

# financial statements

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## **Printing and Graphic Machinery Installations Limited**

For the year ended 30 September 2005

Company registration number: 01471232



**MacIntyre Hudson**

THE FUTURE IS WHAT YOU MAKE IT™

# **Printing and Graphic Machinery Installations Limited**

## **Officers and Professional Advisers**

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### **The Board of Directors**

G C Churchill  
M B Smith

### **Company Secretary**

M B Smith

### **Registered Office**

Millboard Road  
Bourne End  
Buckinghamshire  
SL8 5XE

### **Auditors**

MacIntyre Hudson LLP  
Chartered Accountants  
& Registered Auditors  
31 Castle Street  
High Wycombe  
Buckinghamshire  
HP13 6RU

# **Printing and Graphic Machinery Installations Limited**

## **The Directors' Report**

**Year ended 30 September 2005**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2005.

### **Principal activities**

The principal activity of the company during the year was the installation of printing and bookbinding machinery.

### **Directors**

The directors who served the company during the year were as follows:

G C Churchill  
M B Smith

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

### **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 year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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**

MacIntyre Hudson became a limited liability partnership ("LLP") on 1 October 2005. A resolution to appoint MacIntyre Hudson LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# Printing and Graphic Machinery Installations Limited

The Directors' Report *(continued)*

Year ended 30 September 2005

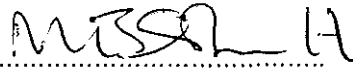
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## Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Millboard Road  
Bourne End  
Buckinghamshire  
SL8 5XE

Signed by order of the directors



.....  
M B Smith  
Company Secretary

Approved by the directors on ..... 20 February ..... 2006

# **Printing and Graphic Machinery Installations Limited**

## **Independent Auditors' Report to the Shareholders of Printing and Graphic Machinery Installations Limited**

**Year ended 30 September 2005**

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We have audited the financial statements of Printing and Graphic Machinery Installations Limited for the year ended 30 September 2005 which comprise the Profit and Loss Account, Balance Sheet, Accounting Policies and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements 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 financial statements, 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 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 become aware of any apparent misstatements within it.

### **Basis of audit 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 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.

# Printing and Graphic Machinery Installations Limited

Independent Auditors' Report to the Shareholders of  
Printing and Graphic Machinery Installations Limited *(continued)*


Year ended 30 September 2005

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## Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

31 Castle Street  
High Wycombe  
Buckinghamshire  
HP13 6RU



MACINTYRE HUDSON LLP  
Chartered Accountants  
& Registered Auditors

.....*20 February*..... 2006

# Printing and Graphic Machinery Installations Limited

## Profit and Loss Account

Year ended 30 September 2005

	Note	2005 £	2004 £
Turnover		416,489	389,250
Cost of sales		<u>344,930</u>	<u>303,730</u>
<b>Gross profit</b>		<b>71,559</b>	<b>85,520</b>
Administrative expenses		<u>68,402</u>	<u>64,286</u>
<b>Operating profit</b>	<b>1</b>	<b>3,157</b>	<b>21,234</b>
Interest payable and similar charges		10	—
<b>Profit on ordinary activities before taxation</b>		<u><b>3,147</b></u>	<u>21,234</u>
Tax on profit on ordinary activities	<b>2</b>	—	—
<b>Profit on ordinary activities after taxation, being retained profit for the financial year</b>		<u><b>£3,147</b></u>	<u><b>£21,234</b></u>

The accounting policies and notes on pages 8 to 12 form part of these financial statements.

# Printing and Graphic Machinery Installations Limited

## Balance Sheet

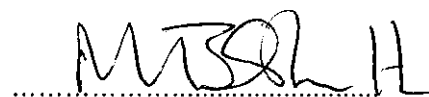
30 September 2005

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	3		11,705
<b>Current assets</b>			
Stocks		382	-
Debtors	4	186,084	101,237
		<u>186,466</u>	<u>101,237</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>186,396</u>	<u>106,305</u>
<b>Net current assets/(liabilities)</b>			<u>70</u> (5,068)
<b>Total assets less current liabilities</b>			<u>£9,784</u> <u>£6,637</u>
<b>Capital and reserves</b>			
Called-up equity share capital	7		100
Profit and loss account	8		9,684
<b>Shareholders' funds</b>			<u>£9,784</u> <u>£6,637</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 20 February 2006 and are signed by:

  
G C Churchill

  
M B Smith

The accounting policies and notes on pages 8 to 12 form part of these financial statements.



# Printing and Graphic Machinery Installations Limited

## Accounting Policies

Year ended 30 September 2005

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### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the *Financial Reporting Standard for Smaller Entities (effective June 2002)*.

### Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

### Fixed assets

All fixed assets are initially recorded at cost.

### Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant and machinery	-	15% straight line
Motor vehicles	-	25% reducing balance

### Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 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 rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

# Printing and Graphic Machinery Installations Limited

## Notes to the Financial Statements

Year ended 30 September 2005

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### 1. Operating profit

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Depreciation of owned fixed assets	2,391	3,445
Profit on disposal of fixed assets	–	(1,016)
Auditors' fees	700	1,000
Net loss on foreign currency translation	138	–

### 2. Taxation on ordinary activities

#### (a) Analysis of charge in the year

	2005 £	2004 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2004 - 19%)	1,700	–
Total current tax	£1,700	–

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2004 - 19%).

	2005 £	2004 £
Profit on ordinary activities before taxation	3,147	21,234
Profit ordinary activities by rate of tax	598	4,034
Losses brought forward utilised	–	(2,113)
Capital allowances for period in excess of depreciation	35	(72)
Small companies rate	(633)	(632)
Group relief	–	(1,217)
Total current tax (note 2(a))	–	–

# Printing and Graphic Machinery Installations Limited

## Notes to the Financial Statements

Year ended 30 September 2005

### 3. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 October 2004	8,000	12,116	20,116
Additions	—	400	400
<b>At 30 September 2005</b>	<u>8,000</u>	<u>12,516</u>	<u>20,516</u>
<b>Depreciation</b>			
At 1 October 2004	2,560	5,851	8,411
Charge for the year	816	1,575	2,391
<b>At 30 September 2005</b>	<u>3,376</u>	<u>7,426</u>	<u>10,802</u>
<b>Net book value</b>			
<b>At 30 September 2005</b>	<u>£4,624</u>	<u>£5,090</u>	<u>£9,714</u>
At 30 September 2004	<u>£5,440</u>	<u>£6,265</u>	<u>£11,705</u>

### 4. Debtors

	2005 £	2004 £
Amounts owed by group undertakings	160,215	92,791
VAT recoverable	8,407	7,252
Prepayments and accrued income	17,462	1,194
	<u>£186,084</u>	<u>£101,237</u>

### 5. Creditors: amounts falling due within one year

	2005 £	2004 £
Bank loans and overdrafts	18,970	12,154
Trade creditors	2,044	28,042
Amounts owed to group undertakings	155,454	46,928
PAYE and social security	6,528	5,307
Accruals and deferred income	3,400	13,874
	<u>£186,396</u>	<u>£106,305</u>

# Printing and Graphic Machinery Installations Limited

## Notes to the Financial Statements

Year ended 30 September 2005

### 5. Creditors: amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2005 £	2004 £
Bank loans and overdrafts	<u>18,970</u>	<u>12,154</u>

### 6. Related party transactions

The company is a wholly-owned subsidiary of Printing and Graphic Machinery Holdings Limited which is under the control of M B Smith, a director and majority shareholder.

During the year the company made sales of £NIL (2004: £9,751) to Printing and Graphic Machinery Holdings Limited and had costs recharged of £39,705 (2004: £157,280) from the same company. The amount owed at the year end to Printing and Graphic Holdings Limited by the company is £155,454 (2004: £46,928).

During the year the company made sales of £411,114 (2004: £382,300) to Printing and Graphic Machinery Limited and had costs recharged of £29,775 (2004: £7,495) from the same company. The amount owed at the year end by Printing and Graphic Machinery Limited is £160,215 (2004: £92,791).

### 7. Share capital

#### Authorised share capital:

	2005 £	2004 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

#### Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

# Printing and Graphic Machinery Installations Limited

## Notes to the Financial Statements

Year ended 30 September 2005

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### 8. Profit and loss account

	2005 £	2004 £
Balance brought forward	6,537	(14,697)
Retained profit for the financial year	<u>3,147</u>	<u>21,234</u>
Balance carried forward	<u>£9,684</u>	<u>£6,537</u>

### 9. Ultimate parent company

The ultimate parent company of Printing and Graphic Machinery Installations Limited is Printing and Graphic Machinery Holdings Limited, a company incorporated in England.



**MacIntyre Hudson**

THE FUTURE IS WHAT YOU MAKE IT®

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Key contacts at specialist companies:

#### MacIntyre Hudson Corporate Finance Ltd

Corporate Finance  
Mike Kay  
M: 07769 740207  
Rabby Persaud  
M: 07799 587910

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#### MacIntyre Advisory Services Ltd

Finance and management  
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#### Carrwood MacIntyre

Independent financial advisers  
Contact your local office –  
see details above

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