

**FOIL RIBBON & IMPACT PRINTING GROUP PLC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

Company Registration Number SC49498

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**FOIL RIBBON & IMPACT PRINTING GROUP PLC**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

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# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 MARCH 2010

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**The board of directors**

L W Gibson  
J D Gibson  
T McRoberts  
S A Morris  
J S Burns  
P R Hebert

**Company secretary**

L W Gibson

**Registered office**

4 Rutherford Court  
15 North Aven  
Clydebank Business Park  
Clydebank  
Dunbartonshire  
G81 2QP

**Auditor**

RSM Tenon Audit Limited  
Statutory Auditor  
1 Bede Island Road  
Bede Island Business Park  
Leicester  
LE2 7EA

**Bankers**

The Royal Bank of Scotland  
Gateway House  
4 Penman Way  
Grove Park  
Enderby  
Leicester  
LE19 1SY

**Solicitors**

HBJ Gateley Wareing  
Knightsbridge House  
Lower Brown Street  
Leicester  
LE1 5NZ

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2010

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The directors present their report together with the audited financial statements for the year ended 31 March 2010.

### Principal activities and business review

The principal activity of the group during the year continued to be that of print finishers, provision of foil stamping and embossing services, and the production of metalised packaging products.

Despite the difficult trading conditions, group turnover has fallen slightly by £144,959 (2.9%), gross margin has improved from 42.1% to 45.5%, and control of overheads has resulted in a reduction in operating loss before exceptional items from £489,388 to £279,189.

At the year end, the group had shareholders' funds of £2,320,121 including distributable reserves of £630,126. The directors therefore believe the group's position to be satisfactory.

The directors have assessed the main risk facing the company as being competition within, and the globalisation of, its market place as well the continuation of the economic downturn. The Board remain committed to mitigating these risks and developing the business further through continued investment in its people, the efficiency of its operations and consistently developing innovative customer focused solutions. The directors therefore anticipate satisfactory trading results for the coming year.

### Results and dividends

The consolidated profit and loss account is set out on page 6 and shows the result for the year.

Details of dividends paid are in note 8 of the financial statements.

### Financial risk management objectives and policies

The group makes little use of financial instruments other than operational bank accounts, bank loans, and an invoice discounting facility. The directors believe the group's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and result of the group.

### Directors

The directors who served the company during the year were as follows:

L W Gibson  
J D Gibson  
T McRoberts  
S A Morris  
J S Burns  
P R Hebert

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

### 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors, individually, are aware:

- there is no relevant audit information of which the company's and group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Payment policy

The group's current policy concerning the payment of the majority of trade creditors is to make payment, without undue delay, in accordance with the general custom and practice of the print and packaging industry. The creditor days for the year were 75 days (2009: 89 days). For other suppliers the group's policy is to pay in accordance with its contractual and other legal obligations.

### Auditor

The company's auditors have changed their name to RSM Tenon Audit Limited and have signed the audit report in their new name.

RSM Tenon Audit Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

Signed by order of the Board



L W Gibson  
Secretary

29 September 2010

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
FOIL RIBBON AND IMPACT PRINTING GROUP PLC****YEAR ENDED 31 MARCH 2010**

We have audited the financial statements of Foil Ribbon & Impact Printing Group PLC on pages 6 to 26 for the year ended 31 March 2010. The financial 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 Directors' Responsibilities Statement set out on page 3, 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 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to group's and company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 March 2010 and of the group's loss 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 matters 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.

**YEAR ENDED 31 MARCH 2010**

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**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.



Paul Johnson, Senior Statutory Auditor  
For and on behalf of:

RSM Tenon Audit Limited  
Statutory Auditor  
1 Bede Island Road  
Bede Island Business Park  
Leicester  
LE2 7EA

29 September 2010

**FOIL RIBBON & IMPACT PRINTING GROUP PLC**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2010**

	Note	2010 £	2009 £
<b>Turnover</b>	2	4,853,995	4,998,954
Cost of sales		(2,644,281)	(2,896,652)
<b>Gross profit</b>		<u>2,209,714</u>	<u>2,102,302</u>
Administrative expenses	3	(2,522,203)	(2,814,133)
Other operating income		33,300	24,993
		<u></u>	<u></u>
Operating loss before exceptional costs		(279,189)	(489,388)
Exceptional costs	3	-	(197,450)
<b>Operating loss</b>		(279,189)	(686,838)
Interest receivable		-	31
Interest payable and similar charges	6	(66,024)	(142,900)
<b>Loss on ordinary activities before taxation</b>		<u>(345,213)</u>	<u>(829,707)</u>
Tax on loss on ordinary activities	7	24,910	46,354
<b>Loss on ordinary activities after taxation</b>		<u>(320,303)</u>	<u>(783,353)</u>
Minority interest	21	10,724	59,183
<b>Loss on ordinary activities attributable to the members of the parent company</b>	19	<u>(309,579)</u>	<u>(724,170)</u>

There were no recognised gains and losses during the year other than those shown above.

All activities relate to continuing activities.

The notes on pages 11 to 26 form part of these financial statements.



**FOIL RIBBON & IMPACT PRINTING GROUP PLC**  
**CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES**  
**YEAR ENDED 31 MARCH 2010**

	2010 £	2009 £
Reported loss on ordinary activities before taxation	(345,213)	(829,707)
Difference between the historical cost depreciation charge and the actual charge calculated on the revalued amount	14,080	7,411
Historical cost loss on ordinary activities before taxation	<u>(331,133)</u>	<u>(822,296)</u>
Historical cost loss for the year after taxation	<u>(306,223)</u>	<u>(775,942)</u>
Historical cost loss for the year after taxation and minority interest	<u>(295,499)</u>	<u>(716,759)</u>

The notes on pages 11 to 26 form part of these financial statements.

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

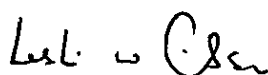
Registered Number SC49498

## CONSOLIDATED BALANCE SHEET

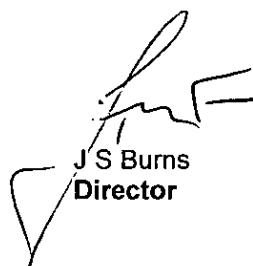
YEAR ENDED 31 MARCH 2010

	Note	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	11		4,559,299		5,006,609
<b>Current assets</b>					
Stocks	13	190,613		179,760	
Debtors	14	1,592,660		1,486,589	
Cash at bank and in hand		65,975		294,149	
		<u>1,849,248</u>		<u>1,960,498</u>	
<b>Creditors: amounts falling due within one year</b>	15	(2,548,482)		(2,588,363)	
<b>Net current liabilities</b>			<u>(699,234)</u>		<u>(627,865)</u>
<b>Total assets less current liabilities</b>			<u>3,860,065</u>		<u>4,378,744</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(1,294,458)		(1,467,924)
<b>Provision for liabilities</b>					
Deferred taxation	17		(315,348)		(340,258)
<b>Net assets</b>			<u>2,250,259</u>		<u>2,570,562</u>
<b>Capital and reserves</b>					
Called up share capital	18		133,951		133,951
Share premium account	19		966,609		966,609
Revaluation reserve	19		589,435		603,515
Profit and loss account	19		630,126		925,625
<b>Shareholders' funds</b>	20		<u>2,320,121</u>		<u>2,629,700</u>
<b>Minority interests</b>	21		(69,862)		(59,138)
			<u>2,250,259</u>		<u>2,570,562</u>

These financial statements were approved by the directors and authorised for issue on 29 September 2010 and are signed on their behalf by:



L W Gibson  
Director

  
J S Burns  
Director

The notes on pages 11 to 26 form part of these financial statements.

**FOIL RIBBON & IMPACT PRINTING GROUP PLC**  
Registered Number SC49498

**COMPANY BALANCE SHEET**

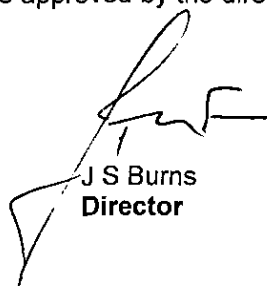
**YEAR ENDED 31 MARCH 2010**

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	11	3,475,601	3,939,869
Investments	12	1,111,545	1,111,545
		<u>4,587,146</u>	<u>5,051,414</u>
<b>Current assets</b>			
Debtors due after more than one year	14	554,239	581,495
Debtors due within one year	14	44,417	-
Cash at bank and in hand		6,587	-
		<u>605,243</u>	<u>581,495</u>
<b>Creditors: amounts falling due within one year</b>	15	(617,242)	(948,637)
<b>Net current liabilities</b>		<u>(11,999)</u>	<u>(367,142)</u>
<b>Total assets less current liabilities</b>		<u>4,575,147</u>	<u>4,684,272</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(1,285,077)	(1,447,725)
<b>Provision for liabilities</b>			
Deferred taxation	17	(284,000)	(271,000)
<b>Net assets</b>		<u>3,006,070</u>	<u>2,965,547</u>
<b>Capital and reserves</b>			
Called up share capital	18	133,951	133,951
Share premium account	19	966,609	966,609
Revaluation reserve	19	589,435	603,515
Profit and loss account	19	1,316,075	1,261,472
<b>Shareholders' funds</b>	20	<u>3,006,070</u>	<u>2,965,547</u>

These financial statements were approved by the directors and authorised for issue on 29 September 2010 and are signed on their behalf by:



L W Gibson  
Director

  
J S Burns  
Director

The notes on pages 11 to 26 form part of these financial statements

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2010

		2010		2009	
	Note	£	£	£	£
<b>Net cash inflow from operating activities</b>	22		34,605		326,979
<b>Returns on investments and servicing of finance</b>					
Interest received		-		31	
Interest paid		(35,224)		(70,682)	
Interest element of finance lease repayments		(30,800)		(72,218)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(66,024)		(142,869)
<b>Taxation</b>					
Corporation tax			7,768		-
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		(4,064)		(2,330)	
Sale of tangible fixed assets		-		76,109	
<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>			(4,064)		73,779
<b>Equity dividends paid</b>			-		(11,000)
<b>Acquisitions and disposals</b>					
Purchase of subsidiary undertaking			-		(155)
<b>Net cash (outflow)/inflow before financing</b>			(27,715)		246,734
<b>Financing</b>					
Revolving credit facility		42,165		927,965	
Repayment of bank loans		(50,001)		(170,000)	
Capital element of finance lease and hire purchase repayments		(282,580)		(290,806)	
Other loans introduced		89,957		-	
<b>Net cash (outflow)/inflow from financing</b>			(200,459)		467,159
<b>(Decrease)/increase in cash</b>	23		(228,174)		713,893

The notes on pages 11 to 26 form part of these financial statements.

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

#### Basis of consolidation

Consolidated financial statements incorporate the financial statements of the company and all group undertakings. Acquisitions are accounted for in accordance with the acquisition method of accounting. The results of companies acquired or disposed of are included in the profit and loss account after, or up to, the date that control passes. By virtue of Section 408 of the Companies Act 2006, a separate profit and loss account for the company is omitted from these consolidated financial statements.

#### Goodwill

For acquisitions of a business, purchased positive goodwill is capitalised in the year in which it arises and amortised over three years with a full year's charge in the year of acquisition. The directors regard three years as a reasonable estimated useful life of goodwill.

For acquisitions of a business, purchased negative goodwill is capitalised and subsequently recognised in the profit and loss account over the same period as the non-monetary assets to which it relates are recognised.

#### Turnover

Turnover represents goods sold and services provided to external customers at invoiced amounts less value added tax.

#### Tangible fixed assets and depreciation

Tangible fixed assets are initially recorded at cost or subsequent valuation, net of accumulated depreciation and any provision for impairment. Where existing unimpaired tangible fixed assets are stated at valuation, the group has taken advantage of the transitional arrangements in FRS 15 to retain these book values. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss account.

Depreciation is calculated so as to write off the cost or valuation all tangible fixed assets, except freehold land, over their expected useful lives, at the following annual rates:

Freehold buildings	- 50 years straight line
Plant and equipment	- 10-15 years reducing balance
Fixtures and fittings	- 5-10 years straight line
Office equipment	- 4-7 years straight line
Motor vehicles	- 4 years straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

#### Stock

Stock is valued at the lower of cost and net realisable value. Cost is based on weighted average purchase price. Provision is made for slow moving or obsolete stock items where necessary.

#### Investments

Investments held as fixed assets are valued at cost less any provision for impairment.

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

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### 1 Accounting policies *(continued)*

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date, with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Operating leases

Rentals are charged to the profit and loss account over the period of the lease, on a straight line basis.

#### Finance leases and hire purchase agreements

Where fixed assets are financed by leasing arrangements, which transfer to the group substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased outright and are included in tangible fixed assets. The capital element of the leasing commitment is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the profit and loss account.

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

#### Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2 Turnover

Turnover and profit before tax are attributable to the principal activities of the group and arise wholly within the United Kingdom.

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 3 Operating loss

Operating loss is stated after charging/(crediting):

	2010 £	2009 £
Auditors remuneration - audit services group	8,400	9,000
- audit services company	2,800	3,000
- accountancy and taxation	8,300	8,750
Depreciation of owned tangible fixed assets	306,497	304,452
Depreciation of assets held under finance leases and hire purchase agreements	159,502	142,481
Operating lease rentals - land and buildings	338,791	295,617
Net profit on the disposal of tangible fixed assets	-	(22,989)
Exceptional costs	-	197,450

Exceptional costs in 2009 included in administrative expenses relate to customer bad debts.

### 4 Employees

The average number of staff employed by the group during the financial year amounted to:

	2010 Number	2009 Number
Management and administration	14	16
Production	61	65
	75	81

The aggregate payroll costs of the above were:

	2010 £	2009 £
Wages and salaries	1,942,901	2,118,542
Social security costs	192,350	213,173
Other pension costs	27,773	27,357
	2,163,024	2,359,072

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 5 Directors

The directors' aggregate emoluments in respect of qualifying services were:

	2010 £	2009 £
Emoluments received	285,818	297,750
Value of pension contributions to money purchase schemes	24,000	24,000
	<u>309,818</u>	<u>321,750</u>

#### Emoluments of highest paid director

	2010 £	2009 £
Total emoluments (excluding pension contributions)	65,002	68,038
Value of pension contributions to money purchase schemes	3,000	3,000
	<u>68,002</u>	<u>71,038</u>

The number of directors who accrued benefits under company pension schemes during the year was 5 (2009: 5).

### 6 Interest payable and similar charges

	2010 £	2009 £
Bank loans and overdraft	35,224	70,682
Finance leases	30,800	72,218
	<u>66,024</u>	<u>142,900</u>

### 7 Taxation on ordinary activities

	2010 £	2009 £
<b>(a) Analysis of credit in the year</b>		
UK corporation tax	-	(5,178)
Total current tax (note 7 (b))	<u>-</u>	<u>(5,178)</u>
Deferred tax:		
Origination and reversal of timing differences (note 17)	(24,910)	(41,176)
Taxation on loss on ordinary activities	<u>(24,910)</u>	<u>(46,354)</u>



# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 7 Taxation on ordinary activities *(continued)*

#### (b) Factors affecting the current tax (credit)/charge

The tax assessed for the year is different to the expected tax credit on the loss on ordinary activities. The differences are explained below:

	2010 £	2009 £
Loss on ordinary activities	(345,213)	(829,707)
Loss on ordinary activities multiplied by the expected rate of corporation tax in the UK of 21% (2009: 21%)	(72,495)	(174,238)
Effects of:		
Expenses not deductible for tax purposes	59	9,720
Difference between capital allowances and depreciation	24,644	(7,899)
Increase in taxable losses	45,880	167,246
Other timing differences	1,912	(7)
Total current tax (note 7(a))	-	(5,178)

#### (c) Factors affecting future tax charges

The group has taxable trading losses of approximately £1,495,000 (2009: £1,307,000) available to offset against future trading profits, and capital losses of £78,000 (2009: £78,000) to offset against future capital gains.

### 8 Dividends

	2010 £	2009 £
Equity dividends paid	-	16,000

### 9 Profit attributable to the company

The profit after taxation attributable to the company for the year was £40,523 (2009: £44,990).

### 10 Intangible fixed assets

#### Group and company

	Positive goodwill £	Negative goodwill £	Total £
<i>Cost and amortisation</i>			
At 1 April 2009 and 31 March 2010	96,257	(6,449)	89,808
<i>Net book value</i>			
At 1 April 2009 and 31 March 2010	-	-	-

**FOIL RIBBON & IMPACT PRINTING GROUP PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**11 Tangible fixed assets**

**Group**

	<b>Freehold land &amp; buildings £</b>	<b>Plant and equipment £</b>	<b>Fixtures, fittings, and office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<i>Cost or valuation</i>					
At 1 April 2009	1,025,000	6,916,562	722,942	85,997	8,750,501
Additions	-	1,399	1,040	16,250	18,689
Disposals	-	-	-	(34,014)	(34,014)
At 31 March 2010	1,025,000	6,917,961	723,982	68,233	8,735,176
<i>Depreciation</i>					
At 1 April 2009	28,650	3,201,175	447,351	66,716	3,743,892
Provided for the year	9,551	385,531	56,506	14,411	465,999
Disposals	-	-	-	(34,014)	(34,014)
At 31 March 2010	38,201	3,586,706	503,857	47,113	4,175,877
<i>Net book value</i>					
At 31 March 2010	986,799	3,331,255	220,125	21,120	4,559,299
At 31 March 2009	996,350	3,715,387	275,591	19,281	5,006,609

The net book value of assets held under finance leases and hire purchase agreements is £1,441,335 (2009: £1,611,577). The depreciation change for the year on such assets was £159,502 (2009: £142,481).

In March 2006, the freehold land and buildings were revalued to £1,025,000 on the basis of existing value in use and sound freehold title by King Sturge, an external firm of professional valuers.

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 11 Tangible fixed assets (continued)

#### Company

	Freehold land & buildings £	Plant and equipment £	Fixtures, fittings, and office equipment £	Motor vehicles £	Total £
<i>Cost or valuation</i>					
At 1 April 2009	1,025,000	5,295,003	662,132	85,782	7,067,917
Additions	-	-	1,040	-	1,040
Disposals	-	-	-	(15,250)	(15,250)
Transfer to subsidiary undertaking	-	(139,000)	-	-	(139,000)
At 31 March 2010	1,025,000	5,156,003	663,172	70,532	6,914,707
<i>Depreciation</i>					
At 1 April 2009	28,650	2,613,173	414,541	71,684	3,128,048
Provided for the year	9,551	260,785	51,389	8,058	329,783
Disposals	-	-	-	(15,250)	(15,250)
Transfer to subsidiary undertaking	-	(3,475)	-	-	(3,475)
At 31 March 2010	38,201	2,870,483	465,930	64,492	3,439,106
<i>Net book value</i>					
At 31 March 2010	986,799	2,285,520	197,242	6,040	3,475,601
At 31 March 2009	996,350	2,681,830	247,591	14,098	3,939,869

The net book value of assets held under finance leases and hire purchase agreements is £1,262,348 (2009: £1,402,634). The depreciation charge for the year on such assets was £140,286 (2009: £120,461).

In March 2006, the freehold land and buildings were revalued to £1,025,000 on the basis of existing value in use and sound freehold title by King Sturge, an external firm of professional valuers.

The company's plant and equipment was revalued both by the directors and Colebrook Evans and McKenzie Limited, independent valuers in 1994 and 1995 on a basis which more accurately reflected the useful lives of the assets, and their estimated renewal values.

If plant and equipment had not been revalued they would have been included at the following amounts:

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Cost	6,584,130	6,582,731	4,822,172	4,961,172
Aggregate depreciation based on cost	(3,695,807)	(3,324,306)	(2,742,774)	(2,485,464)
	2,888,323	3,258,425	2,079,398	2,475,708

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 11 Tangible fixed assets *(continued)*

If freehold land and buildings had not been revalued, they would have been included at the following amounts:

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost	547,445	547,445	547,445	547,445
Aggregate depreciation based on cost	(96,760)	(87,209)	(96,760)	(87,209)
	<u>450,685</u>	<u>460,236</u>	<u>450,685</u>	<u>460,236</u>

### 12 Fixed asset investments

#### Company

	<b>Subsidiary undertakings £</b>
Cost	
At 1 April 2009 and 31 March 2010	<u>1,111,545</u>

The company's investments in active trading subsidiary undertakings are listed below:

	<b>Country of incorporation</b>	<b>Proportion of share capital</b>	<b>Ordinary £1 shares</b>
Foil Ribbon & Impact Printing Limited	England	100%	1,000
Laminating and Varnishing Company Limited	England	100%	1,199,564
Metalpaper Limited	England	77.5%	200

The principal activity during the year of Foil Ribbon & Impact Printing Limited was the provision of foil stamping and embossing services, for Laminating and Varnishing Company Limited was that of print finishers and for Metalpaper Limited was that of metalised packaging products.

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 12 Fixed asset investments (continued)

The following subsidiaries were dormant or non trading throughout the year:

	Country of incorporation	Proportion of share capital	Ordinary £1 shares
Foil Ribbon and Impact Printing (London) Limited	England	100%	1,000
Foil Ribbon & Impact Printing (Manchester) Limited	England	100%	1,000
Foil Ribbon & Impact Printing (Scotland) Limited	Scotland	100%	10,000
Q C Print Services Limited	England	100%	2
Q C Print Services (Holdings) Limited	England	100%	10,000

The following subsidiaries were dormant throughout the year and are not consolidated as they are considered immaterial to the results of the group:

	Country of incorporation	Proportion of share capital	Ordinary £1 shares
Hologram Security Printing Limited	Scotland	100%	100
An F of A Difference Limited	Scotland	100%	1,000

The investments in, and all amounts due from, An F of A Difference Limited and Hologram Security Printing Limited were written off in previous years.

### 13 Stocks

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Raw materials	190,613	179,760	-	-

### 14 Debtors

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	1,354,310	1,279,476	640	-
Amounts due from group undertakings	-	-	554,375	541,198
Other debtors	-	18,102	-	8,250
Corporation tax repayable	5,338	13,106	-	-
Prepayments and accrued income	233,012	175,905	43,641	32,047
	<u>1,592,660</u>	<u>1,486,589</u>	<u>598,656</u>	<u>581,495</u>

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 14 Debtors (continued)

The debtors above include the following amounts falling due after more than one year:

	Company 2010 £	2009 £
Amounts due from group undertakings	554,239	-

### 15 Creditors: amounts falling due within one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans and overdraft (note 16)	50,000	50,000	50,000	54,189
Obligations under finance leases and hire purchase agreements (note 16)	323,587	378,120	285,631	356,114
Trade creditors	631,024	655,491	63,937	153,134
Amounts due to group undertakings	-	-	-	186,700
Other taxation and social security	260,739	243,207	70,155	66,111
Other creditors	1,119,291	1,091,796	115,949	73,324
Accruals and deferred income	163,841	169,749	31,570	59,065
	<u>2,548,482</u>	<u>2,588,363</u>	<u>617,242</u>	<u>948,637</u>

Included within group other creditors is £970,130 (2009: £927,965) relating to an invoice discounting balance. This is secured by a fixed and floating charge over all the property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery.

### 16 Creditors: amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans	421,666	471,667	421,666	471,667
Obligations under finance leases and hire purchase agreements	782,835	996,257	694,367	976,058
Amounts due to group undertakings	-	-	139,044	-
Other creditors	89,957	-	30,000	-
	<u>1,294,458</u>	<u>1,467,924</u>	<u>1,285,077</u>	<u>1,447,725</u>

Amounts due to group undertakings have no fixed repayment date and are interest free. The amounts due will be requested when the company is in a position to repay the debts, or, if later, 12 months following the balance sheet date.

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 16 Creditors: amounts falling due after more than one year (continued)

The bank loan is repayable by instalments on or before January 2022, bears interest at 2.25% above base rate, is secured by a bond and floating charge over all of the assets of the group and company and is repayable as follows:

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Within one year	50,000	50,000	50,000	50,000
Between one and two years	50,000	50,000	50,000	50,000
Between two and five years	150,000	150,000	150,000	150,000
After more than five years	221,666	221,667	221,666	271,667
	<u>421,666</u>	<u>471,667</u>	<u>421,666</u>	<u>521,667</u>

Obligations under finance leases and hire purchase agreements are secured on the assets to which they relate and are repayable as follows:

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Within one year	323,587	378,120	285,631	356,114
Between one and two years	330,183	320,903	241,715	300,704
Between two and five years	452,652	675,354	452,652	675,354
	<u>1,106,422</u>	<u>1,374,377</u>	<u>979,998</u>	<u>1,332,172</u>

### 17 Deferred taxation

Group	2010 £	2009 £
Accelerated capital allowances	447,348	471,258
Trading losses	(132,000)	(131,000)
	<u>315,348</u>	<u>340,258</u>

The movement in the deferred tax provision during the year was:

	2010 £	2009 £
Balance brought forward	340,258	381,434
Transferred to the profit and loss account (note 7 (a))	(24,910)	(41,176)
Balance carried forward	<u>315,348</u>	<u>340,258</u>

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 17 Deferred taxation (continued)

Company	2010 £	2009 £
Accelerated capital allowances	284,000	298,000
Trading losses	-	(27,000)
	<u>284,000</u>	<u>271,000</u>
The movement in the deferred tax provision during the year was:		
Balance brought forward	271,000	270,634
Transferred from the profit and loss account	13,000	366
Balance carried forward	<u>284,000</u>	<u>271,000</u>

### 18 Share capital

Group and company	Authorised 2010 Number	2010 £	Authorised 2009 Number	2009 £
Ordinary 'A' shares of £0.05 each	750,170	37,509	750,170	37,509
Ordinary 'B' shares of £0.05 each	706,330	35,316	706,330	35,316
Ordinary 'C' shares of £0.05 each	471,898	23,595	471,898	23,595
Ordinary 'D' shares of £0.05 each	1,071,600	53,580	1,071,600	53,580
Preference 'A' shares of £0.01 each	10	-	10	-
	<u>3,000,008</u>	<u>150,000</u>	<u>3,000,008</u>	<u>150,000</u>
	Allotted, called up and fully paid		Allotted, called up and fully paid	
	2010 Number	2010 £	2009 Number	2009 £
Ordinary 'A' shares of £0.05 each	750,170	37,509	750,170	37,509
Ordinary 'B' shares of £0.05 each	706,330	35,316	706,330	35,316
Ordinary 'C' shares of £0.05 each	150,920	7,546	150,920	7,546
Ordinary 'D' shares of £0.05 each	1,071,600	53,580	1,071,600	53,580
Preference 'A' shares of £0.01 each	10	-	10	-
	<u>2,679,030</u>	<u>133,951</u>	<u>2,679,030</u>	<u>133,951</u>

The rights attached to these shares can be found in the Articles of Association.



# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 19 Reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
<b>Group</b>			
Balance brought forward	966,609	603,515	925,625
Loss for the financial year	-	-	(309,579)
Realisation of revaluation reserve	-	(14,080)	14,080
Balance carried forward	966,609	589,435	630,126
<b>Company</b>			
Balance brought forward	966,609	603,515	1,261,472
Profit for the financial year	-	-	40,523
Realisation of revaluation reserve	-	(14,080)	14,080
Balance carried forward	966,609	589,435	1,316,075

### 20 Reconciliation of movements in shareholders' funds

<b>Group</b>	<b>2010 £</b>	<b>2009 £</b>
Loss for the year	(309,579)	(724,170)
Equity dividends paid	-	(16,000)
Net reduction in shareholders' funds	(309,579)	(740,170)
Opening shareholders' funds	2,629,700	3,369,870
Closing shareholders' funds	2,320,121	2,629,700
<b>Company</b>	<b>2010 £</b>	<b>2009 £</b>
Profit/(loss) for the year	40,523	44,990
Equity dividends paid	-	(16,000)
Net addition to shareholders' funds	40,523	28,990
Opening shareholders' funds	2,965,547	2,936,557
Closing shareholders' funds	3,006,070	2,965,547

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 21 Minority interests

	2010 £	2009 £
At beginning of year	(59,138)	-
Acquired	-	45
Share of loss for the year	(10,724)	(59,183)
At end of year	<u>(69,862)</u>	<u>(59,138)</u>

### 22 Reconciliation of operating loss to net cash inflow from operating activities

	2010 £	2009 £
Operating loss for the year	(279,189)	(686,838)
Depreciation	465,999	446,933
Net profit of the disposal of tangible fixed assets	-	(22,989)
Increase in stocks	(10,853)	(23,412)
(Increase)/decrease in debtors	(113,839)	128,783
(Decrease)/increase in creditors	(27,513)	484,502
	<u>34,605</u>	<u>326,979</u>

### 23 Reconciliation of net cash flow to movement in net debt

	2010 £	2009 £
(Decrease)/increase in cash	(228,174)	713,893
Cash outflow/(inflow) from financing	200,459	(467,159)
Changes in net debt resulting from cash flows	<u>(27,715)</u>	<u>246,734</u>
New hire purchase and finance lease agreements	(14,625)	(1,141,019)
Net debt brought forward	(2,529,860)	(1,635,575)
Net debt carried forward	<u>(2,572,200)</u>	<u>(2,529,860)</u>

# FOIL RIBBON & IMPACT PRINTING GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

### 24 Analysis of changes in net debt

	At 1 April 2009 £	Cash flow £	Non cash changes £	At 31 March 2010 £
Cash at bank and in hand	294,149	(228,174)	-	65,975
	<u>294,149</u>	<u>(228,174)</u>	<u>-</u>	<u>65,975</u>
Loan due within one year	(50,000)	-	-	(50,000)
Loan due after one year	(471,667)	50,001	-	(421,666)
Finance lease and hire purchase agreements	(1,374,377)	282,580	(14,625)	(1,106,422)
Revolving credit facility	(927,965)	(42,165)	-	(970,130)
Other loans due after one year	-	(89,957)	-	(89,957)
	<u>(2,529,860)</u>	<u>(27,715)</u>	<u>(14,625)</u>	<u>(2,572,200)</u>

Non cash changes represent obligations under new hire purchase and finance lease agreements entered into during the year.

### 25 Commitments under operating leases

At 31 March, the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2010 £	2009 £
Operating leases which expire:		
Within one year	55,100	-
Between two and five years	49,296	104,396
After more than five years	233,360	233,360
	<u>337,756</u>	<u>337,756</u>

### 26 Pensions

During the year the group has made contributions to defined contribution pension schemes for the benefit of its employees. The assets of the schemes are held separately from those of the group as independently administered funds. The pension cost charge represents contributions payable by the group to the schemes. There are no unpaid contributions at the year end (2009: £nil).

### 27 Contingent liabilities

The company is party to certain cross guarantees in respect of bank borrowings with certain other group companies.

At 31 March, borrowings subject to these guarantees were £1,377,603 (2009: £1,307,040).

# **FOIL RIBBON & IMPACT PRINTING GROUP PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

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### **28 Related party transactions**

The company has taken advantage of the exemptions available under Financial Reporting Standard 8 with regard to the non-disclosure of transactions between group companies which are eliminated on consolidation.

During the year, the Group made purchases of £35,255 (2009: £42,730) from Secaura Limited, a company in which R M Gibson is a director and shareholder and is also a shareholder of Foil Ribbon and Impact Printing Group plc. At the year end £5,402 (2009: £3,876) is owed to Secaura Limited and is included in creditors.

During the year, director and shareholder L W Gibson made an interest free loan of £30,000 to the Group, which has no fixed repayment date. This is included within other creditors due after more than one year. Creditors due within one year include £8,667 also due to L W Gibson.

### **29 Ultimate controlling party**

The company is controlled by its directors, and the directors consider that there is no ultimate controlling party.