

LOCAL TYPESETTING AND GRAPHICS LIMITED

(Company Number 2371083)

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR TO 30 APRIL 1997**



DIRECTORS' REPORT

The Directors present their Report and the audited Financial Statements of the Company for the Year to 30 April 1997.

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the Company's state of affairs and of its profit or loss for the year. When they prepare these statements the Directors are required to:

1. Select suitable accounting policies and apply them consistently.
2. Make judgements and estimates which are reasonable and prudent.
3. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose, at any time and with reasonable accuracy, the Company's financial position and which enable them to ensure that the Financial Statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the Company's assets and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

PRINCIPAL ACTIVITY

Printing remains the Company's principal activity and there has been no change in this during the Year.

DIRECTORS

The Directors of the Company throughout the year and their interests, all of which are beneficial, in its issued ordinary shares were:

	ORDINARY SHARES HELD	
	30.4.97	30.4.96
BA Bernard - Hayklan	51	51
J Bernard - Hayklan	49	49

DIVIDENDS

Interim dividends of £23,400 have been paid which is £234.00 for each issued Ordinary Share. A final dividend is not proposed

DIRECTORS' REPORT - Continued

CLOSE COMPANY PROVISIONS

The Director considers that the Company is a "Close Company" according to the terms of the Income and Corporation Taxes Act 1988.

This report takes advantage of the special exemptions available to small companies.

On behalf of the Board

A handwritten signature in cursive script, reading "BA Bernard-Hayklem", with a horizontal line extending from the end of the signature.

BA BERNARD - HAYKLAN
Director

BALANCE SHEET - 30 APRIL 1997

	<i>30 April 1996</i>	
FIXED ASSETS	-	-
CURRENT ASSETS		
Work in Progress (Note 1)	5,500	5,250
Debtors	-	-
	<u>5,500</u>	<u>5,250</u>
CREDITORS		
Amounts falling due within one year (Note 2)	<u>5,301</u>	<u>5,109</u>
NET CURRENT ASSETS	199	141
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>199</u>	<u>141</u>
CREDITORS		
Amounts falling due after more than one year	-	-
	<u>£ 199</u>	<u>£ 141</u>
CAPITAL AND RESERVES		
Called up Share Capital (Note 3)	100	100
Profit and Loss Account	99	41
SHAREHOLDERS' FUNDS	<u>£ 199</u>	<u>£ 141</u>

BALANCE SHEET - 30 APRIL 1997 - Continued

For the year to 30 April 1997 this Company is entitled to take advantage of the audit exemption conferred by subsection 1 of S249A of the Companies Act 1985. No notice about the Accounts for the year has been deposited under subsection 2 of S249B of this Act.

The Directors acknowledge their responsibility to ensure that the Company keeps accounting records which comply with S221 of the Act and for preparing Accounts which give a true and fair view of the Company's state of affairs at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of S226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to Accounts so far as they apply to the Company.

These Financial Statements take advantage of the special exemptions available to small companies. In the Directors' opinion the Company is entitled to these exemptions on the grounds that it qualifies as a small company.

Signed on behalf of the Board


DIRECTOR

These Financial Statements were approved by the Board on 9 February 1998.

PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 30 APRIL 1997

		<i>Year to 30.4.96</i>
TURNOVER (Note 4)	33,332	<i>31,421</i>
Raw Materials and Consumables	(976)	<i>(2,149)</i>
Change in Work-in-Progress	250	<i>250</i>
GROSS PROFIT	32,606	<i>29,522</i>
Staff Costs (Note 5)	(180)	<i>(2,263)</i>
Other Operating Charges	(1,643)	<i>(3,288)</i>
OPERATING PROFIT	30,783	<i>23,971</i>
Interest payable (Note 6)	-	<i>(6)</i>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	30,783	<i>23,965</i>
TAXATION (Note 7)	(7,325)	<i>(5,975)</i>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	23,458	<i>17,990</i>
DIVIDENDS	(23,400)	<i>(20,500)</i>
RETAINED PROFIT FOR THE YEAR	58	<i>(2,510)</i>
REVENUE RESERVES BROUGHT FORWARD	41	<i>2,551</i>
REVENUE RESERVES CARRIED FORWARD	<u>£ 99</u>	<u>£ 41</u>

The Company had no recognized gains or losses apart from those reported in these Profit and Loss Accounts. And there were neither acquisitions nor discontinued activities during the two years covered by these Profit and Loss Accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 1997

1. ACCOUNTING POLICIES

Basis of accounting

The Financial Statements have been prepared according to the historical cost convention, prevailing Accounting Standards, and the terms of the Companies Act 1985.

Work in Progress

Short term Work in Progress is valued at cost. There is no long term Work in Progress.

Cash Flow Statement

The Company has not published a cash flow statement. It has chosen to take advantage of the exemption afforded by Financial Reporting Standard No. 1 on the grounds that it is a small company.

2. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	30.4.97	30.4.96
Bank Overdraft	293	393
Accrued Charges and Deferred Income	118	908
Taxation and Social Security	-	-
Loans from Directors	2,625	2,625
Corporation Tax	1,475	1,183
Other Creditors	790	-
	<u>£ 5,301</u>	<u>£ 5,109</u>
3. CALLED UP SHARE CAPITAL	30.4.97	30.4.96
Authorised:		
1,000 Ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
Allotted, issued and fully paid:		
100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

4. TURNOVER

Turnover is the amount receivable for goods and services provided during the Year. It excludes Value Added Tax and trade discounts. All turnover was within the United Kingdom.

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 1997 - Continued

5. STAFF COSTS

During the Year the average weekly number of employees (including directors) was three (1996 - three). Payroll costs were:

	1997	1996
Wages, Salaries, and Expenses	180	2,254
Social security costs	-	9
Other pension costs	-	-
	<u>£ 180</u>	<u>£ 2,263</u>

6. INTEREST PAYABLE

All interest payable is on bank overdrafts which are repayable within five years.

7. TAXATION

The provision is solely for UK Corporation Tax on the profit of the Year.

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997	1996
Profit for the Financial Year	23,458	17,990
Dividends	(23,400)	(20,500)
Net change in shareholders' funds	58	(2,510)
Opening shareholders' funds	141	2,651
Closing shareholders' funds	<u>£ 199</u>	<u>£ 141</u>

All shareholders' funds are attributable to equity interests.

9. TRANSACTIONS WITH DIRECTORS AND RELATED COMPANIES

The Company provides printing and typesetting to Local Pages Limited - a Company in which the directors of this Company have a controlling interest. Charges of £31,896 have been raised for the Year. These arrangements have been in place for some years. There were no balances due between the Companies on 30 April 1997.

The Company rents office premises from BA Bernard - Haykian and J Bernard - Haykian who are both directors. Rent of £500 has been charged for the Year. These arrangements too have been in place for some years..