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EDSON (PRINTERS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1989



EDSON (PRINTERS) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 1989

The Directors hereby submit their Report and Financial Statements of the Company for the year ended 31st March 1989.

REVIEW OF THE BUSINESS

The Company's principal activity is that of Manufacturers of Cardboard Boxes. The Company continued to trade satisfactorily during the year.

RESULTS AND DIVIDENDS

The Profit and Loss Account shows the results for the year and is set out on page 6. No Dividend is recommended for the year.

DIRECTORS AND THEIR INTERESTS

The Directors who served throughout the year were as follows:-

P J Garfield
D D Gee
R J James
Mrs E M Tanyar
F Y Tanyar

The Directors have no beneficial interest in the Share Capital of the Company. Throughout the year the Company has been a wholly owned subsidiary of Larkwood Press Limited, a Company incorporated in England.

The Ultimate Holding Company is Boxes Holdings Limited, a Company incorporated in England.

All the Directors other than Mrs E M Tanyar and R J James are Directors of Boxes Holdings Limited and their beneficial interests in the shares of that Company are disclosed in its accounts.

SUBSIDIARY COMPANY

Tideway Packaging Limited, incorporated in England, is a wholly owned subsidiary of the Company, which previously traded as Retailers of paper and board products, but has now ceased to trade.

No group accounts have been prepared on the grounds that all figures reflected therein are already incorporated in the group accounts of the Ultimate Parent Company, Boxes Holdings Limited.

FIXED ASSETS

Changes in fixed assets during the year are reflected in the notes to the accounts.

EDSON (PRINTERS) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 1989 (Continued)

POLITICAL AND CHARITABLE DONATIONS

There were no political donations made in the year. Charitable donations amounted to £125.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a Resolution proposing the reappointment of Messrs Percy Phillips, Chartered Accountants, as Auditors to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

4 *DT*

MRS D TREVITHICK
Secretary

Dated: 26th February 1990

EDSON (PRINTERS) LIMITED

REPORT OF THE AUDITORS TO THE DIRECTORS OF EDSON (PRINTERS) LIMITED
UNDER PARAGRAPH 10 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

As auditors of Edson (Printers) Limited, on 26th February 1990, we reported under Section 236 of the Companies Act 1985 on the accounts of the Company prepared under Section 227 of the Companies Act 1985 for the year ended 31st March 1989, as follows:-

"We have audited the attached Financial Statements in accordance with Auditing Standards.

The Company has not complied with Statement of Standard Accounting Practice No 12 in that no provision has been made for depreciation on freehold buildings. This is because, the residual value of the buildings is, in the opinion of the Directors, far in excess of their cost.

Subject to the foregoing, in our opinion, the Financial Statements give a true and fair view of the state of affairs of the Company at 31st March 1989, and of the Profit and Source and Application of Funds for the year ended on that date, and comply with the Companies Act 1985."

We have examined the modified accounts attached, which have been properly prepared from the accounts of the Company prepared under Section 227 of the Companies Act 1985 for the year ended 31st March 1989, in the manner permitted for a medium sized company under Section 249 of the Companies Act 1985.

In our opinion the Company satisfies the requirements for exemption appropriate to a medium sized company under Section 247 of the Companies Act 1985.

16 HARCOURT HOUSE
19 CAVENDISH SQUARE
LONDON W1M 0HJ

PERCY PHILLIPS
CHARTERED ACCOUNTANTS

Dated: 26th February 1990

EDSON (PRINTERS) LIMITED

BALANCE SHEET AS AT 31ST MARCH 1989

	Notes	£	1989	£	£	1988	£
<u>FIXED ASSETS</u>							
Intangible Asset	7A			100			100
Tangible Assets	7B			784,181			763,841
Investment	7C			180			180
				<u>784,461</u>			<u>764,121</u>
<u>CURRENT ASSETS</u>							
Stocks	8	287,353			284,851		
Debtors	9	671,168			820,452		
Cash at Bank and in Hand		592			40,243		
			959,113			1,145,546	
<u>CREDITORS:</u> Amounts falling due within one year	10	922,302				1,123,198	
<u>NET CURRENT ASSETS</u>				36,811			22,348
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>				821,272			786,469
<u>CREDITORS:</u> Amounts falling due after more than one year	11			-			10,000
<u>PROVISION FOR DEFERRED TAXATION</u>	6			821,272			776,469
				166,300			166,300
				<u>£654,972</u>			<u>£610,169</u>
<u>CAPITAL AND RESERVES</u>							
Called-Up Share Capital	12			26,900			26,900
Share Premium Account				4,782			4,782
Profit and Loss Account				623,290			578,487
				<u>£654,972</u>			<u>£610,169</u>

The Notes on pages 8 to 13 form part of these accounts.

In preparing these modified accounts.

(a) We have relied upon the exemptions for individual accounts under Sections 247-249 of the Companies Act 1985.

(b) We have done so on the grounds that the Company is entitled to the benefit of those exemptions as a medium sized company.

Director

Director

Dated: 26th February 1990

EDSON (PRINTERS) LIMITED

MODIFIED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1989

		<u>1989</u>		<u>1988</u>	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>GROSS PROFIT</u>			786,424		808,474
Distribution Costs		65,523		49,958	
Administrative Expenses		680,247		716,832	
			<u>745,770</u>		<u>766,790</u>
<u>OPERATING PROFIT</u>			40,654		41,684
Other Income			7,885		805
			<u>48,539</u>		<u>42,489</u>
Interest Payable	4		<u>3,736</u>		<u>8,892</u>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>before taxation</u>	5		44,803		33,597
Tax on Profit on Ordinary Activities			-		217
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>after taxation</u>			<u>44,803</u>		<u>33,380</u>
<u>RETAINED PROFITS brought forward</u>		578,487		711,407	
Provision for Deferred Tax	6	-		(166,300)	
			<u>578,487</u>		<u>545,107</u>
<u>RETAINED PROFITS carried forward</u>			<u>£623,290</u>		<u>£578,487</u>

The Notes on pages 8 to 13 form part of these accounts.

EDSON (PRINTERS) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST MARCH 1989

	<u>1989</u>		<u>1988</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>SOURCE OF FUNDS</u>				
Profit before Taxation		44,803		33,597
<u>Adjustments for items not involving the movement of funds:</u>				
Depreciation	87,422		125,033	
Profit on Disposal of Fixed Assets	(27,350)		(6,900)	
		60,072		118,133
<u>TOTAL GENERATED FROM OPERATIONS</u>		104,875		151,730
<u>OTHER SOURCES</u>				
Sale of Fixed Assets		27,350		12,635
		132,225		164,365
<u>APPLICATION OF FUNDS</u>				
Reduction of Medium Term Loan	40,000		55,800	
Purchase of Fixed Assets	107,762		82,396	
		(147,762)		(138,196)
		£(15,537)		£ 26,169
<u>INCREASE/DECREASE IN WORKING CAPITAL</u>				
Increase/(Decrease) in Stocks	2,502		(44,270)	
(Decrease)/Increase In Debtors	(149,284)		374,049	
Decrease/(Increase) in Creditors	207,806		(231,405)	
<u>Movement in net liquid funds:</u>				
(Decrease)/Increase in Cash	(39,651)		39,997	
Increase in Bank Overdraft	(36,910)		(112,202)	
		£(15,537)		£ 26,169

EDSON (PRINTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1989

1. ACCOUNTING POLICIES

The accounts are prepared under the Historical Cost Convention.

CHANGE IN PRESENTATION

Where changes are made to the presentation of the accounts the comparative figures have been adjusted accordingly.

TURNOVER

Turnover represents sales at invoiced amount less Value Added Tax.

DEPRECIATION

(a) Intangible Fixed Assets

The intangible assets have not been depreciated.

(b) Tangible Fixed Assets

The freehold property is not depreciated as the Directors are of the opinion that the residual value of the buildings is far in excess of the cost. For the other tangible fixed assets, the depreciation is provided to write off the cost of the fixed assets over the normal working lives of these assets as follows:-

Plant, Equipment & Furniture	10% p.a. on Net Book Value
Motor Vehicles	25% p.a. on Net Book Value

STOCKS

Stocks are stated at the lower of cost and net realisable value as follows:-

Cost incurred in bringing each product to its present location and condition:

Raw Materials - Purchase cost on first in, first out basis.

Work in Progress and finished goods - Cost of direct materials and labour plus attributable overheads based on normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

DEFERRED TAXATION (See Note 6)

Full provision is made for all timing differences between the treatment of Fixed Assets for taxation and accounting purposes after taking into account any taxable loss relief brought forward. The notional liability would only crystallise if the fixed assets to which the provision relates were to be realised at their current book values.

EDSON (PRINTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1989 (Continued)

2. TURNOVER

The Turnover is mainly attributable to the principal activity, and is stated at the invoiced amount net of Value Added Tax.

3. STAFF COSTS

The average weekly number of employees during the year was 94 made up as follows:-

	<u>1989</u>	<u>1988</u>
	<u>No.</u>	<u>No.</u>
Office and Management	13	13
Manufacturing	81	79
	<u>94</u>	<u>92</u>
<u>Staff Costs</u>		
	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Wages and Salaries	985,521	920,665
Social Security Costs	99,779	93,283
Other Pension Costs	23,007	25,697
	<u>£1,108,307</u>	<u>£1,039,645</u>

4. INTEREST PAYABLE

The interest payable relates to the bank loans and overdraft wholly repayable within five years.

5A. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
This has been arrived at after charging:		
Depreciation	£ 87,422	£125,033
Directors' Remuneration (see Note 5B.)	£ 77,791	£104,061
Auditors' Remuneration	£ 10,500	£ 10,500
Profit on Disposal of Fixed Assets	£(27,350)	£ (6,900)
Plant Hire	£ 500	£ 415
Leasing Charges	£ 12,938	£ 9,396

EDSON (PRINTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1989 (Continued)

5B. Directors' Remuneration

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Fees	59,891	86,161
Other Emoluments (inc. Pension Contributions)	17,900	17,900
	<u>£ 77,791</u>	<u>£104,061</u>

The emoluments of the Chairman,
(excl. Pension Contributions) were £ 38,070 £ 33,246

The emoluments of the highest Paid Director
(excl. Pension Contributions) were £ 38,070 £ 33,246

Other Directors' emoluments, (excl. Pension Contributions) fell within the following ranges:

	<u>1989</u>	<u>1988</u>
	<u>No.</u>	<u>No.</u>
£ 5,001 - £10,000	1	1
£10,001 - £15,000	-	-
£15,001 - £20,000	1	-
£30,001 - £35,000	-	1
£35,001 - £40,000	1	1

6. PROVISION FOR DEFERRED TAXATION (See Note 1)

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Transfer from Profit and Loss Account	£ -	£166,300

EDSON (PRINTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1989 (Continued)

7. FIXED ASSETS

(A) Intangible Assets

	<u>1989</u>	<u>1988</u>
Goodwill at Cost	£ 100	£ 100

(B) Tangible Assets

	<u>Freehold Land</u>	<u>Building</u>	<u>Plant Equipment Furniture</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>COST</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Brought forward 1.4.88	10,000	91,256	1,353,409	100,347	1,555,012
Additions in year	-	-	107,762	-	107,762
	10,000	91,256	1,461,171	100,347	1,662,774
Disposals in the year	-	-	(24,662)	-	(24,662)
Carried forward 31.3.89	£10,000	£91,256	£1,436,509	£100,347	£1,638,112
<u>DEPRECIATION</u>					
Brought forward 1.4.88	-	-	742,520	48,651	791,171
Disposals in the year	-	-	(24,662)	-	(24,662)
	-	-	717,858	48,651	766,509
Charge for the year	-	-	74,498	12,924	87,422
Carried forward 31.3.89	£ -	£ -	£ 792,356	£ 61,575	£ 853,931
<u>NET BOOK VALUE</u>					
<u>AT 31.3.89</u>	£10,000	£91,256	£ 644,153	£ 38,772	£ 784,181
<u>AT 31.3.88</u>	£10,000	£91,256	£ 610,889	£ 51,696	£ 763,841

(C) Investment

	<u>1989</u>	<u>1988</u>
Investment in Subsidiary Cost 31st March 1989	£ 180	£ 180

The Company holds the following interest in its subsidiary company.

	<u>Country of Registration and Operation</u>	<u>Holding</u>	<u>Proportion</u>
Tideway Packaging Limited	England	Ordinary Shares	100%

Details of the nature of the business of the above company are given in the Directors Report.

EDSON (PRINTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1989 (Continued)

8. STOCKS

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Raw Materials	91,342	68,164
Work in Progress	117,796	57,126
Finished Goods	78,215	159,561
	<u>£287,353</u>	<u>£284,851</u>

9. DEBTORS - Amounts due within one year

Trade Debtors	588,213	770,425
Amounts due from Holding Company	3	3
Amounts due from Fellow Subsidiary Companies	20,346	37,005
Other Debtors	53,957	8,662
Prepayments	8,649	4,357
	<u>£ 671,168</u>	<u>£ 820,452</u>

10. CREDITORS - Amounts falling due within one year

Bank Medium Term Loans (Secured - see Note below)	10,000	40,000
Bank Overdraft (Secured - see Note below)	261,848	224,938
Trade Creditors	165,806	149,626
Amounts due to Subsidiary Company	260	163
Amounts due to Fellow Subsidiaries	394,493	622,027
Other Creditors	46	-
Corporation Tax	1,358	1,358
Other Taxes and Social Security Costs	28,511	49,877
Accruals	59,980	35,209
	<u>£ 922,302</u>	<u>£1,123,198</u>

The bank overdraft is secured by way of cross guarantees and debentures given by this Company, its Holding Company, the Ultimate Holding Company and Fellow Subsidiaries.

Barclays Bank Plc has a legal charge on the Freehold Land and Buildings on the North side of Hunters Lane, Watford, Herts, dated 14th December 1987.

EDSON (PRINTERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1989 (Continued)

11. CREDITORS - Amounts falling due
after one year

	<u>1989</u>	<u>1988</u>
Bank Medium Term Loans (Secured)	£ -	£ 10,000
	<hr/>	<hr/>

12. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, Issued and Fully Paid</u>	
	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
	<u>No.</u>	<u>No.</u>	<u>£</u>	<u>£</u>
Ordinary Shares of 10p each	17,000	17,000	1,700	1,700
1% Non Cumulative Preference Shares of 10p each	252,000	252,000	25,200	25,200
			<hr/>	<hr/>
			£26,900	£26,900
			<hr/>	<hr/>

13. CAPITAL EXPENDITURE

There were outstanding capital commitments at the balance sheet date totalling £15,116.

14. CONTINGENT LIABILITIES

<u>1989</u>	<u>1988</u>
£3,802,808	£2,169,453
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The Company has a Contingent Liability arising out of guarantees given to Barclays Bank Plc in respect of facilities afforded to this Company and other members of the Group.

15. HOLDING COMPANY

The Company is a wholly owned subsidiary of Larkwood Press Limited and the Ultimate Holding Company is Boxes Holdings Limited. Both companies are incorporated in England.