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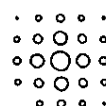


financial statements

Printing and Graphic Machinery Installations Limited

For the year ended 30 September 2007

Company registration number 01471232



MacIntyre Hudson

THE FUTURE IS WHAT YOU MAKE IT®

Printing and Graphic Machinery Installations Limited

Officers and Professional Advisers

The Board of Directors

G E Churchill
M B Smith

Company Secretary

M B Smith

Registered Office

Millboard Road
Bourne End
Buckinghamshire
SL8 5XE

Auditor

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 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2007

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 E Churchill
M B Smith

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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 that disclose with reasonable accuracy at any time the financial position of the company and 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

A resolution to re-appoint MacIntyre Hudson LLP as auditor 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 2007

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 on behalf of the directors



G E Churchill
Director

Approved by the directors on 15th August 2008

Printing and Graphic Machinery Installations Limited

Independent Auditor's Report to the Shareholders of Printing and Graphic Machinery Installations Limited

Year ended 30 September 2007

We have audited the financial statements of Printing and Graphic Machinery Installations Limited for the year ended 30 September 2007 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 January 2005) 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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 Auditor's Report to the Shareholders of
Printing and Graphic Machinery Installations Limited *(continued)*

Year ended 30 September 2007

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



MACINTYRE HUDSON LLP
Chartered Accountants
& Registered Auditors

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

19 August 2008

Printing and Graphic Machinery Installations Limited

Profit and Loss Account

Year ended 30 September 2007

	Note	2007 £	2006 £
Turnover		783,843	854,687
Cost of sales		596,391	781,808
Gross profit		187,452	72,879
Administrative expenses		116,699	72,812
Operating profit	1	70,753	67
Interest payable and similar charges		7	-
Profit on ordinary activities before taxation		70,746	67
Tax on profit on ordinary activities	3	14,448	41
Profit on ordinary activities after taxation, being profit for the financial year		£56,298	£26

The accounting policies and notes on pages 8 to 14 form part of these financial statements.

Printing and Graphic Machinery Installations Limited

Balance Sheet

30 September 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	5	6,080	<u>8,202</u>
Current assets			
Stocks		39,521	6,031
Debtors	6	612,399	469,670
Cash at bank and in hand		<u>13,373</u>	<u>-</u>
		665,293	475,701
Creditors amounts falling due within one year	7	<u>664,814</u>	<u>474,092</u>
Net current assets			<u>479</u>
Total assets less current liabilities			<u>6,559</u>
Provisions for liabilities			
Deferred taxation	8		450
			<u>450</u>
		<u>£6,109</u>	<u>£9,811</u>
Capital and reserves			
Called-up equity share capital	10	100	100
Profit and loss account	11	6,009	9,711
Shareholders' funds		<u>£6,109</u>	<u>£9,811</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 January 2005)

These financial statements were approved by the directors and authorised for issue on 15th August 2008, and are signed on their behalf by


G E Churchill

The accounting policies and notes on pages 8 to 14 form part of these financial statements.

Printing and Graphic Machinery Installations Limited

Accounting Policies

Year ended 30 September 2007

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 January 2005)

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

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

Printing and Graphic Machinery Installations Limited

Accounting Policies *(continued)*

Year ended 30 September 2007

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Printing and Graphic Machinery Installations Limited

Notes to the Financial Statements

Year ended 30 September 2007

1. Operating profit

Operating profit is stated after charging/(crediting)

	2007 £	2006 £
Depreciation of owned fixed assets	1,545	2,012
Loss on disposal of fixed assets	577	-
Auditor's fees	2,000	750
Net profit on foreign currency translation	<u>(789)</u>	<u>(2)</u>

2. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2007 £	2006 £
Aggregate emoluments	<u>183,166</u>	<u>203,000</u>

The directors emoluments have been paid and accounted for by a group company Printing and Graphic Machinery Limited

3. Taxation on ordinary activities Analysis of charge in the year

	2007 £	2006 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 20% (2006 - 19%)	14,011	41
Over provision in prior year	(13)	-
Total current tax	<u>13,998</u>	<u>41</u>
Deferred tax		
Origination and reversal of timing differences (note 8)		
Capital allowances	450	-
Tax on profit on ordinary activities	<u>£14,448</u>	<u>£41</u>

Printing and Graphic Machinery Installations Limited

Notes to the Financial Statements

Year ended 30 September 2007

4. Dividends			
Equity dividends			
		2007	2006
		£	£
Paid			
Equity dividends on ordinary shares		<u>60,000</u>	<u>–</u>
5. Tangible fixed assets			
	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1 October 2006	8,000	13,016	21,016
Disposals	–	(1,598)	(1,598)
At 30 September 2007	<u>8,000</u>	<u>11,418</u>	<u>19,418</u>
Depreciation			
At 1 October 2006	4,070	8,744	12,814
Charge for the year	589	956	1,545
On disposals	–	(1,021)	(1,021)
At 30 September 2007	<u>4,659</u>	<u>8,679</u>	<u>13,338</u>
Net book value			
At 30 September 2007	<u>£3,341</u>	<u>£2,739</u>	<u>£6,080</u>
At 30 September 2006	<u>£3,930</u>	<u>£4,272</u>	<u>£8,202</u>
6. Debtors			
		2007	2006
		£	£
Trade debtors		–	20
Amounts owed by group undertakings		600,785	463,220
VAT recoverable		11,614	5,609
Prepayments and accrued income		–	821
		<u>£612,399</u>	<u>£469,670</u>

Printing and Graphic Machinery Installations Limited

Notes to the Financial Statements

Year ended 30 September 2007

7. Creditors: amounts falling due within one year

	2007	2006
	£	£
Overdrafts	-	4,187
Trade creditors	62,957	59,600
Amounts owed to group undertakings	578,705	397,065
Corporation tax	14,011	41
PAYE and social security	3,930	4,845
Other creditors	1,711	1,782
Accruals and deferred income	3,500	6,572
	<u>£664,814</u>	<u>£474,092</u>

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

	2007	2006
	£	£
Overdrafts	<u>-</u>	<u>4,187</u>

8. Deferred taxation

The movement in the deferred taxation provision during the year was

	2007	2006
	£	£
Profit and loss account movement arising during the year	450	-
Provision carried forward	<u>£450</u>	<u>-</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2007	2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	450	-
	<u>£450</u>	<u>-</u>

Printing and Graphic Machinery Installations Limited

Notes to the Financial Statements

Year ended 30 September 2007

9. Related party transactions

The company became a wholly owned subsidiary of Printing and Graphic Machinery Holdings Limited (formerly Firmlease Limited) on 15 December 2006. Prior to this date the company was a wholly owned subsidiary of Apple Fifteenth Limited (formerly Printing and Graphic Machinery Holdings Limited).

During the year the company made sales of £782,419 (2006 £728,656) to Printing and Graphic Machinery Limited, another wholly owned subsidiary of Printing and Graphic Machinery Holdings Limited. Management charges of £48,525 (2006 £Nil) were charged from Printing and Graphic Machinery Limited and the amount owed at the year end by Printing and Graphic Machinery Limited to the company is £600,785 (2006 £463,220).

During the year the company made sales of £Nil (2006 £126,041) to Apple Fifteenth Limited (formerly Printing and Graphic Machinery Holdings Limited) and had costs recharged of £Nil (2006 £96,150) from the same company. Management charges of £340 (2006 £Nil) were charged from Apple Fifteenth Limited (formerly Printing and Graphic Machinery Holdings Limited) and the amount owed at the year end to the same company was £Nil (2006 £397,065).

During the year Management charges of £2,000 (2006 £Nil) were charged from Printing and Graphic Machinery Holdings Limited (formerly Firmlease Limited) and the amount owed at the year end by the company to Printing and Graphic Machinery Holdings Limited (formerly Firmlease Limited) was 518,705 (2006 £Nil).

10. Share capital

Authorised share capital:

	2007 £	2006 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

11. Profit and loss account

	2007 £	2006 £
Balance brought forward	9,711	9,685
Profit for the financial year	56,298	26
Equity dividends	(60,000)	-
Balance carried forward	<u>£6,009</u>	<u>£9,711</u>

Printing and Graphic Machinery Installations Limited

Notes to the Financial Statements

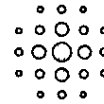
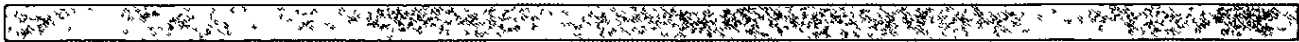
Year ended 30 September 2007

12. Ultimate parent company

The ultimate parent company of Printing and Graphic Machinery Installations Limited from 15 December 2006 was Printing and Graphic Machinery Holdings Limited (formerly Firmlease Limited). Prior to this date the ultimate parent company was Apple Fifteenth Limited (formerly Printing and Graphic Machinery Holdings Limited).

13. Ultimate controlling party

The ultimate controlling party from 16 December 2006 was G E Smith, prior to this date the ultimate controlling party was M B Smith.



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Carrwood MacIntyre

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