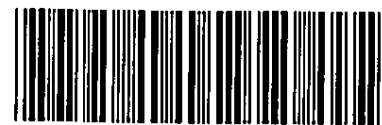


'CRO'

Company Registration No. 03086007 (England and Wales)

CAVA (U.K.) LIMITED
ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

SATURDAY



PFQQGA3D

PC3

23/05/2009

757

COMPANIES HOUSE

CAVA (U.K.) LIMITED

COMPANY INFORMATION

Directors

A C Barrett
C J Barrett
R Hogg
C Robshaw

Secretary

R Hogg

Company number

03086007

Registered office

Grafic House
Tom Dando Close
Normanton Industrial Estate
Normanton
Wakefield
West Yorkshire
WF6 1TP

Auditors

DJH Accountants Limited
Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffordshire
ST5 0EZ

CAVA (U.K.) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 17

CAVA (U.K.) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The principal activity of the company continued to be the acquisition, refurbishment and sale of specialist machinery.

The directors are disappointed with the results for the year. Although the sales have generated a better gross profit percentage the significant decrease in turnover has resulted in a net loss for the year. The directors are hopeful that this can be rectified and the company will be profitable for the forthcoming year.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2008:

A C Barrett
C J Barrett
R Hogg
C Robshaw

Auditors

In accordance with the company's articles, a resolution proposing that DJH Accountants Limited be reappointed as auditors of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to:

- select suitable accounting policies and then 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 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.

CAVA (U.K.) LIMITED

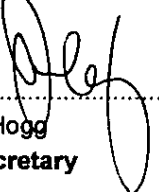
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board


.....
R Hogg
Secretary

..... 11/5/09

Date

CAVA (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CAVA (U.K.) LIMITED

We have audited the financial statements of Cava (U.K.) Limited for the year ended 31 December 2008 set out on pages 5 to 17. These financial statements have been prepared under 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 directors' remuneration and other transactions 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 International Standards on Auditing (UK and Ireland) 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.

CAVA (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF CAVA (U.K.) LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements in respect of the support given by the company's parent. We consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffordshire
ST5 0EZ

15/1/09



DJH ACCOUNTANTS LIMITED

Chartered Certified Accountants
Registered Auditor

CAVA (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2	951,002	1,600,049
Cost of sales		(788,264)	(1,401,327)
Gross profit		162,738	198,722
Administrative expenses		(201,361)	(188,513)
Operating (loss)/profit	3	(38,623)	10,209
Interest payable and similar charges	4	(27,047)	(8,493)
(Loss)/profit on ordinary activities before taxation		(65,670)	1,716
Tax on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit for the year	13	(65,670)	1,716

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CAVA (U.K.) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	£	2008 £	£	2007 £
Fixed assets					
Tangible assets	6		18,879		9,862
Investments	7		2		2
			<u>18,881</u>		<u>9,864</u>
Current assets					
Stocks	8	167,596		123,064	
Debtors	9	63,606		253,245	
Cash at bank and in hand		6,820		173,549	
		<u>238,022</u>		<u>549,858</u>	
Creditors: amounts falling due within one year	10	(533,789)		(779,812)	
Net current liabilities			<u>(295,767)</u>		<u>(229,954)</u>
Total assets less current liabilities			<u>(276,886)</u>		<u>(220,090)</u>
Creditors: amounts falling due after more than one year	11		(8,874)		-
			<u>(285,760)</u>		<u>(220,090)</u>
Capital and reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		(295,760)		(230,090)
Shareholders' funds	14		<u>(285,760)</u>		<u>(220,090)</u>

Approved by the Board and authorised for issue on 11/5/09

A C Barrett
Director

CAVA (U.K.) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008		2007	
	£	£	£	£
Net cash outflow from operating activities		(30,614)		(87,640)
Returns on investments and servicing of finance				
Interest paid	(27,047)		(8,493)	
Net cash outflow for returns on investments and servicing of finance		(27,047)		(8,493)
Taxation		-		(10,378)
Capital expenditure				
Payments to acquire tangible assets	(8,025)		(500)	
Receipts from sales of tangible assets	7,750		-	
Net cash outflow for capital expenditure		(275)		(500)
Net cash outflow before management of liquid resources and financing		(57,936)		(107,011)
Financing				
Capital element of hire purchase contracts	(5,003)		(9,155)	
Net cash outflow from financing		(5,003)		(9,155)
Decrease in cash in the year		(62,939)		(116,166)

CAVA (U.K.) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

1	Reconciliation of operating (loss)/profit to net cash outflow from operating activities	2008		2007	
		£		£	
	Operating (loss)/profit	(38,623)		10,209	
	Depreciation of tangible assets	8,698		10,081	
	Profit on disposal of tangible assets	(625)		-	
	Increase in stocks	(44,532)		(40,290)	
	Decrease/(increase) in debtors	189,639		(181,233)	
	(Decrease)/Increase in creditors within one year	(145,171)		113,593	
	Net cash outflow from operating activities	(30,614)		(87,640)	

2	Analysis of net debt	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	173,549	(166,729)	-	6,820
	Bank overdrafts	(258,721)	103,790	-	(154,931)
		<u>(85,172)</u>	<u>(62,939)</u>	<u>-</u>	<u>(148,111)</u>
	Debt:				
	Finance leases	(2,667)	(11,812)	-	(14,479)
	Net debt	(87,839)	(74,751)	-	(162,590)

3	Reconciliation of net cash flow to movement in net debt	2008		2007	
		£		£	
	Decrease in cash in the year	(62,939)		(116,166)	
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(11,812)		9,155	
	Movement in net debt in the year	(74,751)		(107,011)	
	Opening net (debt)/funds	(87,839)		19,172	
	Closing net debt	(162,590)		(87,839)	

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company is reliant on financial support from its parent company, Grafitec Holdings Limited. Amounts outstanding at 31 December 2008 amounted to £180,000. In addition, the company's bank overdraft is secured by a cross guarantee and debenture.

The directors have prepared management accounts up to 31 March 2009 and budgets up to 31 December 2009. On the basis of this information, the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	25% per annum of cost
Motor vehicles	25% per annum of cost

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

(continued)

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Grafitec Holdings Limited, a company incorporated in England & Wales, and is included in the consolidated accounts of that company.

2 Turnover

Geographical market

	Turnover 2008 £	2007 £
UK	440,938	687,011
EEC	478,904	123,261
Other	31,160	789,777
	<u>951,002</u>	<u>1,600,049</u>

3 Operating (loss)/profit

	2008 £	2007 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	8,698	10,081
and after crediting:		
Profit on disposal of tangible assets	(625)	-
Profit on foreign exchange transactions	<u>(10,451)</u>	<u>(951)</u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	3,000	3,000
Other services	608	596
	<u>3,608</u>	<u>3,596</u>

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

4 Interest payable	2008 £	2007 £
On bank loans and overdrafts	16,927	1,700
Hire purchase interest	859	1,015
Other interest	9,261	5,778
	<u>27,047</u>	<u>8,493</u>
5 Taxation	2008	2007
Current tax charge	-	-
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	<u>(65,670)</u>	<u>1,716</u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.75% (2007 - 19.00%)	<u>(13,627)</u>	<u>326</u>
Effects of:		
Non deductible expenses	118	-
Depreciation add back	1,675	1,915
Capital allowances	(3,061)	(946)
Tax losses utilised	14,895	(1,295)
	<u>13,627</u>	<u>(326)</u>
Current tax charge	<u>-</u>	<u>-</u>

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

6 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 January 2008	1,940	38,383	40,323
Additions	-	24,840	24,840
Disposals	-	(28,500)	(28,500)
At 31 December 2008	1,940	34,723	36,663
Depreciation			
At 1 January 2008	1,455	29,006	30,461
On disposals	-	(21,375)	(21,375)
Charge for the year	485	8,213	8,698
At 31 December 2008	1,940	15,844	17,784
Net book value			
At 31 December 2008	-	18,879	18,879
At 31 December 2007	485	9,377	9,862

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

	Motor vehicles £
Net book values	
At 31 December 2008	18,879
At 31 December 2007	7,125
Depreciation charge for the year	
At 31 December 2008	8,213
At 31 December 2007	7,125

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2008 & at 31 December 2008	2
Net book value	
At 31 December 2008	2
At 31 December 2007	2

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Cava Consumables Limited	England	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2008 £	Profit/(loss) for the year 2008 £
	Principal activity		
Cava Consumables Limited	Dormant	2	-

8 Stocks

	2008 £	2007 £
Finished goods and goods for resale	167,596	123,064

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

9 Debtors	2008 £	2007 £
Trade debtors	16,100	177,782
Other debtors	17,026	74,967
Prepayments and accrued income	30,480	496
	<u>63,606</u>	<u>253,245</u>

10 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts	154,931	258,721
Net obligations under hire purchase contracts	5,605	2,667
Trade creditors	34,829	207,045
Taxes and social security costs	2,731	2,953
Other creditors	240,144	221,080
Accruals and deferred income	95,549	87,346
	<u>533,789</u>	<u>779,812</u>

The bank overdraft is secured by a cross guarantee and debenture dated 21 October 2004.

11 Creditors: amounts falling due after more than one year	2008 £	2007 £
Net obligations under hire purchase contracts	<u>8,874</u>	<u>-</u>
Net obligations under hire purchase contracts		
Repayable within one year	5,605	2,667
Repayable between one and five years	8,874	-
	<u>14,479</u>	<u>2,667</u>
Included in liabilities falling due within one year	(5,605)	(2,667)
	<u>8,874</u>	<u>-</u>

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

12 Share capital	2008	2007
	£	£
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
13 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 January 2008		(230,090)
Loss for the year		(65,670)
		<u> </u>
Balance at 31 December 2008		(295,760)
		<u> </u>
14 Reconciliation of movements in shareholders' funds	2008	2007
	£	£
(Loss)/Profit for the financial year	(65,670)	1,716
Opening shareholders' funds	(220,090)	(221,806)
	<u> </u>	<u> </u>
Closing shareholders' funds	(285,760)	(220,090)
	<u> </u>	<u> </u>

15 Contingent liabilities

The company has a cross guarantee and debenture dates 21 October 2004, in favour of Barclays Bank plc, with the following companies:-

Grafitec Holdings Limited
Grafitec PLC
Grafitec Web Limited
Balun Limited
Graphic Management Services Limited

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

16 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	31,600	32,100

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Sales	1	1
Warehouse	2	3
	3	4

Employment costs	2008 £	2007 £
Wages and salaries	70,609	84,109
Social security costs	8,267	9,382
	78,876	93,491

18 Control

The ultimate parent company is Grafitec Holdings Limited, a company registered in England and Wales.

Grafitec Holdings Limited prepares group financial statements and copies can be obtained from Grafic House, Tom Dando Close, Normanton Industrial Estate, Normanton, Wakefield, WF6 1TP.

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

19 Related party transactions

The following companies are considered to be related parties as defined by FRS 8:-

Graphworld Limited
Grafitec Plc
Grafitec Holdings Limited
Grafitec Web Limited
Graphic Management Services Limited
Cava Consumables Limited
European Graphic Machinery Limited
Care Graphics Machinery Limited
Colorweb Presses Limited
D H Machinery Limited
Balun Limited
ANS Engineering Services Limited

Transactions between Cava (UK) Limited and its related parties during the year were as follows:-

	Graphic Management Services Limited	Grafitec Plc	Grafitec Holdings Limited	Grafitec Web Limited	Balun Limited
	£	£	£	£	£
Purchases of goods and services	-	37,210	-	-	39,785
Sales of goods and services	-	48,218	-	-	-
Balance due to, at 31 December 2008	-	511	180,000	-	3,874
Balance due from, at 31 December 2008	-	-	-	24	-

CAVA (U.K.) LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008

CAVA (U.K.) LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008		2007	
	£	£	£	£
Turnover				
Sales		951,002		1,600,049
Cost of sales				
Opening stock of finished goods	123,064		82,774	
Purchases	808,143		1,381,342	
Subcontract labour	12,613		24,275	
Commissions payable	12,040		36,000	
	<u>955,860</u>		<u>1,524,391</u>	
Closing stock of finished goods	(167,596)		(123,064)	
		<u>(788,264)</u>		<u>(1,401,327)</u>
Gross profit		162,738		198,722
Administrative expenses		<u>(201,361)</u>		<u>(188,513)</u>
Operating (loss)/profit		(38,623)		10,209
Interest payable				
Bank interest paid	16,927		1,700	
Hire purchase interest paid	859		1,015	
Other interest paid	<u>9,261</u>		<u>5,778</u>	
		<u>(27,047)</u>		<u>(8,493)</u>
(Loss)/profit before taxation		<u>(65,670)</u>		<u>1,716</u>

CAVA (U.K.) LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
Administrative expenses		
Wages and salaries	39,009	52,009
Directors' remuneration	31,600	32,100
Employment costs	8,267	9,382
Rent and rates	36,514	30,686
Insurance	5,370	5,164
Repairs and maintenance	5,849	3,136
Printing, postage and stationery	18,291	8,235
Telephone	1,800	2,221
Computer running costs	10,416	5,166
Motor running expenses	11,412	12,246
Travelling expenses	27,792	13,633
Legal and professional fees	892	790
Accountancy	608	596
Audit fees	3,000	3,000
Bank charges	2,500	623
Profit on foreign currency	(10,451)	(951)
Sundry expenses	419	396
Depreciation on fixtures and fittings	485	485
Depreciation on motor vehicles	8,213	9,596
Profit on sale of fixed assets	(625)	-
	<u>201,361</u>	<u>188,513</u>