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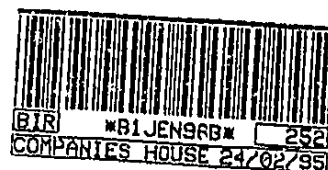
William Caple & Company Limited

Report and Accounts

30 April 1994

Registered Number: 501084

ERNST & YOUNG



01-03-95

William Caple & Company Limited

COMPANY INFORMATION

DIRECTORS

B N Loane - Chairman
J J Coll

SECRETARY

P Slocombe

REGISTERED OFFICE

William Caple & Co Ltd
Morledge Street
Leicester
LE1 1TF

AUDITORS

Ernst & Young
Windsor House
3 Temple Row
Birmingham
B2 5LA

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William Caple & Company Limited**DIRECTORS REPORT**

The directors present their report and accounts for the year ended 30 April 1994.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £139k and is dealt with as shown in note 14 to the accounts. The directors do not recommend the payment of a dividend on the ordinary shares.

PRINCIPAL ACTIVITY AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The company's principal activity continued to be that of printers and designers.

FIXED ASSETS

Movements in fixed assets are set out in note 8.

DIRECTORS AND THEIR INTERESTS

The following members of the Board held office during the year:

B N Loane

J J Coll

P N Cave (resigned 31 July 1993)

P J Salmons (resigned 31 December 1993)

C F Williams (resigned 31 December 1993)

A Hambridge (appointed 1 September 1993 and resigned 2 March 1994)

None of the directors have a beneficial interest in any significant contract to which the company was a party during the financial year.

Messrs B N Loane and J J Coll are directors of the company's ultimate parent undertaking, Adare Printing Group plc, and their interests are disclosed in that company's accounts. There are no other interests requiring disclosure under the Companies Act 1985.

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William Caple & Company Limited**DIRECTORS REPORT****STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the re-appointment of Ernst and Young as auditors to the company will be put to the annual general meeting.

On behalf of the board

P Slocombe

P Slocombe

Secretary

23 February 1995

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REPORT OF THE AUDITORS
to the members of William Caple & Co Limited

We have audited the accounts on pages 5 to 15, which have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets, and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 April 1994 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read 'Ernst & Young', written in dark ink.

Ernst & Young
Chartered Accountants
Registered Auditor
Birmingham

23 February 1995

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William Caple & Company Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 April 1994

		12 months 1994 £'000	13 months 1993 £'000
	Note		
TURNOVER	2	4,428	5,627
Cost of sales		3,083	4,012
GROSS PROFIT		1,345	1,615
Distribution costs		267	216
Administration costs		675	670
Other operating costs		505	641
OPERATING (LOSS)/PROFIT		(102)	88
Exceptional items	3	(6)	355
Interest payable	4	29	67
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(125)	(334)
Taxation on profit on ordinary activities	6	14	83
LOSS RETAINED FOR THE YEAR		(139)	(417)

A statement of movements on reserves is given in note 14 to the accounts.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	12 months 1994 £'000	13 months 1993 £'000
Reported loss on ordinary activities before taxation.	(125)	(334)
Difference between historical cost depreciation charge and actual depreciation charge	6	-
Historical cost loss on ordinary activities before taxation	(119)	(334)
Historical cost loss retained for the year after taxation	(133)	(417)

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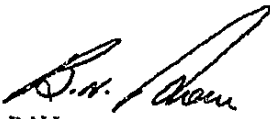
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William Caple & Company Limited

BALANCE SHEET

at 30 April 1994

	Note	1994 £'000	1993 £'000
FIXED ASSETS			
Tangible assets	8	2,243	2,503
CURRENT ASSETS			
Stocks	9	70	146
Debtors	10	1,052	1,150
		1,132	1,296
CREDITORS: amounts falling due within one year	11	1,310	1,562
NET CURRENT LIABILITIES		(178)	(266)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,065	2,237
CREDITORS: amounts falling due after more than one year	11	-	83
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	242	192
		1,823	1,962
CAPITAL AND RESERVES			
Called up share capital	13	46	46
Profit and loss account	14	1,168	1,301
Revaluation reserve	14	609	615
		1,823	1,962



B N Loane

Director

23 February 1995

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William Caple & Company Limited

at 30 April 1994

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<i>12 months</i>	<i>13 months</i>
	<i>1994</i>	<i>1993</i>
	<i>£'000</i>	<i>£'000</i>
Loss retained for the year	(139)	(417)
Unrealised surplus on revaluation of freehold land and buildings	-	615
Total recognised gains and losses for the year	<u>(139)</u>	<u>198</u>

William Caple & Company Limited

NOTES TO THE ACCOUNTS

at 30 April 1994

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets, and in accordance with applicable Accounting Standards.

Depreciation

Freehold land is not depreciated. The cost or valuation of other fixed assets including leased assets is written off by equal instalments over their expected useful lives as follows:

Buildings	50 years
Plant and machinery	10 to 12 years
Equipment	5 years
Motor vehicles	4 years

Depreciation is charged on new assets three months after satisfactory commissioning.

Stocks and Work in progress

Stocks and work in progress are valued at the lower of cost, including a proportion of the appropriate manufacturing overheads, and net realisable value after making due allowance for any obsolete or slow moving items. Net realisable value comprises the actual or estimated selling price (net of trade discounts) less all further cost to be incurred in marketing, selling and distribution.

Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pension contributions

The cost of providing pension benefits is charged to the profit and loss account over the period benefiting from employee's services.

Cash flow statement

The company is not required to produce a cash flow statement. It is a wholly owned indirect subsidiary undertaking of Adare Printing Group plc which prepares a consolidated cash flow statement as required under FRS 1.

Accounts format

The balance sheet and profit and loss account have been revised to accord with the group format. Comparatives have been restated accordingly.

William Caple & Company Limited

NOTES TO THE ACCOUNTS

at 30 April 1994

2. TURNOVER

Turnover represents the total amount, less value added tax, receivable by the company for goods supplied as principal during the period.

Turnover is wholly derived from the company's principal activity and arises within the United Kingdom.

All turnover and operating loss is attributable to continuing operations.

3. EXCEPTIONAL ITEMS

The exceptional items relate to the following:

	<i>12 months 1994 £'000</i>	<i>13 months 1993 £'000</i>
Rationalisation costs	-	329
Restructuring costs	-	63
Profit on sale of fixed assets	(6)	(37)
	<u>(6)</u>	<u>355</u>

4. INTEREST PAYABLE

	<i>12 months 1994 £'000</i>	<i>13 months 1993 £'000</i>
Bank overdrafts & loans wholly repayable within five years	24	25
Finance charges payable under finance leases and hire purchase agreement	5	42
	<u>29</u>	<u>67</u>

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	<i>12 months 1994 £'000</i>	<i>13 months 1993 £'000</i>
Depreciation of tangible fixed assets		
- owned	263	233
- finance leases	57	131
Auditors remuneration		
- audit	7	13
- other services	1	1
	<u></u>	<u></u>

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William Caple & Company Limited

NOTES TO THE ACCOUNTS

at 30 April 1994

6. TAXATION

The taxation charge on loss for the period is comprised as follows:

	12 months 1994 £'000	13 months 1993 £'000
United Kingdom Corporation Tax:		
On the profit for the year at 33% (1993: 33%)	(39)	2
Deferred taxation	54	(156)
	<u>15</u>	<u>(154)</u>
Adjustments relating to prior years:		
- Deferred taxation	(4)	237
- Corporation tax	3	-
	<u>14</u>	<u>83</u>

7. DIRECTORS AND EMPLOYEES

The average number of persons (including directors) employed by the company during the year was:

	1994 Number	1993 Number
Production	55	67
Administration and management	15	16
Sales	7	6
	<u>77</u>	<u>89</u>

Staff costs (for above persons):

	12 months 1994 £'000	13 months 1993 £'000
Wages and salaries	1,396	1,680
Social Security costs	125	132
Other pension costs	76	100
Rationalisation costs	-	329
	<u>1,597</u>	<u>2,241</u>

The remuneration paid to directors was:

	12 months 1994 £'000	13 months 1993 £'000
Emoluments	118	214
Pensions to former directors	18	20
Compensation for loss of office	18	152
	<u>154</u>	<u>386</u>

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William Caple & Company Limited

NOTES TO THE ACCOUNTS

at 30 April 1994

7. DIRECTORS AND EMPLOYEES (continued)

Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to:

	12 months 1994 £'000	13 months 1993 £'000
The Chairman - prior to 7 August 1992	-	32
The Chairman - after 7 August 1992	-	-
The highest paid director	38	44

The number of directors, other than directors who discharged their duties mainly or wholly outside the United Kingdom, who received fees and other emoluments (excluding pension contributions) falling within the following bands:

	1994	1993
£0 - £5,000	2	3
£5,001 - £20,000	-	1
£20,001 - £25,000	2	-
£30,001 - £35,000	1	3
£35,001 - £40,000	1	1
£40,001 - £45,000	-	1

Two of the directors are also directors of other group companies. The directors do not believe that it is practical to apportion their emoluments between their services as directors of the company and their services as directors of other group undertakings. The above disclosure therefore assumes their emoluments to be nil.

8. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Plant, Machinery, Equipment and Motor Vehicles £'000	Total £'000
Cost or valuation:			
At 1 May 1993	975	3,634	4,609
Additions	-	68	68
Disposals	-	(67)	(67)
At 30 April 1994	975	3,635	4,610
Depreciation:			
At 1 May 1993	17	2,089	2,106
Charge for the year	15	305	320
Eliminated on disposals	-	(59)	(59)
At 30 April 1994	32	2,335	2,367
Net book value			
At 30 April 1994	943	1,300	2,243
At 1 May 1993	958	1,545	2,503

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William Caple & Company Limited

NOTES TO THE ACCOUNTS

30 April 1994

8. TANGIBLE FIXED ASSETS (continued)

The net book value of fixed assets includes £379k (1993: £643k) in respect of assets acquired under finance lease and hire purchase contracts.

On 7 August 1992, following acquisition by Adare Printing Group (UK) Ltd, the directors revalued plant, machinery and equipment based on economic value to the business. The freehold land and buildings were revalued on 31 March 1992. The historical cost of the fixed assets included at valuation is as follows:

	Freehold land and buildings £'000	Plant, machinery & equipment £'000
Cost	582	3,635
Depreciation	102	2,586
Net book value	480	1,049

9. STOCKS

	1994 £'000	1993 £'000
Raw materials	28	28
Work in progress	42	118
	70	146

10. DEBTORS

	1994 £'000	1993 £'000
Trade debtors	567	976
Amounts owed by parent undertaking	383	-
Amounts owed by fellow group undertakings	39	71
Other debtors and prepayments	34	103
Corporation tax recoverable	39	-
	1,062	1,150

William Caple & Company Limited

NOTES TO THE ACCOUNTS

at 30 April 1994

11. CREDITORS

	1994 £'000	1993 £'000
Amounts falling due within one year:		
Bank overdraft	445	57
Trade creditors	618	865
Amounts owed to fellow group undertakings	6	4
Amounts owed to parent undertaking	-	20
Obligations under finance leases	83	146
Corporation tax	3	2
Other taxation and social security	31	39
Other creditors	15	197
Accruals	109	192
	<u>1,310</u>	<u>1,562</u>
Amounts falling due after more than one year:		
Obligations under finance leases - due within 5 years	-	83
	<u>-</u>	<u>83</u>

12. DEFERRED TAXATION

Deferred taxation provided in the accounts and the potential liability are as follows:

	Potential liability 1994 £'000	Provided 1994 £'000	Potential liability 1993 £'000	Provided 1993 £'000
Accelerated capital allowances	422	250	476	250
Other timing differences	(8)	(8)	(58)	(58)
	<u>414</u>	<u>242</u>	<u>418</u>	<u>192</u>

13. CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid:

	Ordinary shares of £1 each £'000
1 May 1993 and 30 April 1994	<u>46</u>

William Caple & Company Limited

NOTES TO THE ACCOUNTS

at 30 April 1994

14. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £'000	Profit and loss account £'000	Revaluation reserve £'000	Total £'000
At 1 April 1992	46	1,718	-	1,764
Loss for the period		(417)	-	(417)
Other recognised gains and losses: revaluation surplus	-	-	615	615
At 1 May 1993	46	1,301	615	1,962
Loss for the year	-	(139)	-	(139)
Revaluation element in depreciation charge	-	6	(6)	-
At 30 April 1994	46	1,168	609	1,823

15. PENSION ARRANGEMENTS

The Company operates a funded defined benefit pension scheme.

Contributions to the scheme are determined with the advice of a professionally qualified actuary on the basis of triennial valuations using the projected unit credit method. The result of the most recent valuation which was conducted as at 6 April 1993 was as follows:

Main assumptions

The investment yield is expected to increase at 1% per annum faster than the increase in salaries.

- Market value of scheme assets £2,811,000

- Level of funding being the actuarial value of assets
expressed as a percentage of accrued benefits 121%

The surplus is being recognised as a variation from regular cost over 14 years, the employees' average expected remaining service lives. The resulting charge to the profit and loss account of £58,000 (1993: £70,000) represents 4.8% of pensionable salaries.

An accrual of £8,000 is recognised in the balance sheet as a result of the difference between contributions paid and the charge in the accounts.

16. CONTINGENT LIABILITIES

The company is a party to cross guarantees with certain fellow subsidiary undertakings. The company is a party to a right of set off arrangements incorporated in a Mortgage Debenture with its parent undertaking and certain fellow subsidiary undertakings. Its assets are subject to fixed and floating charges.

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William Caple & Company Limited

NOTES TO THE ACCOUNTS

at 30 April 1994

17. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Adare Printing Group plc, a company incorporated in the Republic of Ireland.

Copies of the parent's consolidated financial statements may be obtained from 10 Herbert Place, Dublin 2.