have pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the period from 1st July 1995 to 31st May 1996

(1) 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.

(2) Principal Activities

During the period under review, the Company has been engaged as trade and retail printers.

(3) Directors

The Directors of the Company and their interests in the Issued Share Capital of the Company throughout the period under review were as follows :

	<u>Ordinary Shares of £1 each</u>	
	<u>At 31st May</u>	<u>At 30th June</u>
	<u>1996</u>	<u>1995</u>
Mr B R King	49	49
Midas Xpress Printing Centres Limited (Messrs. D Jarman and D J Hissey are Directors of the Holding Company)	<u>51</u>	<u>51</u>
	<u>100</u>	<u>100</u>

(4) Holding Company

Midas Xpress Printing Centres Limited is a Company incorporated in the United Kingdom.

(5) Trading Results

The Results for the period under review is set out on page 4.

(6) Dividend Recommendation

The Directors do not propose the payment of a dividend for the period under review

(7) Taxation

The "Close Company" provisions of the Taxes Acts apply to the Company.

(8) Auditors

Messrs. Leslie A.Ward & Partners, Chartered Accountants, have indicated their willingness to continue in office and a Resolution for their reappointment will be proposed at the Company's Annual General Meeting.

By Order of the Board

D. Jarman, Chairman and Company Secretary

5th July 1996

AUDITORS REPORT TO THE MEMBERS OF
FAIRFIELD PRINT LIMITED

We have audited the Financial Statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.


RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS As described in the Directors Report on Page 2, 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 Accounting 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 affairs of the Company at 31st May 1996 and of the Profit and Cash flow of the Company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

151 Putney High Street,
Putney,
London SW15 1TA
5th July 1996



Leslie A. Ward & Partners
Chartered Accountants
Registered Auditor

FAIRFIELD PRINT LIMITEDPROFIT AND LOSS ACCOUNT FOR THE ELEVEN MONTHS TO 31ST MAY 1996

	<u>Eleven Months to 31st May 1996</u>	<u>Period to 30th June 1995</u>
	£	£
<u>TURNOVER</u> , Being Invoiced Sales to Customers	94,751	87,887
<u>LESS DIRECT COST OF SALES</u>	<u>(92,585)</u>	<u>(86,869)</u>
<u>GROSS PROFIT ON TRADING</u>	2,166	1,018
<u>LESS ADMINISTRATION AND OVERHEAD EXPENSES</u>	<u>(1,708)</u>	<u>(1,383)</u>
<u>NET PROFIT (LOSS) ON ORDINARY ACTIVITIES FOR THE PERIOD BEFORE TAXATION</u>	458	(365)
<u>LESS PROVISION FOR TAXATION</u>	<u>(23)</u>	<u>-</u>
<u>NET PROFIT (LOSS) FOR THE PERIOD AFTER TAXATION</u>	435	(365)
<u>RETAINED PROFITS (ADVERSE BALANCE) CARRIED FORWARD AT 30TH JUNE 1995</u>	<u>(365)</u>	<u>-</u>
<u>RETAINED PROFITS (ADVERSE BALANCE) CARRIED FORWARD AT 31ST MAY 1996</u>	<u>70</u>	<u>(365)</u>

All items dealt with in arriving at the net profit relate to continuing activities.

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the period.

FAIRFIELD PRINT LIMITEDBALANCE SHEET : 31ST MAY 1996

	<u>31st May 1996</u> £	<u>30th June 1995</u> £
<u>CURRENT ASSETS</u>		
Trade Debtors	24,080	12,575
Directors' Current Account	100	100
Cash at Bank	<u>2,811</u> 26,991	<u>3,841</u> 16,516
<u>LESS CREDITORS</u> , (Amounts falling due for payment within 12 months)	<u>(26,821)</u>	<u>(16,781)</u>
<u>NET ASSETS (LIABILITIES)</u>	<u>170</u>	<u>(265)</u>

Represented By :

CAPITAL AND RESERVES

<u>CALLED UP SHARE CAPITAL</u>	100	100
<u>PROFIT AND LOSS ACCOUNT (ADVERSE BALANCE)</u>	<u>70</u> <u>170</u>	<u>(365)</u> <u>(265)</u>

The attached Notes on Pages 6 and 7 form part of these Financial Statements

Approved by the Board on **5th July 1996**

D. Jarman

D.J. Hissey

} Directors

FAIRFIELD PRINT LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE ELEVEN MONTHS TO 31ST MAY 1996(1) PRINCIPAL ACCOUNTING POLICIES

The Accounting Policies adopted by the Company are set out below:

(i) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention.

(ii) Turnover, represents total invoiced sales to customers, excluding Value Added Tax.(2) NET PROFIT ON ORDINARY ACTIVITIES is stated after charging

Directors Fees	£ -
Auditors Remuneration	650
	<u>£ 650</u>

(3) TURNOVER

The whole of the Company's Turnover relates to the United Kingdom Market.

(4) SALES COMMISSIONS AND SUBCONTRACT CHARGES

Sales commissions of £23,258 (1995 : £19,627) were paid to one of the Directors. Subcontract charges were supplied by "Midas Press", "Midas Xpress Printing Centres Limited" and "Aztec Press Limited". "Midas Press" is a business owned by two of the other Directors, who are also Directors of "Midas Xpress Printing Centres Limited". One of the Directors is also a Director of "Aztec Press Limited".

(5) DIRECTORS FEES

No fees were voted to any of the Directors for the period under review. (1995 : £ Nil).

(6) STAFF

The average number of staff employed by the Company including the Directors during the period under review was 5. (1995 : 5)

FAIRFIELD PRINT LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE ELEVEN MONTHS TO 31ST MAY 1996

	<u>31st May 1996</u>	<u>30th June 1995</u>
	£	£
(7) <u>CREDITORS</u> , (Amounts falling due for payment within 12 months)		
Amount due to related company	1,946	-
Trade Creditors	23,459	15,920
Other Creditors	1,150	450
Value Added Tax	243	411
	<u>26,798</u>	<u>16,781</u>
Corporation Tax	23	-
	<u>26,821</u>	<u>16,781</u>

(8) TAXATION

Charge for the period under review, calculated at the effective rate of 25% is made up as follows :

	<u>31st May 1996</u>	<u>30th June 1995</u>
Corporation Tax payable	£ <u>23</u>	£ <u>-</u>

(9) SHARE CAPITAL

	<u>31st May 1996</u>	<u>30th June 1995</u>
Authorised Share Capital		
1,000 Ordinary Shares of £1 each	£ <u>1,000</u>	£ <u>1,000</u>
Called Up Share Capital		
100 Ordinary Shares of £1 each, fully paid	£ <u>100</u>	£ <u>100</u>

(10) FUTURE CAPITAL EXPENDITURE

No expenditure on Capital Contracts had been contracted for or authorised by the Directors at 31st May 1996. (1995 : £ Nil)

FAIRFIELD PRINT LIMITED
CASHFLOW STATEMENT
FOR THE ELEVEN MONTHS TO 31ST MAY 1996

	<u>NOTES</u>	<u>Eleven Months to</u> <u>31st May 1996</u> £	<u>Period to</u> <u>30th June 1995</u> £
Net Cash (Outflow) Inflow from Operating Activities	(1)	(1,030)	3,741
Net Cash (Outflow) Inflow before Financing		<u>(1,030)</u>	<u>3,741</u>
Financing	(4)	<u>-</u>	<u>100</u>
(Decrease) Increase in Cash and Cash Equivalents	(2)	<u>(1,030)</u>	<u>3,841</u>

FAIRFIELD PRINT LIMITEDNOTES TO THE CASHFLOW STATEMENT FOR THE ELEVEN MONTHS TO 31ST MAY 1996

	<u>Eleven Months to 31st May 1996</u>	<u>Period to 30th June 1995</u>	
	<u>£</u>	<u>£</u>	
(1) <u>Reconciliation of Operating Profit (Loss) to Net Cash (Outflow) Inflow from Operating Activities</u>			
Operating Profit (Loss)	458	(365)	
(Increase) Debtors	(11,505)	(12,675)	
Increase Creditors	<u>10,017</u>	<u>16,781</u>	
<u>Net Cash (Outflow) Inflow from Operating Activities</u>	<u>(1,030)</u>	<u>3,741</u>	
(2) <u>Analysis of changes in cash and cash equivalents during the period</u>			
Balance at 1st July 1995	3,841	-	
Net Cashflow	<u>(1,030)</u>	<u>3,841</u>	
<u>Balance at 31st May 1996</u>	<u>2,811</u>	<u>3,841</u>	
(3) <u>Analysis of balances of cash and cash equivalents as shown in the Balance Sheet</u>			
	<u>31st May 1996</u>	<u>30th June 1996</u>	<u>Change in Period</u>
Cash at Bank	<u>£2,811</u>	<u>£ 3,841</u>	<u>£(1,030)</u>
(4) <u>Analysis of changes in financing during the period</u>			
	<u>Share Capital</u>		
	<u>1996</u>	<u>1995</u>	
	<u>£</u>	<u>£</u>	
Financing at 1st July 1995	100	-	
Cashflow from financing	<u>-</u>	<u>100</u>	
<u>Financing at 31st May 1996</u>	<u>100</u>	<u>100</u>	

FAIRFIELD PRINT LIMITEDDETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THEELEVEN MONTHS TO 31ST MAY 1996

	<u>Eleven Months to</u> <u>31st May 1996</u>		<u>Period to</u> <u>30th June 1995</u>	
	£	£	£	£
<u>TURNOVER</u> : Being Invoiced Sales to Customers		94,751		87,887
<u>LESS DIRECT COSTS OF SALES</u>				
Purchase of Materials	4,279		-	
Sales Commissions	23,258		19,627	
Subcontract charges	<u>65,048</u>		<u>67,242</u>	
<u>Total Direct Costs of Sales</u>		<u>(92,585)</u>		<u>(86,869)</u>
<u>GROSS PROFIT ON TRADING</u>		2,166		1,018
<u>LESS ADMINISTRATION AND OVERHEAD EXPENSES</u>				
Directors Fees	-		-	
Audit and Accountancy charges	650		450	
Bank charges and interest	133		112	
Book keeping charges	612		629	
Delivery charges	232		-	
Postage and Stationery	63		53	
Telephone	-		127	
Sundry expenses	<u>18</u>		<u>12</u>	
<u>Total Administration and Overhead Expenses</u>		<u>(1,708)</u>		<u>(1,383)</u>
<u>NET PROFIT (LOSS) ON ORDINARY ACTIVITIES FOR</u> <u>THE PERIOD BEFORE TAXATION</u>		458		(365)
<u>LESS PROVISION FOR TAXATION</u>		<u>(23)</u>		<u>-</u>
<u>NET PROFIT (LOSS) FOR THE PERIOD</u> <u>AFTER TAXATION</u>		435		(365)
<u>RETAINED PROFITS (ADVERSE BALANCE)</u> <u>BROUGHT FORWARD AT 30TH JUNE 1995</u>		<u>(365)</u>		<u>-</u>
<u>RETAINED PROFITS CARRIED FORWARD</u> <u>AT 31ST MAY 1996</u>		<u>70</u>		<u>(365)</u>

FAIRFIELD PRINT LIMITED
FINANCIAL STATEMENTS : 31ST MAY 1996
TAXATION COMPUTATIONS

Corporation Tax Computation

Net Profit on Ordinary Activities before Taxation	£ 458
Less : Schedule D, Case I Loss brought forward	(365)
Schedule D, Case I Profit	£ 93
Corporation Tax Liability	
£ 93 @ 25%	£ 23.25

NoteSales Commissions

All Sales Commissions totalling £23,258 were paid to Mr B R King of 6 Dukes Ride, Holmwoods Park, Dorking, Surrey, RH5 4TY