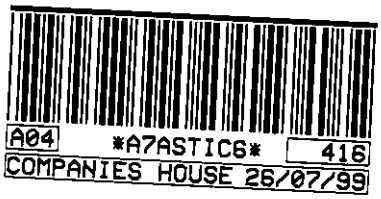
REGISTERED NUMBER: 1287607 (England and Wales)

Abbreviated Financial Statements

for the Year Ended 31 December 1998

for

Penketh Print Limited



Penketh Print Limited

Company Information
for the Year Ended 31 December 1998

DIRECTORS: W Penketh
Mrs D Penketh
S W Penketh
M Penketh
A J Penketh
P Mann

SECRETARY: Mrs D Penketh

REGISTERED OFFICE: Bassendale Road
Croft Business Park
Bromborough
Wirral
Merseyside
L62 3QL

REGISTERED NUMBER: 1287607 (England and Wales)

AUDITORS: McEwan Wallace
Chartered Accountants
Registered Auditors
68 Argyle Street
Birkenhead
L41 6AF

Penketh Print Limited

Report of the Directors
for the Year Ended 31 December 1998

The directors present their report with the financial statements of the company for the year ended 31 December 1998.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of commercial retailing of stationery, office equipment and printing.

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS
No interim dividend was paid during the year. The directors recommend a final dividend of £1.80 per share.

The total distribution of dividends for the year ended 31 December 1998 will be £27,000.

DIRECTORS
The directors during the year under review were:

W Penketh
Mrs D Penketh
S W Penketh
M Penketh
A J Penketh
P Mann

The beneficial interests of the directors holding office on 31 December 1998 in the issued share capital of the company were as follows:

	31.12.98	1.1.98
Ordinary £1 shares		
W Penketh	2,000	2,000
Mrs D Penketh	1,000	1,000
S W Penketh	4,000	4,000
M Penketh	4,000	4,000
A J Penketh	4,000	4,000
P Mann	-	-

Penketh Print Limited

Report of the Directors
for the Year Ended 31 December 1998

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.

AUDITORS

The auditors, McEwan Wallace, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

ON BEHALF OF THE BOARD:

W Penketh - DIRECTOR

Dated: 15 July 1999

Penketh Print Limited

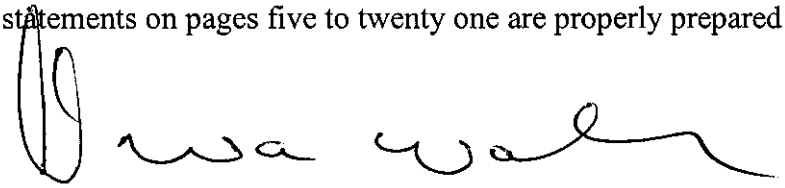
Report of the Auditors to
Penketh Print Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages five to twenty one, together with the full financial statements of the company for the year ended 31 December 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements 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 consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion
In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to twenty one are properly prepared in accordance with that provision.



McEwan Wallace
Chartered Accountants
Registered Auditors
68 Argyle Street
Birkenhead
L41 6AF

Dated: 15 July 1999

Penketh Print Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 December 1998

	Notes	31.12.98 £	31.12.98 £	31.12.97 £	31.12.97 £
GROSS PROFIT			**1,796,680**		1,530,501
Administrative expenses			**1,585,873**		1,265,179
OPERATING PROFIT	3		**210,807**		265,322
Income from investments		**4,805**		2,326	
Interest receivable and similar income		**1,185**		4,027	
			5,990		6,353
			216,797		271,675
Interest payable and similar charges	4		**31,558**		30,685
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			**185,239**		240,990
Tax on profit on ordinary activities	5		**25,242**		34,100
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			**159,997**		206,890
Extraordinary items after taxation	6		**-**		(258,985)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			**159,997**		(52,095)
Dividends	7		**27,000**		24,000
			132,997		(76,095)
Retained profit brought forward			**452,422**		528,517
RETAINED PROFIT CARRIED FORWARD			**£585,419**		£452,422

The notes form part of these financial statements

Penketh Print Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 December 1998

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

Penketh Print Limited

Abbreviated Balance Sheet
31 December 1998

	Notes	31.12.98 £	31.12.98 £	31.12.97 £	31.12.97 £
FIXED ASSETS:					
Intangible assets	8		**22,869**		12,812
Tangible assets	9		**701,314**		604,063
Investments	10		**9,065**		7,762
			733,248		624,637
CURRENT ASSETS:					
Stocks	11	**168,755**		159,175	
Debtors	12	**997,859**		1,073,897	
Cash at bank and in hand		**96,100**		1,020	
		1,262,714		1,234,092	
CREDITORS: Amounts falling due within one year	13	**1,170,906**		1,180,720	
NET CURRENT ASSETS:			**91,808**		53,372
TOTAL ASSETS LESS CURRENT LIABILITIES:			**825,056**		678,009
CREDITORS: Amounts falling due after more than one year	14		**224,637**		210,587
			£600,419		£467,422

The notes form part of these financial statements

Penketh Print Limited

Abbreviated Balance Sheet
31 December 1998

	Notes	31.12.98 £	31.12.98 £	31.12.97 £	31.12.97 £
CAPITAL AND RESERVES:					
Called up share capital	18		**15,000**		15,000
Profit and loss account			**585,419**		452,422
Shareholders' funds	20		**£600,419**		£467,422

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:

W Penketh - DIRECTOR

S W Penketh - DIRECTOR

Approved by the Board on 15 July 1999

The notes form part of these financial statements

Penketh Print Limited

Cash Flow Statement
for the Year Ended 31 December 1998

	Notes	31.12.98 £	31.12.98 £	31.12.97 £	31.12.97 £
Net cash inflow from operating activities	1		**156,738**		347,330
Returns on investments and servicing of finance	2		**(25,568)**		(24,332)
Taxation			**(18,295)**		(34,934)
Capital expenditure and financial investment	2		**(94,669)**		(356,915)
Equity dividends paid			**(27,000)**		(24,000)
			(8,794)		**(92,851)**
Financing	2		**(61,141)**		(37,382)
Decrease in cash in the period			**£(69,935)**		**£(130,233)**
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		**(69,935)**		**(130,233)**	
Cash outflow from decrease in debt and lease financing		**41,141**		44,415	
Change in net debt resulting from cash flows			**(28,794)**		(85,818)
New finance leases			**(74,748)**		(50,423)
Movement in net debt in the period			**(103,542)**		**(136,241)**
Net debt at 1 January 1998			**(344,962)**		**(208,721)**
Net debt at 31 December 1998			**£(448,504)**		**£(344,962)**

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 1998

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.98 £	31.12.97 £
Operating profit	**210,807**	265,322
Depreciation charges	**72,614**	49,223
Loss on sale of fixed assets	**3,524**	13,605
Profit on sale of fixed assets	**(4,442)**	(1,325)
Increase in stocks	**(9,580)**	(15,671)
Decrease/(Increase) in debtors	**76,788**	(276,122)
(Decrease)/Increase in creditors	**(192,973)**	312,298
Net cash inflow from operating activities	**156,738**	347,330

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW ST

	31.12.98 £	31.12.97 £
Returns on investments and servicing of finance		
Interest received	**1,185**	4,027
Interest paid	**(24,601)**	(27,597)
Interest element of hire purchase payments	**(6,957)**	(3,088)
Dividends received	**4,805**	2,326
Net cash outflow for returns on investments and servicing of finance	**(25,568)**	(24,332)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	**(15,590)**	(15,000)
Purchase of tangible fixed assets	**(96,376)**	(87,622)
Cash payments - investmt purch	**(1,303)**	(259,747)
Sale of tangible fixed assets	**18,600**	5,454
Net cash outflow for capital expenditure	**(94,669)**	(356,915)

The notes form part of these financial statements

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW ST - continued**

	31.12.98 £	31.12.97 £
Financing		
New loan taken out in year	**20,000**	-
Loan repayments in year	**(41,952)**	(17,728)
HP repayments	**(39,189)**	(19,654)
Net cash outflow from financing	**(61,141)**	(37,382)

Notes to the Cash Flow Statement
for the Year Ended 31 December 1998

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.98 £	Cash flow £	Other non-cash changes £	At 31.12.98 £
Net cash:				
Cash at bank and in hand	1,020	95,080		96,100
Bank overdraft	(86,627)	(165,015)		(251,642)
	(85,607)	(69,935)		(155,542)
Debt:				
Hire purchase	(59,487)	39,189	(74,748)	(95,046)
Debts falling due within one year	(19,668)	(6,936)	-	(26,604)
Debts falling due after one year	(180,200)	8,888	-	(171,312)
	(259,355)	41,141	(74,748)	(292,962)
Total	(344,962)	(28,794)	(74,748)	(448,504)
Analysed in Balance Sheet				
Cash at bank and in hand	1,020			96,100
Bank overdraft	(86,627)			(251,642)
Hire purchase				
within one year	(29,100)			(41,721)
after one year	(30,387)			(53,325)
Debts falling due within one year	(19,668)			(26,604)
Debts falling due after one year	(180,200)			(171,312)
	(344,962)			(448,504)

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of another company's trade, is being written off evenly over its estimated useful life of four years. Goodwill also includes an amount paid in connection with the acquisition of a business in 1997, being written off at the same rate.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold property	- Straight line over 125 years
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 20% on cost

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

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions
The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.12.98	31.12.97
	£	£
Wages and salaries	**946,349**	749,128
Social security costs	**81,586**	63,018
Other pension costs	**28,431**	39,754
	1,056,366	851,900

The average monthly number of employees during the year was as follows:

	31.12.98	31.12.97
Management	**7**	7
Administration	**16**	13
Selling	**19**	16
Warehouse and printing	**33**	27
	75	63

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.98	31.12.97
	£	£
Leasing charges	**65,834**	54,527
Depreciation - owned assets	**42,883**	45,440
Depreciation - assets on hire purchase contracts	**24,062**	10,248
(Profit)/Loss on disposal of fixed assets	**(918)**	12,280
Goodwill written off	**5,533**	2,188
Auditors' remuneration	**7,000**	6,800
Directors' emoluments	**151,717**	137,367

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.98	31.12.97
	£	£
Bank overdraft interest	**1,799**	3,392
Bank loan interest	**22,802**	24,205
Hire purchase interest	**6,957**	3,088
	31,558	30,685

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.98	31.12.97
	£	£
UK corporation tax	32,877	34,100
Overprovision in previous year	(7,635)	-
	25,242	34,100

UK corporation tax has been charged at 21% (1997 - 21.75%).

6. EXTRAORDINARY ITEMS

	31.12.98	31.12.97
	£	£
Charges:		
Company acquisition write off	-	258,985

7. DIVIDENDS

	31.12.98	31.12.97
	£	£
Equity shares:		
Final - ordinary shares	27,000	24,000

8. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1 January 1998	15,000
Additions	15,590
At 31 December 1998	30,590
AMORTISATION:	
At 1 January 1998	2,188
Charge for year	5,533
At 31 December 1998	7,721
NET BOOK VALUE:	
At 31 December 1998	22,869
At 31 December 1997	12,812

9. **TANGIBLE FIXED ASSETS**

	Leasehold property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 1998	**398,552**	**284,718**	**77,785**	**761,055**
Additions	**-**	**95,026**	**86,853**	**181,879**
Disposals	**(1,298)**	**(23,433)**	**(50,689)**	**(75,420)**
At 31 December 1998	**397,254**	**356,311**	**113,949**	**867,514**
DEPRECIATION:				
At 1 January 1998	**15,589**	**104,277**	**37,126**	**156,992**
Charge for year	**2,928**	**45,576**	**18,441**	**66,945**
Eliminated on disposals	**(221)**	**(17,386)**	**(40,130)**	**(57,737)**
At 31 December 1998	**18,296**	**132,467**	**15,437**	**166,200**
NET BOOK VALUE:				
At 31 December 1998	**378,958**	**223,844**	**98,512**	**701,314**
At 31 December 1997	382,963	180,441	40,659	604,063

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 January 1998	**112,651**	**-**	**112,651**
Additions	**19,650**	**65,853**	**85,503**
At 31 December 1998	**132,301**	**65,853**	**198,154**
DEPRECIATION:			
At 1 January 1998	**30,577**	**-**	**30,577**
Charge for year	**17,825**	**6,237**	**24,062**
At 31 December 1998	**48,402**	**6,237**	**54,639**
NET BOOK VALUE:			
At 31 December 1998	**83,899**	**59,616**	**143,515**
At 31 December 1997	82,074	-	82,074

10. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 January 1998	**7,762**
Additions	**1,303**
At 31 December 1998	**9,065**
NET BOOK VALUE:	
At 31 December 1998	**9,065**
At 31 December 1997	7,762

	31.12.98	31.12.97
	£	£
Investments listed on recognised stock exchange	**9,065**	7,762

Market value of listed investments at 31 December 1998 - £30,434 (1997 - £17,695).

11. STOCKS

	31.12.98	31.12.97
	£	£
Stock	**168,755**	159,175

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.98	31.12.97
	£	£
Trade debtors	**889,622**	967,396
Other debtors	**2,290**	2,657
Prepayments & accrued income	**92,792**	91,476
Amount owed by related company	**6,405**	6,368
ACT recoverable	**6,750**	6,000
	997,859	1,073,897

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.98 £	31.12.97 £
Bank loans and overdrafts (see note 15)	**278,246**	106,295
Hire purchase contracts (see note 16)	**41,721**	29,100
Trade creditors	**625,760**	811,416
Other creditors	**-**	31,985
Directors' current accounts	**27,985**	31,455
V.A.T.	**65,415**	65,232
Social security & other taxes	**24,718**	21,620
Taxation	**32,877**	34,100
ACT on dividends paid	**5,810**	6,000
Accrued expenses	**68,374**	43,517
	1,170,906	1,180,720

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.98 £	31.12.97 £
Bank loans (see note 15)	**171,312**	180,200
Hire purchase contracts (see note 16)	**53,325**	30,387
	224,637	210,587

15. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.12.98 £	31.12.97 £
Amounts falling due within one year or on demand:		
Bank overdrafts	**251,642**	86,627
Bank loans	**26,604**	19,668
	278,246	106,295
Amounts falling due between one and two years:		
Bank loans	**29,748**	22,064
Amounts falling due between two and five years:		
Bank loans	**102,362**	83,667
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	**39,202**	74,469

The bank loans above are repayable as follows: 72 monthly instalments of £3,478, interest charged at 11.55% fixed rate. 42 monthly instalments of £503, interest charged at 9.6% fixed rate.

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	31.12.98	31.12.97
	£	£
Gross obligations repayable:		
Within one year	**49,464**	34,186
Between one and five years	**64,703**	36,204
	114,167	70,390
Finance charges repayable:		
Within one year	**7,743**	5,086
Between one and five years	**11,378**	5,817
	19,121	10,903
Net obligations repayable:		
Within one year	**41,721**	29,100
Between one and five years	**53,325**	30,387
	95,046	59,487

The following payments are committed to be paid within one year:

	Operating leases	
	31.12.98	31.12.97
	£	£
Expiring:		
Within one year	**24,048**	17,708
Between one and five years	**29,780**	9,160
	53,828	26,868

17. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.98	31.12.97
	£	£
Bank overdrafts	**251,642**	86,627
Bank loans	**197,916**	199,868
Hire purchase contracts	**95,046**	59,487
	544,604	345,982

Bank loans and overdrafts are secured by a bank debenture incorporating charges over all company assets. Hire purchase instalments are secured on the assets concerned.

18. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.98 £	31.12.97 £
15,000	Ordinary	£1	**15,000**	15,000

19. RELATED PARTY DISCLOSURES

The company is related to Turnbury Wines Limited by common control from the following shareholders: Simon Penketh, Mark Penketh and Andrew Penketh. Included in the company's Profit and Loss Account are the following amounts derived from transactions with Turnbury Wines Limited: Recharges of £16,183. Amounts owing to the company by Turnbury Wines Limited totalled £3,066 at the Balance Sheet date.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.98	31.12.97
	£	£
Profit/(Loss) for the financial year	**159,997**	(52,095)
Dividends	**(27,000)**	(24,000)
NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS	**132,997**	(76,095)
Opening shareholders' funds	**467,422**	543,517
CLOSING SHAREHOLDERS' FUNDS	***600,419***	467,422
Equity interests	**600,419**	467,422