

Registration Number 2648879

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Games And Print Services Limited
Directors' Report and Financial Statements
for the year ended 31 December 2002



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Games And Print Services Limited

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Games And Print Services Limited

Directors' Report for the year ended 31 December 2002

The directors present their report and the financial statements for the year ended 31 December 2002.

Principal activity

The principal activity of the company during the year has remained that of print finishers.

Results, review of the business and future developments

The results for the year are set out on pages 3 to 18 of the attached financial statements. The directors report a loss on ordinary activities after taxation of £285,829. The state of the company's affairs is satisfactory. The directors anticipate a return to profitability in the current year and look to the future with optimism.

Dividends

The directors do not recommend payment of a dividend.

Fixed assets

The company purchased new plant and equipment for £109,025 during the year. Details of all movements on fixed assets are shown in note 9 to the financial statements.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2002	2001
A E Roberts	20,000	22,500
J W Norwood	20,000	20,000
C G Bowhay	5,000	5,000

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements 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 financial statements 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

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Mws will be deemed to be reappointed for each succeeding financial year.

This report was approved by the Board on 24 June 2003 and signed on its behalf by


C G Bowhay

Secretary

Games And Print Services Limited

Independent Auditors' Report to the Shareholders of Games And Print Services Limited

We have audited the financial statements of Games And Print Services Limited for the year ended 31 December 2002 which comprise pages 3 to 18. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mws

Chartered Accountants and
Registered Auditor

24 June 2003

Kingsridge House
601 London Road
Westcliff on Sea
Essex SS0 9PE

Games And Print Services Limited

Profit and Loss Account for the year ended 31 December 2002

		2002	2001
	Notes	£	£
Turnover	2	4,625,180	7,413,690
Cost of sales		(3,848,388)	(5,514,414)
Gross profit		776,792	1,899,276
Distribution costs		(112,600)	(118,245)
Administrative expenses		(924,352)	(1,157,020)
Operating loss/profit	3	(260,160)	624,011
Interest receivable and similar income		328	2,641
Interest payable and similar charges	4	(93,694)	(123,678)
Loss/profit on ordinary activities before taxation		(353,526)	502,974
Tax on loss/profit on ordinary activities	7	67,697	(92,797)
Loss/profit on ordinary activities after taxation		(285,829)	410,177
Dividends	8	-	(45,000)
Loss/retained profit for the year		(285,829)	365,177
Retained profit brought forward		1,303,970	938,793
Retained profit carried forward		1,018,141	1,303,970

There are no recognised gains or losses other than the profit or loss for the above two financial years.

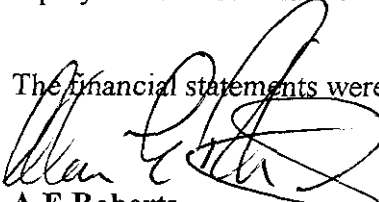
The notes on pages 6 to 18 form an integral part of these financial statements.

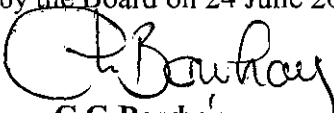
Games And Print Services Limited

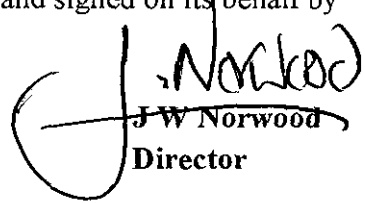
Balance Sheet as at 31 December 2002

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		2,009,915		2,248,036
Current assets					
Stocks	10	194,001		202,910	
Debtors	11	1,073,775		1,922,264	
Cash at bank and in hand		231,803		186,564	
		<u>1,499,579</u>		<u>2,311,738</u>	
Creditors: amounts falling due within one year	12	<u>(2,181,088)</u>		<u>(2,903,103)</u>	
Net current liabilities			(681,509)		(591,365)
Total assets less current liabilities			<u>1,328,406</u>		<u>1,656,671</u>
Creditors: amounts falling due after more than one year	13		(99,875)		(117,825)
Provision for liabilities and charges	14		(160,390)		(184,876)
Net assets			<u>1,068,141</u>		<u>1,353,970</u>
Capital and reserves					
Called up share capital	15		50,000		50,000
Profit and loss account			<u>1,018,141</u>		<u>1,303,970</u>
Equity shareholders' funds	16		<u>1,068,141</u>		<u>1,353,970</u>

The financial statements were approved by the Board on 24 June 2003 and signed on its behalf by


A E Roberts
Director


C G Bowhay
Director


J W Norwood
Director

The notes on pages 6 to 18 form an integral part of these financial statements.

Games And Print Services Limited

Cash Flow Statement for the year ended 31 December 2002

	Notes	2002 £	2001 £
Reconciliation of operating loss/profit to net cash inflow from operating activities			
Operating loss/profit		(260,160)	624,011
Depreciation		132,145	264,580
Decrease in stocks		8,909	114,335
Decrease in debtors		848,489	(726,758)
(Decrease) in creditors		(612,122)	(110,028)
Net cash inflow from operating activities		<u>117,261</u>	<u>166,140</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		117,261	166,140
Returns on investments and servicing of finance	19	(93,366)	(121,037)
Taxation	19	-	(113,986)
Capital expenditure	19	186,975	298,346
		<u>210,870</u>	<u>229,463</u>
Equity dividends paid		-	(45,000)
		<u>210,870</u>	<u>184,463</u>
Financing	19	(1,208,236)	(226,399)
Decrease in cash in the year		<u>(997,366)</u>	<u>(41,936)</u>

Reconciliation of net cash flow to movement in net debt (Note 20)

Decrease in cash in the year		(997,366)	(41,936)
Cash outflow from increase in debts and hire purchase		1,208,236	226,399
Change in net funds resulting from cash flows		<u>210,870</u>	<u>184,463</u>
New hire purchase contracts		(81,000)	(843,010)
Movement in net debt in the year		<u>129,870</u>	<u>(658,547)</u>
Net debt at 1 January 2002		(1,608,422)	(949,874)
Net debt at 31 December 2002		<u>(1,478,552)</u>	<u>(1,608,421)</u>

Games And Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2002

1. Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

1.2 Turnover

Turnover represents the amount derived from the provision of goods and services during the year, from the company's ordinary activities, after the deduction of trade discounts and value added tax.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write fixed assets down to their estimated residual value over their expected useful life, as follows:

Plant and machinery	- 10%, 20% and 25% straight line
Motor vehicles	- 25% reducing balance

1.4 Leasing and hire purchase commitments

Assets which have been funded through hire purchase contracts are capitalised in the same manner as other tangible fixed assets. Resulting obligations are included in hire purchase creditors. The interest element of contract obligations is charged to profit and loss account.

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits as incurred.

1.5 Stocks

Stocks are valued by the directors at the lower of cost and net realisable value.

1.6 Pension contributions

Contributions in respect of the company's defined contribution pension schemes are charged to the profit and loss account in the year in which they are paid to the schemes.

1.7 Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Games And Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2002

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.9 Going concern

The company had net current liabilities of £681,509 at 31 December 2002. However, the directors are of the opinion that the company has the continuing support of its bankers and creditors. In light of these factors, the directors consider it appropriate to adopt the going concern basis in the preparation of these financial statements.

2. Turnover

	2002 £	2001 £
Geographical market		
UK	2,874,739	2,785,044
Other European	1,653,241	248,345
Rest of the World	97,200	4,380,301
	<u>4,625,180</u>	<u>7,413,690</u>

3. Operating loss/profit

	2002 £	2001 £
Operating loss/profit is stated after charging:		
Depreciation of tangible assets	241,683	264,580
Plant hire	16,782	18,572
Operating lease rentals		
- land and buildings	120,175	120,175
- other	56,483	8,220
Auditors' remuneration	12,860	14,250
and after crediting:		
Profit on sale of plant and machinery	<u>109,538</u>	<u>-</u>

Games And Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2002

4. Interest payable and similar charges	2002 £	2001 £
On bank, loans and overdraft wholly repayable within five years	44,900	3,059
On hire purchase wholly repayable by instalments within five years	29,669	74,909
On other loans wholly repayable within five years	18,681	45,710
Overdue taxation	444	-
	<u>93,694</u>	<u>123,678</u>

5. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2002 Number	2001 Number
Office and administration	15	15
Factory and warehouse	94	119
	<u>109</u>	<u>134</u>

Employment costs

	2002 £	2001 £
Wages and salaries	1,689,705	2,018,287
Social security costs	182,237	232,339
Other pension costs - defined contribution schemes	42,038	313,033
	<u>1,913,980</u>	<u>2,563,659</u>

Games And Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2002

5.1 Directors' emoluments

	2002	2001
	£	£
Remuneration and other emoluments	148,064	183,951
Pension contributions	27,786	254,179
	<u>175,850</u>	<u>438,130</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>3</u>	<u>3</u>
Higest paid director		
	£	£
Amounts included above:		
Emoluments and other benefits	56,263	68,582
Pension contributions	15,529	110,793
	<u>71,792</u>	<u>179,375</u>

6. Pension costs

The company operates defined contribution pension schemes for its directors and certain employees. The pension charge represents the amount paid by the company to the pension schemes during the year and amounted to £42,038 (2001 : £313,033).

Games And Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2002

7. Taxation	2002	2001
	£	£
UK current year taxation		
UK Corporation Tax at 19% (2001 - 20%)	-	43,211
Transfer from deferred taxation	(24,486)	49,586
	<u>(24,486)</u>	<u>92,797</u>
Prior years		
UK Corporation Tax	(43,211)	-
	<u>(67,697)</u>	<u>92,797</u>
8. Dividends	2002	2001
	£	£
Dividends paid	<u>-</u>	<u>45,000</u>

Games And Print Services Limited

**Notes to the Financial Statements
for the year ended 31 December 2002**

9. Tangible fixed assets

	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2002	3,256,491	141,541	3,398,032
Additions	109,025	-	109,025
Disposals	(282,538)	-	(282,538)
At 31 December 2002	3,082,978	141,541	3,224,519
Depreciation			
At 1 January 2002	1,113,183	36,813	1,149,996
On disposals	(67,538)	-	(67,538)
Charge for the year	105,963	26,183	132,146
At 31 December 2002	1,151,608	62,996	1,214,604
Net book values			
At 31 December 2002	1,931,370	78,545	2,009,915
At 1 January 2002	2,143,308	104,728	2,248,036

Included above are assets held under hire purchase contracts as follows:

	2002	
Asset description	Net book value	Depreciation charge
	£	£
Plant and machinery	398,227	44,457
Motor vehicles	73,760	24,587
	471,987	69,044

Games And Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2002

10. Stocks	2002	2001
	£	£
Raw materials and consumables	151,085	142,683
Work in progress	42,916	60,227
	<u>194,001</u>	<u>202,910</u>

11. Debtors	2002	2001
	£	£
Trade debtors	990,137	1,757,142
Other debtors	58,325	58,325
Vat repayable	-	88,519
Prepayments	25,313	18,278
	<u>1,073,775</u>	<u>1,922,264</u>

Trade debtors include £Nil (2001 : £1,712,672) which are subject to a factoring agreement. The amount received from the factoring company at 31st December 2002 amounted to £Nil (2001 : £1,068,805).

Amounts falling due after more than one year and included in debtors are:

Other debtors	<u>58,325</u>	<u>58,325</u>
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Games And Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2002

12. Creditors: amounts falling due within one year	2002 £	2001 £
Bank overdraft and advances (secured by debenture and specific book debts)	1,322,361	279,757
Chattle mortgage (secured by specific plant)	189,167	-
Factoring advances (secured by debenture)	-	1,068,805
Hire purchase (secured by relevant fixed asset)	98,951	328,599
Trade creditors	480,513	1,019,630
Corporation tax	-	43,211
Other taxes and social security costs	90,096	128,101
Undrawn dividends	-	35,000
	<u>2,181,088</u>	<u>2,903,103</u>

13. Creditors: amounts falling due after more than one year	2002 £	2001 £
Hire purchase (secured by relevant fixed asset)	<u>99,875</u>	<u>117,825</u>

The future minimum payments to which the company is committed under hire purchase contracts are as follows:-

Repayable within one year	98,951	328,599
Repayable between two and five years	99,875	117,825
	<u>198,826</u>	<u>446,424</u>

Games And Print Services Limited

**Notes to the Financial Statements
for the year ended 31 December 2002**

14. Provisions for liabilities and charges

Deferred tax is analysed over the following timing differences:

	Provided	
	2002	2001
	£	£
Accelerated capital allowances	<u>160,390</u>	<u>184,876</u>

Movements on the provision for deferred taxation are:

	2002	2001
	£	£
At 1 January 2002	184,876	135,289
Transferred from profit and loss account	<u>(24,486)</u>	<u>49,587</u>
At 31 December 2002	<u>160,390</u>	<u>184,876</u>

15. Share capital

	2002	2001
	£	£
Authorised equity		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Games And Print Services Limited

**Notes to the Financial Statements
for the year ended 31 December 2002**

16. Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Loss/profit for the year	(285,829)	410,177
Dividends	-	(45,000)
	<u>(285,829)</u>	<u>365,177</u>
Opening shareholders' funds	1,353,970	988,793
Closing shareholders' funds	<u><u>1,068,141</u></u>	<u><u>1,353,970</u></u>

17. Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	-	-	-	2,132
Between one and five years	-	-	56,483	3,384
In over five years	120,175	120,175	-	-
	<u>120,175</u>	<u>120,175</u>	<u>56,483</u>	<u>5,516</u>

Games And Print Services Limited

**Notes to the Financial Statements
for the year ended 31 December 2002**

18. Controlling party and related party transactions

The company is controlled by the directors.

The company rents leasehold factory premises from Thames Pad (Holdings) Limited, a company in which A E Roberts controls 80% and J W Norwood controls 20% of the issued share capital. The company incurred costs of £120,175 (2001 : £120,175) from Thames Pad (Holdings) Limited during the year and were owed £58,325 (2001 : £49,325) by that company at 31st December 2002. Thames Pad (Holdings) Limited has guaranteed the bank overdraft.

During the year, the company sold plant for £215,000 to the GPS Trust, its self administered pension scheme. During the year, the company paid rent of £51,087 to the GPS Trust for plant.

Games And Print Services Limited

**Notes to the Financial Statements
for the year ended 31 December 2002**

19. Gross cash flows

	2002	2001
	£	£
Returns on investments and servicing of finance		
Interest received	328	2,641
Interest paid	(64,025)	(48,769)
Interest element of hire purchase payments	(29,669)	(74,909)
	<u>(93,366)</u>	<u>(121,037)</u>
Taxation		
Corporation tax paid	-	(113,986)
	<u>-</u>	<u>(113,986)</u>
Capital expenditure		
Payments to acquire tangible assets	(28,025)	93,366
Receipts from sales of tangible assets	215,000	204,980
	<u>186,975</u>	<u>298,346</u>
Financing		
Other new short term loans	250,000	1,068,805
Repayment of other short term loans	(1,129,638)	(326,589)
Capital element of hire purchase contracts	(328,598)	(968,615)
	<u>(1,208,236)</u>	<u>(226,399)</u>

Games And Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2002

20. Analysis of changes in net debt

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	186,564	45,239		231,803
Overdrafts	(279,757)	(1,042,604)		(1,322,361)
	(93,193)	(997,365)		(1,090,558)
Debt due within one year	(1,068,805)	879,638	-	(189,167)
Hire purchase	(446,424)	328,598	(81,000)	(198,826)
	(1,515,229)	1,208,236	(81,000)	(387,993)
Net debt	(1,608,422)	210,871	(81,000)	(1,478,551)