

Panda Litho Limited
Abbreviated Accounts
31st December 2002



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

Panda Litho Limited

Abbreviated Accounts

Year Ended 31st December 2002

Contents	Page
Independent Auditors' Report to the Company	1
Abbreviated Balance Sheet	2
Notes to the Abbreviated Accounts	3

Panda Litho Limited

Independent 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 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B 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 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
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14th August 2003

Panda Litho Limited

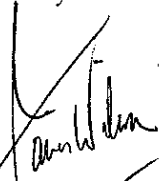
Abbreviated Balance Sheet

31st December 2002

	Note	2002 £	2001 £
Fixed Assets	2		
Intangible assets		9,466	10,733
Tangible assets		484,422	413,581
Investments		30,096	29,796
		<u>523,984</u>	<u>454,110</u>
Current Assets			
Stocks		92,598	90,306
Debtors		222,050	203,316
Cash at bank and in hand		95	1
		<u>314,743</u>	<u>293,623</u>
Creditors: Amounts Falling due Within One Year	3	<u>405,096</u>	<u>347,223</u>
Net Current Liabilities			<u>(90,353)</u>
Total Assets Less Current Liabilities		<u>433,631</u>	<u>400,510</u>
Creditors: Amounts Falling due after More than One Year	4	233,865	167,592
Provisions for Liabilities and Charges		<u>21,879</u>	<u>15,009</u>
		<u>177,887</u>	<u>217,909</u>
Capital and Reserves			
Called-up equity share capital	6	4,000	4,000
Profit and loss account		173,887	213,909
Shareholders' Funds		<u>177,887</u>	<u>217,909</u>

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

These abbreviated accounts were approved by the directors on 12th August 2003 and are signed on their behalf by:


James Wilson
Director

The notes on pages 3 to 6 form part of these abbreviated accounts.

Panda Litho Limited

Notes to the Abbreviated Accounts

Year Ended 31st December 2002

1. Accounting Policies

Basis of Accounting

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

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

Fixed Assets

All fixed assets are initially recorded at cost.

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.

Panda Litho Limited

Notes to the Abbreviated Accounts

Year Ended 31st December 2002

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

Deferred tax has been provided for in full, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. The deferred tax balance has not been discounted.

2. Fixed Assets / ...

Panda Litho Limited

Notes to the Abbreviated Accounts

Year Ended 31st December 2002

2. Fixed Assets

	Intangible Assets £	Tangible Assets £	Investments £	Total £
Cost				
At 1st January 2002	12,667	648,080	29,796	690,543
Additions	-	152,834	300	153,134
Disposals	-	(42,372)	-	(42,372)
At 31st December 2002	<u>12,667</u>	<u>758,542</u>	<u>30,096</u>	<u>801,305</u>
Depreciation				
At 1st January 2002	1,934	234,499	204	236,637
Charge for year	1,267	62,003	-	63,270
On disposals	-	(22,382)	-	(22,382)
Written off in prior years written back	-	-	(204)	(204)
At 31st December 2002	<u>3,201</u>	<u>274,120</u>	<u>-</u>	<u>277,321</u>
Net Book Value				
At 31st December 2002	<u>9,466</u>	<u>484,422</u>	<u>30,096</u>	<u>523,984</u>
At 31st December 2001	<u>10,733</u>	<u>413,581</u>	<u>29,592</u>	<u>453,906</u>

The company holds 100% of the issued share capital of Envoy Printed Communications Limited, a manufacturer of printed stationery and bookbinder. The subsidiary company is both registered in, and carried on its business in Scotland, but is presently dormant. In view of this, the value of the investment has been reduced to the net asset value of the subsidiary company at 31st December 2002.

3. Creditors: Amounts Falling due Within One Year

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

	2002 £	2001 £
Bank loans and overdrafts	<u>97,357</u>	<u>143,308</u>

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:

	2002 £	2001 £
Bank loans and overdrafts	<u>200,365</u>	<u>156,686</u>

Panda Litho Limited

Notes to the Abbreviated Accounts

Year Ended 31st December 2002

5. Transactions with the Directors

As at 31st December, Panda Litho Limited owed £30,096 (2001 - £31,296) to Envoy Printed Communications Limited.

6. Share Capital

Authorised share capital:

	2002	2001
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>