COMPANIES HOUSE COPY

Precision Colour Printing Limited

Report and Financial Statements

Year Ended

31 December 2011

Company Number 772047

Precision Colour Printing Limited

Report and financial statements
for the year ended 31 December 2011

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Directors

M G Douglas Graham
G W Evers
A M Evans
N C Denning
W J Irving
R M Cross
M G Jones

Secretary and registered office

N C Denning, 51/53 Queen Street, Wolverhampton, West Midlands, WV1 3BU

Company number

772047

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Precision Colour Printing Limited

Report of the directors
for the year ended 31 December 2011

The directors present their report together with the audited financial statements for the year ended 31 December 2011

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year

The directors do not propose to pay a dividend in respect of 2011 (2010 - £Nil)

Principal activities, review of business and future developments

Throughout the year, the principal activity of the Company has continued to be that of commercial printers No future changes in the principal activity are envisaged and future prospects are considered satisfactory

Performance of the business during the period and business KPIs

The U K printing industry still remains very competitive and generation of additional revenue is extremely difficult, especially as 'print' is bought more as a commodity and therefore bought more on price than any other attribute The Company however, has been successful in creating a niche for quality and service, which has helped in improving the revenue in the last year The Board continues to focus on improving sales, gross margin, cost control and cash generation by better management of stocks, short-term debtors and creditors

Key performance indicators include revenue, gross margins, operating profits and capital expenditure

	52 weeks ended 31 December 2011 £	**52 weeks ended 1 January 2011 £**
Revenue	**35,491**	33,934
Operating profit/(loss)	**1,363**	2,140
Capital expenditure	**311**	1,053

Turnover has increased by approximately 5% as the Company continues to strive to grow its market share and its reputation as a quality printer also offering excellent customer service During the year the Company has targeted certain niche areas of print in order to minimize the impact of the economic and print specific market effect has on its turnover

Margins

Gross margin has reduced in the year through yield (2% reduction), reflecting the difficult trading conditions that were in operation during the year and the effect of raw material price increases during the year even though the drive of cost control on raw materials and focus on internal manufacturing efficiencies continued

Operating expense

Operating expenses reduced in the year by £99,134 as the Company continued on its drive of cost reduction in the business

Balance sheet

By focusing on the key elements of the business and ensuring best use was made of its assets the Company was able to generate cash in excess of £2 million, which now means the Company has been able to repay £2,000,000 off Group related loans, reduce its net intercompany debt by £2,013,188 and also incur capital expenditure of £310,996 Cash generation continues to be a major goal of the Board

Principal risks and uncertainties

The Company manages competitive trading risk by providing an unrivalled service to its customers both in terms of service and quality and ensure the mixture of work between contractual titles and ad hoc work is balanced, however the performance of the Company is dependant on the economy

The Company is exposed to movement in the price of its key consumables, paper, ink plates etc However, where possible contracts are placed with its suppliers to reduce this risk The Company endeavour to have good trading relationships with its suppliers to also reduce this risk

Financial instruments

The Company is financed by a combination of loans from its immediate parent and the group's bankers

As highlighted in note 17 to the financial statements, the company is party to the Claverley Group banking facilities These facilities are made available to the company to meet its day to day working capital requirements As at the year end the Claverely group utilised an overdraft facility which was due for renewal in December 2011 (facility was temporarily extended during the refinancing noted below) and a revolving credit facility and term loan facility due for repayment in December 2014

Following the year end the Claverley group entered into negotiations with Lloyds TSB to refinance the group's facilities due to a covenant breach As part of this refinancing it sold its investment in the The Guiton Group (based in the Channel Islands) to Claverley·Holdings Ltd with this group taking on separate financing with HSBC The UK based group companies agreed new facilities with Lloyds TSB on 3rd July 2012 which include an overdraft facility of £4m due for renewal on 2 July 2013 and a new five year term loan for £8m The new Lloyds TSB facilities are secured by a fixed and floating charge over the assets of the UK group companies The company is party to these new facilities

The directors of the company have prepared cashflow and profit and loss forecasts for the 3 year period to 31 December 2014 which show that the directors have a reasonable expectation that the company will be able to meet its liabilities as they fall due for at least the 12 months from the date of approval of these financial statements

After making enquiries and considering uncertainties described above, the directors have a reasonable expectation that they can continue in operational existence for the foreseeable future Accordingly the directors continue to adopt the going concern basis in preparing the financial statements

Employment of disabled persons

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the Company Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company

Employees

The Directors recognise the importance of good communications and relations with members of staff A Company newspaper is produced quarterly and methods of consultation are under constant review The Company is proud of its employment policies and of the guidance it gives to those approaching retirement A range of pension benefits have been introduced which are comparable with the best in British industry

Environmental matters

The Company takes its environmental responsibilities seriously and recognises that business activities inevitably have an impact on the natural environment It is committed to minimising this impact, wherever possible

Outlook for the current year

At the time of writing, turnover is on target for achieving its year's budget figures as the Company continues to grow and redefine its market share and gross margins still remain a key focus of the business

Future developments

The Company is continuing to investigate ways in which its current growth can be maintained in future years

Directors

The directors of the company during the year were

M G Douglas Graham
G W Evers (Chairman)
A M Evans (Managing Director)
N C Denning
W J Irving
R J Green (resigned 31 May 2012)
R M Cross (appointed 1 January 2011)
M G Jones (appointed 1 January 2011)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information The directors are not aware of any relevant audit information of which the auditors are unaware

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting

On behalf of the board

R M Cross

Director

3 July 2012

Precision Colour Printing Limited

Independent auditor's report

To the members of Precision Colour Printing Limited

We have audited the financial statements of Precision Colour Printing Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

- the financial statements are not in agreement with the accounting records and returns, or

- certain disclosures of directors' remuneration specified by law are not made, or

- we have not received all the information and explanations we require for our audit

BDO LLP

Mark Anslow (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

3 July 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Precision Colour Printing Limited

Profit and loss account
for the year ended 31 December 2011

	Note	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
Turnover	2	**35,491,194**	33,934,133
Net operating expenses		**34,127,924**	31,794,578
Gross profit		**1,363,270**	2,139,555
Other interest receivable and similar income		**3,603**	3,155
Profit on ordinary activities before taxation		**1,366,873**	2,142,710
Taxation on profit on ordinary activities	7	**590,006**	(154,729)
Profit on ordinary activities after taxation		**1,956,879**	1,987,981

All amounts relate to continuing activities
All recognised gains and losses in the current year and prior period are included in the profit and loss account

The notes on pages 9 to 19 form part of these financial statements

Precision Colour Printing Limited

Balance sheet
at 31 December 2011

Company number 772047	Note	31 December 2011 £	31 December 2011 £	1 January 2011 £	1 January 2011 £
Fixed assets					
Tangible assets	8		**10,109,851**		10,895,474
Current assets					
Stocks	9	**1,677,354**		1,682,797	
Debtors - due within one year	10	**7,190,498**		7,330,244	
Debtors - due after more than one year	10	**1,109,688**		519,682	
Total debtors		**8,300,186**		7,849,926	
Cash at bank and in hand		**306,179**		411,679	
		10,283,719		9,944,402	
Creditors: amounts falling due within one year	12	**4,864,615**		5,119,673	
Net current assets			**5,419,104**		4,824,729
Total assets less current liabilities			**15,528,955**		15,720,203
Creditors: amounts falling due after more than one year	13		**2,612,777**		4,760,904
			12,916,178		10,959,299
Capital and reserves					
Called up share capital	14		**2,000,000**		2,000,000
Profit and loss account	15		**10,916,178**		8,959,299
Shareholders' funds	16		**12,916,178**		10,959,299

The financial statements were approved by the board of directors and authorised for issue on 3 July 2012

G W Evers
Director

The notes on pages 9 to 19 form part of these financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards They incorporate the results for the 52 weeks ended 31 December 2011 (2010 - 52 weeks ended 1 January 2011)

The following principal accounting policies have been applied

Fundamental accounting concept

The directors of the company have prepared cashflow and profit and loss forecasts for the 3 year period to 31 December 2014 which show that the directors have a reasonable expectation that the group will be able to meet its liabilities as they fall due for at least the 12 months from the date of approval of these financial statements

As part of this review the UK based Claverley group companies agreed new banking facilities to meet the working capital requirements as set out in the forecasts The new facilities include a UK based overdraft facility with Lloyds TSB of £4m which is due for renewal on 2 July 2013 and a five year term loan for £8m with Lloyds with a separate facility of a £10m term loan being agreed with HSBC for The Guiton Group of companies (based in the Channel Islands) since the year end

After making enquiries and considering uncertainties, the directors have a reasonable expectation that they can continue in operational existence for the foreseeable future Accordingly the directors continue to adopt the going concern basis in preparing the financial statements

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Claverley Company and the company is included in consolidated financial statements

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives It is calculated at the following rates

Freehold property	- 2% per annum
Plant and machinery	- 5% - 33 3% per annum
Fixtures and fittings	- 7 5% - 33 3% per annum

Freehold land and assets in the course of construction are not depreciated

Assets held under finance leases are depreciated over the assets' working lives The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

1 Accounting policies *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value Cost is based on the cost of purchase on a first in, first out basis Net realisable value is based on estimated selling price less additional costs to completion and disposal Work in progress valuation includes an overhead absorption cost associated with its stage of production

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright The amount capitalised is the present value of the minimum lease payments payable over the term of the lease The corresponding leasing commitments are shown as amounts payable to the lessor Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding The capital part reduces the amounts payable to the lessor

All other leases are treated as operating leases Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Defined benefit pension scheme

Claverley Group Limited operates a defined benefit pension scheme in which the company participates, which is funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds The company's contributions are affected by the surplus or deficit in the scheme However, it is not possible to identify the company's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis

Therefore in accordance with the FRS 17 multi-employer exemption, the scheme is accounted for as if it were a defined contribution scheme (see below)

The latest available information relating to the scheme and the implications for the company are detailed in the notes to these financial statements

Defined contribution pension scheme

Pension costs for the company's defined contribution pension schemes are recognised within operating profit at an amount equal to the contributions payable to the scheme for the period Any prepaid or outstanding contributions at the balance sheet date are recognised respectively as assets or liabilities within prepayments or accruals

Precision Colour Printing Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 *(continued)*

2 Turnover

	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
Analysis by geographical market		
United Kingdom	**32,732,520**	31,890,879
Europe	**2,525,883**	2,043,254
Rest of the world	**232,791**	-
	35,491,194	33,934,133

Turnover is wholly attributable to the principal activity of the company

3 Net operating expenses

	52 weeks ended 31 December 2011 £	53 weeks ended 1 January 2011 £
Raw materials and consumables	19,766,224	17,333,749
Staff costs (note 5)	9,583,687	9,570,153
Depreciation of tangible fixed assets	1,092,192	1,542,222
Other operating charges	3,685,821	3,348,454
	34,127,924	31,794,578

4 Operating profit

	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	**1,092,192**	1,542,222
Hire of plant and machinery - operating leases	**464,517**	213,260
Hire of other assets - operating leases	**36,889**	36,992
Auditor's remuneration - audit services	**10,221**	10,416
Auditor's remuneration - non audit services	**4,575**	2,458
Profit on disposal of tangible fixed assets	**(5,901)**	(64,000)

5 Employees

Staff costs (including directors) consist of

	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
Wages and salaries	**8,144,806**	8,160,489
Social security costs	**779,801**	763,680
Other pension costs	**659,080**	645,984
	9,583,687	9,570,153

The average number of employees (including directors) during the year/period was as follows

	52 weeks ended 31 December 2011 Number	52 weeks ended 1 January 2011 Number
Sales and administration	**219**	229
Production and distribution	**4**	3
	223	232

6 Directors' remuneration

	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
Directors' emoluments	**603,131**	487,188
Company contributions to money purchase pension schemes	**68,374**	59,941

There were 5 directors in the defined benefit pension scheme during the year (2010 - 4)

The total amount payable to the highest paid director in respect of emoluments was £160,850 (2010 - £146,012) They are a member of a defined benefit scheme, under which the accrued pension at the year end was £18,810 (2010 - £47,049)

Precision Colour Printing Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 *(continued)*

7 Taxation on profit on ordinary activities

	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
Deferred tax		
Adjustment in respect of previous periods	**(428,359)**	(2,046)
Short term timing differences	**-**	(494)
Depreciation in deficit/(excess) of capital allowances	**(161,647)**	157,269
Movement in deferred tax provision	**(590,006)**	154,729

The tax assessed for the year/period is different to the standard rate of corporation tax in the UK applied to profit before tax

	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
Profit on ordinary activities before tax	**1,366,873**	2,142,710
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26% (2009 - 28%)	**355,387**	599,959
Effect of		
Expenses not deductible for tax purposes	**31,747**	23,997
Depreciation for period in excess/(deficit) of capital allowances	**241,149**	(163,094)
Transfer pricing adjustment	**(22,750)**	(22,476)
Group relief received for nil payment	**(605,532)**	(463,953)
Other short term timing differences	**(1)**	25,567
Current tax charge for the year/period	**-**	-

Precision Colour Printing Limited

Notes forming part of the financial statements for the year ended 31 December 2011 *(continued)*

8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 2 January 2011	6,000,000	18,998,571	630,754	25,629,325
Additions	-	269,871	41,125	310,996
Disposals	-	(42,430)	(69,533)	(111,963)
At 31 December 2011	**6,000,000**	**19,226,012**	**602,346**	**25,828,358**
Depreciation				
At 2 January 2011	689,740	13,552,923	491,188	14,733,851
Provided for the year	114,444	919,166	58,582	1,092,192
Disposals	-	(42,430)	(65,106)	(107,536)
At 31 December 2011	**804,184**	**14,429,659**	**484,664**	**15,718,507**
Net book value				
At 31 December 2011	**5,195,816**	**4,796,353**	**117,682**	**10,109,851**
At 1 January 2011	5,310,260	5,445,648	139,566	10,895,474

The aggregate amount of capital expenditure authorised and contracted for by the Directors at 31 December 2011 was £174,576 (2010 £nil)

The net book value of freehold land and buildings may be further analysed as follows

	31 December 2011 £	1 January 2011 £
Freehold Land	**850,000**	850,000
Buildings	**4,345,816**	4,460,260
	5,195,816	5,310,260

9 Stocks

	31 December 2011 £	1 January 2011 £
Raw materials and consumables	**1,154,382**	1,287,395
Work in progress	**522,972**	395,402
	1,677,354	1,682,797

There is no material difference between the replacement cost of stocks and the amounts stated above

10 Debtors

	31 December 2011 £	1 January 2011 £
Amounts receivable within one year		
Trade debtors	**4,992,282**	5,488,896
Amounts owed by group undertakings	**163,665**	159,120
Other debtors	**1,588,110**	1,314,334
Prepayments and accrued income	**446,441**	367,894
	7,190,498	7,330,244
Amounts receivable after more than one year		
Deferred tax (note 11)	**1,109,688**	519,682
Total debtors	**8,300,186**	7,849,926

Precision Colour Printing Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 *(continued)*

11 Deferred taxation

	£
The movements in deferred taxation in the current year are as follows	
At 1 January 2011	519,682
Charged to profit and loss account	161,647
Adjustments in respect of prior years	428,359
At 31December 2011 (see note 10)	1,109,688

	31 December 2011 £	**1 January 2011** £
The deferred taxation asset consists of		
Accelerated capital allowances	1,109,499	493,057
Other timing differences	189	26,625
	1,109,688	519,682

12 Creditors: amounts falling due within one year

	31 December 2011 £	**1 January 2011** £
Trade creditors	**3,997,495**	4,038,182
Amounts owed to group undertakings	**43,115**	51,758
Taxation and social security	**221,364**	204,372
Other creditors	**234,114**	282,933
Accruals and deferred income	**368,527**	542,428
	4,864,615	5,119,673

13 Creditors amounts falling due after more than one year

	31 December 2011 £	1 January 2011 £
Amounts owed to group undertakings	**2,500,000**	4,500,000
Other creditors	**112,777**	260,904
	2,612,777	4,760,904

The amount owed to group undertakings is a non-interest bearing loan from the holding company The loan is unsecured and is repayable upon the holding company giving notice of at least 12 months No such notice had been given at the balance sheet date and therefore this loan has been shown as falling due after more than one year

14 Share capital

	31 December 2011 £	1 January 2011 £
Allotted, called up and fully paid		
2,000,000 Ordinary shares of £1 each	**2,000,000**	2,000,000

15 Reserves

	Profit and loss account £
At 2 January 2011	8,959,299
Profit for the year	1,956,879
At 31 December 2011	**10,916,178**

Precision Colour Printing Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 *(continued)*

16 Reconciliation of movements in shareholders' funds

	31 December 2011 £	1 January 2011 £
Profit for the year/period	**1,956,879**	1,987,981
Opening shareholders' funds	**10,959,299**	8,971,318
Closing shareholders' funds	**12,916,178**	10,959,299

17 Contingent liabilities

During the year the company was party to group banking facilities These facilities were made available to the company to meet its day to day working capital requirements It had overdraft facilities set at £4 0m with Lloyds TSB (2010 - £4 0m), which were due for renewal in December 2011 (facility was temporarily extended during the refinancing noted below) The group also had a term loan and revolving credit facilities with Lloyds TSB until December 2014 The term loan had an outstanding balance of £12 0m (2010 - £15 0m) and incurred interest at between 2 5% and 3 0% per annum over the Libor rate The revolving credit facility has an outstanding balance of £4 5m (2010 - £3 0m) and incurs interest at between 2 25% to 2 75% per annum over Libor The facilities are secured by a fixed and floating charge over the assets of the group

As at 31 December 2011, the group's net debt under the above facilities totalled £16 4m (1 January 2011 - £17 9m)

In addition subsequent to the year end the UK and Channel Island banking facilities have been separated The company is now only party to cross guarantees to the UK banking facility which total £12m as noted in Note 1

18 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 31 December 2011 £	Other 31 December 2011 £	Land and buildings 1 January 2011 £	Other 1 January 2011 £
Operating leases which expire				
Within one year	-	**11,771**	-	1,389
In two to five years	**37,000**	**335,916**	-	374,175
After five years	-	-	37,000	-
	37,000	**347,687**	37,000	375,564

19 Pension arrangements

The group participated in two group defined benefit schemes and a defined contribution scheme up until the 1 April 2008 On that date the assets and liabilities of the defined benefit schemes were consolidated into one scheme The defined benefit scheme is closed to new members and future accrual It is not possible to identify the company's share of assets and liabilities in the defined benefit scheme on a consistent and reasonable basis Therefore, in accordance with FRS17 paragraph 9 (b) (multi-employer exemption), the scheme is accounted for as if it was a defined contribution scheme

The total pension charge and contributions payable to the defined contribution scheme for the year amounted to £659,080 (2010 - £645,984)

The most recent formal valuation of the scheme was carried out as at 5th April 2008 using the projected unit method In order to provide information about the funding position of the scheme, a separate valuation at 1 January 2011, using the projected unit method, as required by FRS17 has been obtained and is disclosed in the accounts of the Claverley Group Limited The valuation of the scheme at 1 January 2011, calculated by the actuary on an FRS17 basis, shows a deficit on the scheme of £13,460,000 (2010 - £38,860,000)

For the purpose of these accounts, these figures are illustrative only and do not impact on the result or the balance sheet of the company It should also be noted that these figures include a proportion of pension assets and liabilities relating to other group companies which also participate in the scheme It has not been possible to identify the share of the deficits which relates solely to Precision Colour Printing Ltd Full details of the pension schemes are given in the accounts of the ultimate parent company

The measurement bases required by FRS17 are likely to give rise to significant fluctuations in the reported annual amounts of the defined benefit scheme's assets and liabilities from year to year and do not necessarily give rise to a change in the contributions payable into the scheme, which are recommended by the independent actuaries using long term assumptions

20 Related party disclosures

The company had taken advantage of the exemption in FRS8 as a wholly owned subsidiary not to disclose details of related party transactions as required by the standard

21 Ultimate parent company and parent undertaking of larger group

The company is a wholly owned subsidiary of Claverley Group Limited, registered in England and Wales and is included in that company's group accounts

The ultimate parent undertaking is Claverley Company, also registered in England and Wales

On 3 July 2012 the ultimate parent undertaking became Claverley Holdings Limited, registered in England and Wales