

**Report of the Directors and
Financial Statements
for the Year Ended 31 July 2002
for
Pace Print (Edinburgh) Ltd**



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for the Year Ended 31 July 2002**

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Pace Print (Edinburgh) Ltd

**Company Information
for the Year Ended 31 July 2002**

DIRECTORS:

E W Dalglish
D P McLeod

SECRETARY:

E W Dalglish

REGISTERED OFFICE:

19 South Clerk Street
Edinburgh
EH8 9JD

REGISTERED NUMBER:

SC100481

ACCOUNTANTS:

Doughty & Co
Chartered Accountants
42 Moray Place
Edinburgh
EH3 6BT

Pace Print (Edinburgh) Ltd

**Report of the Directors
for the Year Ended 31 July 2002**

The directors present their report with the financial statements of the company for the year ended 31 July 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of printing services.

DIRECTORS

The directors during the year under review were:

E W Dalglish

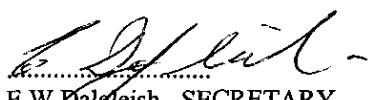
D P McLeod

The beneficial interests of the directors holding office on 31 July 2002 in the issued share capital of the company were as follows:

	31.7.02	1.8.01
Ordinary £1 shares		
E W Dalglish	7,500	7,500
D P McLeod	7,500	7,500

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

ON BEHALF OF THE BOARD:



E W Dalglish - SECRETARY

Dated: 4.2.03

Pace Print (Edinburgh) Ltd**Profit and Loss Account
for the Year Ended 31 July 2002**

	Notes	2002		2001	
		£	£	£	£
TURNOVER			292,816		263,504
Cost of sales			163,977		134,684
GROSS PROFIT			128,839		128,820
Distribution costs		27,324		31,652	
Administrative expenses		87,690		79,027	
			115,014		110,679
OPERATING PROFIT	2		13,825		18,141
Interest payable and similar charges			1,572		2,671
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			12,253		15,470
Tax on profit on ordinary activities	3		843		337
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			11,410		15,133
Deficit brought forward			(11,835)		(26,968)
DEFICIT CARRIED FORWARD			£(425)		£(11,835)

The notes form part of these financial statements

Pace Print (Edinburgh) Ltd

Balance Sheet
31 July 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		8,770		3,280
CURRENT ASSETS:					
Stocks		19,189		2,385	
Debtors	5	54,183		30,322	
Cash at bank		-		2,194	
		<u>73,372</u>		<u>34,901</u>	
CREDITORS: Amounts falling due within one year	6	<u>60,456</u>		<u>26,949</u>	
NET CURRENT ASSETS:			<u>12,916</u>		<u>7,952</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			21,686		11,232
CREDITORS: Amounts falling due after more than one year	7		<u>7,111</u>		<u>8,067</u>
			<u>£14,575</u>		<u>£3,165</u>
CAPITAL AND RESERVES:					
Called up share capital	10		15,000		15,000
Profit and loss account			(425)		(11,835)
SHAREHOLDERS' FUNDS:			<u>£14,575</u>		<u>£3,165</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2002.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2002 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

Pace Print (Edinburgh) Ltd

Balance Sheet

31 July 2002

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

ON BEHALF OF THE BOARD:



.....
D P McLeod - DIRECTOR

Approved by the Board on ...4/2/03

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 July 2002**

1. ACCOUNTING POLICIES

Accounting convention

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

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

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.

Heritable Property	- 20% on cost
Leasehold Improvements	- 20% on cost
Equipment	- 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 tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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. OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Depreciation - owned assets	2,070	180
Depreciation - assets on hire purchase contracts	1,550	3,600
Pension costs	1,516	1,516
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	37,397	37,262
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2
	<u> </u>	<u> </u>

**Notes to the Financial Statements
for the Year Ended 31 July 2002**

3. TAXATION

Analysis of the tax charge

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

	2002 £	2001 £
Current tax:		
UK corporation tax	843	337
	<u>843</u>	<u>337</u>
Tax on profit on ordinary activities	<u>843</u>	<u>337</u>

4. TANGIBLE FIXED ASSETS

	Heritable Property	Leasehold Improvements	Equipment	Computer equipment	Totals
	£	£	£	£	£
COST:					
At 1 August 2001	2,500	1,400	68,740	-	72,640
Additions	-	-	7,750	1,360	9,110
	<u>2,500</u>	<u>1,400</u>	<u>76,490</u>	<u>1,360</u>	<u>81,750</u>
At 31 July 2002	2,500	1,400	76,490	1,360	81,750
	<u>2,500</u>	<u>1,400</u>	<u>76,490</u>	<u>1,360</u>	<u>81,750</u>
DEPRECIATION:					
At 1 August 2001	2,500	1,400	65,460	-	69,360
Charge for year	-	-	3,280	340	3,620
	<u>-</u>	<u>-</u>	<u>3,280</u>	<u>340</u>	<u>3,620</u>
At 31 July 2002	2,500	1,400	68,740	340	72,980
	<u>2,500</u>	<u>1,400</u>	<u>68,740</u>	<u>340</u>	<u>72,980</u>
NET BOOK VALUE:					
At 31 July 2002	-	-	7,750	1,020	8,770
	<u>-</u>	<u>-</u>	<u>7,750</u>	<u>1,020</u>	<u>8,770</u>
At 31 July 2001	-	-	3,280	-	3,280
	<u>-</u>	<u>-</u>	<u>3,280</u>	<u>-</u>	<u>3,280</u>

Notes to the Financial Statements
for the Year Ended 31 July 2002

4. TANGIBLE FIXED ASSETS - continued

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

	Equipment
	£
COST:	
At 1 August 2001	32,000
Additions	7,750
Transferred to ownership	(32,000)
At 31 July 2002	7,750
DEPRECIATION:	
At 1 August 2001	28,900
Charge for year	1,550
Transferred to ownership	(28,900)
At 31 July 2002	1,550
NET BOOK VALUE:	
At 31 July 2002	6,200
At 31 July 2001	3,100

5. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2002	2001
	£	£
V.A.T.	562	-
Trade debtors	48,979	30,222
Other debtors	4,442	100
Prepayments	200	-
	54,183	30,322

6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2002	2001
	£	£
Bank loans and overdrafts	6,756	5,000
Hire purchase contracts	2,067	431
Trade creditors	45,910	7,476
Other creditors	-	1,857
Computer loan	849	-
Directors' current accounts	948	7,467
V.A.T.	-	1,201
Social security & other taxes	1,433	1,348
Taxation	843	337
Accrued expenses	1,650	1,832
	60,456	26,949

**Notes to the Financial Statements
for the Year Ended 31 July 2002**

**7. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2002	2001
	£	£
Bank loans	3,150	8,067
Hire purchase contracts	3,961	-
	<u>7,111</u>	<u>8,067</u>

8. OPERATING LEASE COMMITMENTS

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

	2002	2001
	£	£
Expiring: In more than five years	<u>12,000</u>	<u>12,000</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2002	2001
	£	£
Bank overdrafts	1,756	-
Bank loans	8,150	13,067
	<u>9,906</u>	<u>13,067</u>

The Clydesdale Bank plc holds a bond & floating charge over the assets and undertakings of the company.

10. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002	2001
			£	£
15,000	Ordinary	£1	<u>15,000</u>	<u>15,000</u>

**Notes to the Financial Statements
for the Year Ended 31 July 2002**

11. RELATED PARTY DISCLOSURES

Control

The company is controlled by E Dalglish and D McLeod, the directors of the company, who each own 50% of the issued share capital.

Transactions

At 31 July 2002 the balance due by the company to D McLeod was £948 (2001 £5,289).

At 31 July 2002 the balance due by the company to E Dalglish was nil (2001 £2,178).

Other debtors amounting to £4,442 represents a loan to the Pace Print Partnership whose partners are E Dalglish and D McLeod. This loan is interest free and repayable on demand.

The bank borrowing is personally guaranteed by the directors.