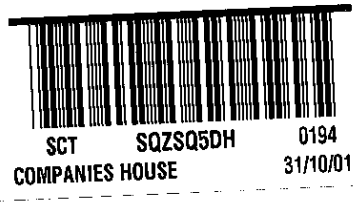
COMPANY REGISTRATION NUMBER 68639

Panda Litho Limited

Abbreviated Financial Statements

31st December 2000





CONDIE & CO
Chartered Accountants & Registered Auditors
10 Abbey Park Place
Dunfermline
Fife
KY12 7NZ

Panda Litho Limited

Abbreviated Financial Statements
For the Year Ended 31st December 2000

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Panda Litho Limited
Auditors' Report to the Company

Pursuant to Section 247b of the Companies Act 1985

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 31st December 2000 prepared under Section 226 of the Companies Act 1985.

Respective Responsibilities of the Directors and the Auditors

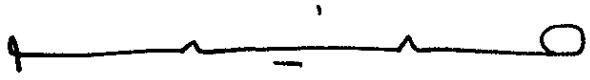
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and 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 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 sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.



CONDIE & CO

Chartered Accountants
& Registered Auditors
10 Abbey Park Place
Dunfermline
Fife
KY12 7NZ

28th September 2001

Abbreviated Balance Sheet
As at 31st December 2000

	Note	2000		1999
		£	£	£
Fixed Assets	2			
Intangible assets			12,000	-
Tangible assets			463,636	175,559
Investments			30,000	436,590
			505,636	612,149
Current Assets				
Stocks		81,679		55,309
Debtors		239,714		195,105
Cash at bank and in hand		89		24
		301,482		250,438
Creditors: Amounts Falling due Within One Year	3	(407,339)		(638,279)
Net Current Liabilities			(105,857)	(387,841)
Total Assets Less Current Liabilities			399,779	224,308
Creditors: Amounts Falling due after More than One Year	4		(171,558)	(25,475)
Provisions for Liabilities and Charges			(17,874)	(924)
			210,347	197,909
Capital and Reserves				
Called-up equity share capital	6		4,000	4,000
Profit and loss account			206,347	193,909
Shareholders' Funds			210,347	197,909

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 27th September 2001 and are signed on their behalf by:

Angus Hogg
Director

The notes on pages 3 to 6 form part of these financial statements.

Notes to the Abbreviated Financial Statements For the Year Ended 31st December 2000

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No 1 on the grounds that it qualifies as a small company.

Turnover

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

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 10% Straight Line

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land and Buildings	- 2% Straight Line
Plant and Machinery	- 20% Reducing Balance
Fixtures and Fittings	- 20% Reducing Balance
Motor Vehicles	- 15% to 20% Reducing Balance
Leased Assets	- 20% 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.

1. **Accounting Policies** *(continued)*

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance Lease Agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred Taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. **Fixed Assets** / ...

2. **Fixed Assets**

	Intangible Assets £	Tangible Fixed Assets £	Investments £	Total £
Cost				
At 1st January 2000	-	348,750	436,590	785,340
Additions	12,667	412,882	-	425,549
Disposals	-	(117,138)	-	(117,138)
At 31st December 2000	12,667	644,494	436,590	1,093,751
Depreciation and Amounts Written Off				
At 1st January 2000	-	173,191	-	173,191
Charge for year	667	40,210	406,590	447,467
On disposals	-	(32,543)	-	(32,543)
At 31st December 2000	667	180,858	406,590	588,115
Net Book Value				
At 31st December 2000	12,000	463,636	30,000	505,636
At 31st December 1999	-	175,559	436,590	612,149

3. **Creditors:** Amounts falling due within one year

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

	2000 £	1999 £
Bank loans and overdrafts	162,796	83,310

4. **Creditors:** Amounts falling due after more than one year

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

	2000 £	1999 £
Bank loans and overdrafts	131,373	-

5. **Transactions with the Directors**

On the 31st August 2000 the following assets and liabilities were transferred to Panda Litho Limited from its subsidiary, Envoy Printed Communications Limited:

Assets	
Fixed Assets	£95,128
Goodwill	£12,667
Stock	£18,560
Cash	£50
Trade Debtors	£100,272
Liabilities	
Hire Purchase	£20,631
Vat	£8,185
Trade Creditors	£64,840
PAYE	£2,051

Panda Litho Limited made purchases of £20,764 (1999 - £77,782) from Envoy Printed Communications Limited and made sales to its subsidiary of £nil (1999 - £576) during the year, on a commercial basis. As at 31st December Panda Litho Limited owed £86,579 (1999 - £386,272) to Envoy Printed Communications Limited.

6. **Share Capital**

Authorised share capital:

	2000	1999
	£	£
10,000 Ordinary shares of £1 each	10,000	10,000

Allotted, called up and fully paid:

	2000	1999
	£	£
Ordinary share capital	4,000	4,000