

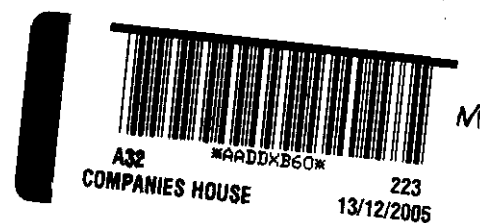
REGISTRAR

Company Registration No. 627236 (England and Wales)

ABBOTTS CREATIVE PRINT LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2005



ABBOTTS CREATIVE PRINT LIMITED

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ABBOTTS CREATIVE PRINT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2005

The directors present their report and financial statements for the year ended 31 May 2005.

Principal activities and review of the business

The principal activity of the company continues to be that of the provision of print solutions.

The directors are satisfied with the result for the year and with the state of the company's affairs.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 June 2004:

G W Carmichael

A D Carmichael

D V Creese

J A Parkin

M Pickford

D Loach

(Resigned 31 July 2004)

In accordance with the company's Articles of Association, J A Parkin and M Pickford retire by rotation and, being eligible, offer themselves for re-election.

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 May 2005	1 June 2004
G W Carmichael	-	-
A D Carmichael	-	-
D V Creese	100	100
J A Parkin	-	-
M Pickford	-	-

The directors' interests in the shares of the immediate parent company, Southesk Communications Limited, and the ultimate holding company, Southesk Holdings Limited, are disclosed in the financial statements of those companies.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Newby Castleman be reappointed as auditors of the company will be put to the Annual General Meeting.

ABBOTTS CREATIVE PRINT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

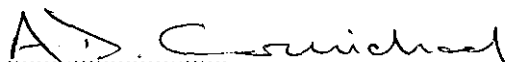
Directors' responsibilities

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.

On behalf of the board



A D Carmichael
Director

Date: 01.12.05

ABBOTTS CREATIVE PRINT LIMITED

INDEPENDENT AUDITORS' REPORT TO ABBOTTS CREATIVE PRINT LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the year ended 31 May 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit 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 considered 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 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 4 to 16 are properly prepared in accordance with that provision.



Nigel Castleman

Chartered Accountants
Registered Auditor
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Date: 01.12.05

ABBOTTS CREATIVE PRINT LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2005

	Notes	2005 £	2004 £
Gross profit		769,500	1,040,446
Distribution costs		(95,037)	(75,550)
Administrative expenses		(645,197)	(891,435)
Operating profit	3	29,266	73,461
Other interest receivable and similar income		127	99
Interest payable and similar charges	4	(42,027)	(36,368)
(Loss)/profit on ordinary activities before taxation		(12,634)	37,192
Tax on (loss)/profit on ordinary activities	5	13,615	(3,897)
Profit on ordinary activities after taxation	14	981	33,295
Retained profits brought forward		972,009	938,714
Retained profits carried forward		972,990	972,009

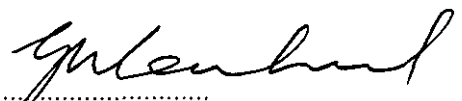
ABBOTTS CREATIVE PRINT LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MAY 2005

	Notes	£	2005 £	£	2004 £
Fixed assets					
Tangible assets	6		1,653,736		1,390,121
Current assets					
Stocks	7	67,154		68,188	
Debtors	8	1,062,300		1,162,512	
Cash at bank and in hand		27,623		130	
			1,157,077	1,230,830	
Creditors: amounts falling due within one year	9	(947,143)		(1,145,757)	
Net current assets			209,934		85,073
Total assets less current liabilities			1,863,670		1,475,194
Creditors: amounts falling due after more than one year	10		(747,472)		(382,341)
Provisions for liabilities and charges	11		(142,708)		(120,344)
			973,490		972,509
Capital and reserves					
Called up share capital	13		500		500
Profit and loss account	14		972,990		972,009
Shareholders' funds - equity interests	15		973,490		972,509

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.

The financial statements were approved by the Board on 1/12/05.....


G W Carmichael
Director


J A Parkin
Director

ABBOTTS CREATIVE PRINT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2005

	2005		2004	
	£	£	£	£
Net cash inflow from operating activities		478,549		343,548
Returns on investments and servicing of finance				
Interest received	127		99	
Interest paid	(42,027)		(36,368)	
Net cash outflow for returns on investments and servicing of finance		(41,900)		(36,269)
Taxation		-		(31,894)
Capital expenditure				
Payments to acquire tangible assets	(185,767)		(267,746)	
Receipts from sales of tangible assets	297,564		224,747	
Net cash inflow/(outflow) for capital expenditure		111,797		(42,999)
Net cash inflow before management of liquid resources and financing		548,446		232,386
Financing				
Capital element of hire purchase contracts	(283,368)		(231,378)	
Net cash outflow from financing		(283,368)		(231,378)
Increase in cash in the year		265,078		1,008

ABBOTTS CREATIVE PRINT LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2005

1	Reconciliation of operating profit to net cash inflow from operating activities			2005	2004
				£	£
	Operating profit			29,266	73,461
	Depreciation of tangible assets			249,537	328,465
	Loss/(profit) on disposal of tangible assets			113,506	(28,333)
	Decrease in stocks			1,034	4,204
	Decrease/(increase) in debtors			100,212	(65,261)
	(Decrease)/Increase in creditors within one year			(50,985)	11,528
	Group relief			35,979	19,484
	Net cash inflow from operating activities			478,549	343,548

2	Analysis of net debt	1 June 2004	Cash flow	Other non-cash changes	31 May 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	130	27,493	-	27,623
	Bank overdrafts	(237,585)	237,585	-	-
		(237,455)	265,078	-	27,623
	Bank deposits	-	-	-	-
	Debt:				
	Hire purchase contracts	(609,739)	283,369	(738,456)	(1,064,826)
	Net debt	(847,194)	548,447	(738,456)	(1,037,203)

3	Reconciliation of net cash flow to movement in net debt			2005	2004
				£	£
	Increase in cash in the year			265,078	1,008
	Cash outflow from decrease in debt and hire purchase financing			283,369	231,378
	Change in net debt resulting from cash flows			548,447	232,386
	New hire purchase contracts			(738,456)	(550,952)
	Movement in net debt in the year			(190,009)	(318,566)
	Opening net debt			(847,194)	(528,628)
	Closing net debt			(1,037,203)	(847,194)

ABBOTTS CREATIVE PRINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Computer equipment	25% per annum of cost
Plant and machinery	10% - 25% per annum of cost
Fixtures, fittings & equipment	10% per annum of net book value
Motor vehicles	25% per annum of cost

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

ABBOTTS CREATIVE PRINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

3	Operating profit	2005 £	2004 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	249,537	328,465
	Loss on disposal of tangible assets	114,022	-
	Operating lease rentals	70,483	9,922
	Auditors' remuneration	5,280	4,000
	and after crediting:		
	Profit on disposal of tangible assets	(516)	(28,333)
		<hr/>	<hr/>
4	Interest payable	2005 £	2004 £
	On bank loans and overdrafts	3,593	4,038
	Hire purchase interest	38,434	32,330
		<hr/>	<hr/>
		42,027	36,368
		<hr/>	<hr/>

ABBOTTS CREATIVE PRINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

5	Taxation	2005 £	2004 £
	Current tax		
	Receipt in respect of group relief	(35,979)	(19,484)
	Current tax charge	(35,979)	(19,484)
	Deferred tax		
	Origination and reversal of timing differences	22,364	23,381
		(13,615)	3,897
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(12,634)	37,192
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	(3,790)	11,158
	Effects of:		
	Non deductible expenses	40,196	(588)
	Depreciation add back	74,861	98,540
	Capital allowances	(144,225)	(126,957)
	Tax losses utilised	32,958	17,847
	Other tax adjustments	(35,979)	(19,484)
		(32,189)	(30,642)
	Current tax charge	(35,979)	(19,484)

ABBOTTS CREATIVE PRINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

6 Tangible fixed assets

	Computer equipment	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2004	420,317	2,012,619	174,674	134,715	2,742,325
Additions	141,490	723,348	3,245	56,140	924,223
Disposals	(136,200)	(933,537)	-	(33,596)	(1,103,333)
At 31 May 2005	425,607	1,802,430	177,919	157,259	2,563,215
Depreciation					
At 1 June 2004	385,795	833,996	82,651	49,762	1,352,204
On disposals	(136,200)	(539,265)	-	(16,798)	(692,263)
Charge for the year	49,567	153,469	9,526	36,976	249,538
At 31 May 2005	299,162	448,200	92,177	69,940	909,479
Net book value					
At 1 June 2004	34,522	1,178,623	92,023	84,953	1,390,121
At 31 May 2005	126,445	1,354,230	85,742	87,319	1,653,736

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 1 June 2004	890,625	70,430	961,055
At 31 May 2005	1,121,518	79,222	1,200,740
Depreciation charge for the year			
31 May 2004	139,019	20,444	159,463
31 May 2005	81,058	30,330	111,388

ABBOTTS CREATIVE PRINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

7	Stocks and work in progress	2005	2004
		£	£
	Raw materials and consumables	28,000	11,543
	Work in progress	22,994	26,717
	Finished goods and goods for resale	16,160	29,928
		<u>67,154</u>	<u>68,188</u>
		<u><u>67,154</u></u>	<u><u>68,188</u></u>
8	Debtors	2005	2004
		£	£
	Trade debtors	836,039	930,212
	Amounts owed by parent and fellow subsidiary undertakings	159,227	115,899
	Other debtors	4,218	19,573
	Prepayments and accrued income	62,816	96,828
		<u>1,062,300</u>	<u>1,162,512</u>
		<u><u>1,062,300</u></u>	<u><u>1,162,512</u></u>
9	Creditors: amounts falling due within one year	2005	2004
		£	£
	Bank loans and overdrafts	-	237,585
	Net obligations under hire purchase contracts	317,354	227,398
	Trade creditors	541,148	553,020
	Taxes and social security costs	31,931	29,803
	Accruals and deferred income	56,710	97,951
		<u>947,143</u>	<u>1,145,757</u>
		<u><u>947,143</u></u>	<u><u>1,145,757</u></u>

The bank overdraft is secured by an all sums debenture over the whole assets of the company.

ABBOTTS CREATIVE PRINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

10 Creditors: amounts falling due after more than one year	2005 £	2004 £
Net obligations under hire purchase contracts	747,472	382,341
Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.		
Net obligations under hire purchase contracts		
Repayable within one year	317,354	227,398
Repayable between one and five years	747,472	382,341
	1,064,826	609,739
Included in liabilities falling due within one year	(317,354)	(227,398)
	747,472	382,341

11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 June 2004	120,344
Profit and loss account	22,364
Balance at 31 May 2005	142,708

The deferred tax liability is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	142,708	120,344

12 Pension costs

Defined contribution

	2005 £	2004 £
Contributions payable by the company for the year	12,153	8,348

ABBOTTS CREATIVE PRINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

13 Share capital	2005	2004
	£	£
Authorised		
500 Ordinary shares of £1 each	500	500
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
500 Ordinary shares of £1 each	500	500
	<u> </u>	<u> </u>
14 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 June 2004		972,009
Retained profit for the year		981
		<u> </u>
Balance at 31 May 2005		972,990
		<u> </u>
15 Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Profit for the financial year	981	33,295
Opening shareholders' funds	972,509	939,214
	<u> </u>	<u> </u>
Closing shareholders' funds	973,490	972,509
	<u> </u>	<u> </u>
16 Financial commitments		
At 31 May 2005 the company had annual commitments under non-cancellable operating leases as follows:		
	2005	2004
	£	£
Expiry date:		
Between two and five years	47,229	-
	<u> </u>	<u> </u>
17 Capital commitments	2005	2004
	£	£
At 31 May 2005 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	-	540,000
	<u> </u>	<u> </u>

ABBOTTS CREATIVE PRINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

18 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	127,950	174,002
Company pension contributions to money purchase schemes	6,053	5,070
	<u>134,003</u>	<u>179,072</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2004- 3).

19 Employees

Number of employees

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

	2005 Number	2004 Number
Production	38	42
Management and administration	7	7
	<u>45</u>	<u>49</u>

Employment costs

	£	£
Wages and salaries	1,035,688	1,012,505
Social security costs	126,892	113,017
Other pension costs	12,153	8,348
	<u>1,174,733</u>	<u>1,133,870</u>

20 Ultimate parent company

The immediate parent company is Southesk Communications Limited and the ultimate holding company is Southesk Holdings Limited. Both these companies are registered in England and Wales.

Southesk Holdings Limited is controlled by G W Carmichael by virtue of his shareholding.

ABBOTTS CREATIVE PRINT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

21 Related party transactions

During the year the company paid management charges of £250,000 (2004 - £549,996) to Southesk Holdings Limited. At 31 May 2005, Southesk Holdings Limited owed the company £159,227 (2004 - £115,899).

During the year the company made sales of £nil (2004 - £34,974) to, and purchased goods and services of £nil (2004 - £5,175) from, Creativetronics Limited, a fellow subsidiary undertaking.

During the year the company made sales of £740,131 (2004 - £951,879) to, and purchased goods and services of £50,477 (2004 - £12,999) from, Key Parker Limited, a fellow subsidiary undertaking. At 31 May 2005 Key Parker Limited owed the company £260,033 (2004 - £253,536) and the company owed Key Parker Limited £32,251 (2004 - £11,751).