

**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2012**

**Company Registration Number SC049498**

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**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2012**

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**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 MARCH 2012**

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**The board of directors**

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

**Company secretary**

L W Gibson

**Registered office**

4 Rutherford Court  
15 North Aven  
Clydesbank Business Park  
Clydesbank  
Dunbartonshire  
G81 2PQ

**Auditor**

RSM Tenon Audit Limited  
Rivermead House  
7 Lewis Court  
Grove Park  
Enderby  
Leicestershire  
LE19 1SD

**Bankers**

Yorkshire Bank Plc  
29 Horsefair Street  
Leicester  
LE1 5BL

The Royal Bank of Scotland  
Leicester International Banking Centre  
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 LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2012**

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The directors present their report and the financial statements of the group for the year ended 31 March 2012.

### **Principal activities and business review**

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

Despite the difficult trading conditions, group turnover has risen by £484,699 (8.6%), gross margin has increased slightly to 47% (2011: 46%), and together with close control of overheads, this has resulted in an operating profit of £422,586 (2011: £243,636).

At the year end, the group had shareholders' funds of £2,607,804 including distributable reserves of £1,216,465. The directors therefore believe the group's position to be satisfactory.

The directors have assessed the main risks facing the group as being competition, and the globalization 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 a profit for the year of £386,925. The directors have not recommended a dividend.

### **Financial risk management objectives and policies**

The group makes little use of financial instruments other than operational bank accounts, bank loans, and invoice discounting facilities. 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

T McRoberts resigned as a director on 30 April 2012.

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

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### 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 the group and of the profit or loss of the group for that year. 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;
- 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- there is no relevant audit information of which the 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.

### Auditor

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed by order of the directors



L W Gibson  
**Company secretary**

Approved by the directors on 1 August 2012

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**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOIL**  
**RIBBON & IMPACTING PRINTING GROUP LIMITED**  
**YEAR ENDED 31 MARCH 2012**

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We have audited the financial statements of Foil Ribbon & Impacting Printing Group Limited for the year ended 31 March 2012 on pages 6 to 27. 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 auditor**

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 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 Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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 the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2012 and of the group's 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 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.

**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOIL**  
**RIBBON & IMPACTING PRINTING GROUP LIMITED** *(continued)*

**YEAR ENDED 31 MARCH 2012**

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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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

*RSM Tenon Audit Limited*

Paul Johnson, Senior Statutory Auditor  
For and on behalf of

RSM Tenon Audit Limited  
Statutory Auditor  
Rivermead House  
7 Lewis Court  
Grove Park  
Enderby  
Leicestershire  
LE19 1SD

1 August 2012

**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
Turnover	2	6,146,532	5,661,833
Cost of sales		(3,279,058)	(3,057,374)
<b>Gross profit</b>		<u>2,867,474</u>	<u>2,604,459</u>
Administrative expenses		(2,478,188)	(2,394,123)
Other operating income	3	33,300	33,300
<b>Operating profit</b>	4	<u>422,586</u>	<u>243,636</u>
Attributable to:			
Operating profit before exceptional items		449,268	243,636
Exceptional items	4	(26,682)	—
		<u>422,586</u>	<u>243,636</u>
Interest payable and similar charges	7	(94,517)	(89,435)
<b>Profit on ordinary activities before taxation</b>		<u>328,069</u>	<u>154,201</u>
Tax on profit on ordinary activities	8	61,669	33,348
<b>Profit on ordinary activities after taxation</b>		<u>389,738</u>	<u>187,549</u>
Minority interests		(2,813)	459
<b>Profit attributable to members of the parent company</b>	9	<u>386,925</u>	<u>188,008</u>

All of the activities of the group are classed as continuing.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 11 to 27 form part of these financial statements.



**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**  
**CONSOLIDATED STATEMENTS OF HISTORICAL COST PROFITS AND LOSSES**  
**YEAR ENDED 31 MARCH 2012**

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	2012 £	2011 £
Reported profit on ordinary activities before taxation	328,069	154,201
Difference between the historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>5,403</u>	<u>6,003</u>
Historical cost profit on ordinary activities before taxation	<u>333,472</u>	<u>160,204</u>
Historical cost profit for the year after taxation	<u>395,141</u>	<u>193,552</u>
Historical cost profit for the year after taxation and minority interest	<u>392,328</u>	<u>194,011</u>

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2012 £	2011 £
Reported profit on ordinary activities after taxation and minority interest	386,925	188,008
Revaluation of freehold property	<u>–</u>	<u>(287,250)</u>
Total gains and losses for the year	<u>386,925</u>	<u>(99,242)</u>

The notes on pages 11 to 27 form part of these financial statements.

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# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## CONSOLIDATED BALANCE SHEET

**31 MARCH 2012**

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	10	3,696,711	3,987,674
<b>Current assets</b>			
Stocks	12	205,696	213,179
Debtors	13	1,729,263	1,652,411
Cash at bank and in hand		67,119	160,779
		<u>2,002,078</u>	<u>2,026,369</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(2,182,465)</u>	<u>(2,597,071)</u>
<b>Net current liabilities</b>		(180,387)	(570,702)
<b>Total assets less current liabilities</b>		<u>3,516,324</u>	<u>3,416,972</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(718,008)	(984,414)
<b>Provisions for liabilities</b>			
Deferred taxation	17	<u>(214,472)</u>	<u>(282,000)</u>
		<u>2,583,844</u>	<u>2,150,558</u>
<b>Capital and reserves</b>			
Called-up share capital	22	133,951	133,951
Share premium account	23	966,609	966,609
Revaluation reserve	23	290,779	296,182
Profit and loss account	23	1,216,465	824,137
<b>Shareholders' funds</b>	24	<u>2,607,804</u>	<u>2,220,879</u>
<b>Minority Interests</b>	25	<u>(23,960)</u>	<u>(70,321)</u>
		<u>2,583,844</u>	<u>2,150,558</u>

These financial statements were approved by the directors and authorised for issue on 1 August 2012, and are signed on their behalf by:



L W Gibson  
Director



J S Burns  
Director

The notes on pages 11 to 27 form part of these financial statements.

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

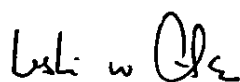
Registered Number SC049498

## COMPANY BALANCE SHEET

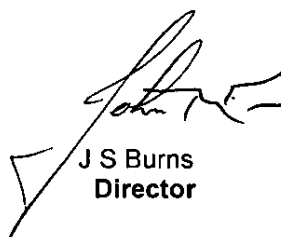
31 MARCH 2012

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	10	2,808,220	3,018,794
Investments	11	1,261,545	1,111,545
		<u>4,069,765</u>	<u>4,130,339</u>
<b>Current assets</b>			
Debtors due within one year	13	35,828	24,197
Debtors due after one year	13	164,145	259,074
Cash at bank		30,942	21,048
		<u>230,915</u>	<u>304,319</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(892,624)</u>	<u>(796,893)</u>
<b>Net current liabilities</b>		(661,709)	(492,574)
<b>Total assets less current liabilities</b>		<u>3,408,056</u>	<u>3,637,765</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(666,318)	(872,795)
<b>Provisions for liabilities</b>			
Deferred taxation	17	<u>(204,138)</u>	<u>(275,000)</u>
		<u>2,537,600</u>	<u>2,489,970</u>
<b>Capital and reserves</b>			
Called-up share capital	22	133,951	133,951
Share premium account	23	966,609	966,609
Revaluation reserve	23	290,779	296,182
Profit and loss account	23	1,146,261	1,093,228
<b>Shareholders' funds</b>		<u>2,537,600</u>	<u>2,489,970</u>

These financial statements were approved by the directors and authorised for issue on 1 August 2012, and are signed on their behalf by:



L W Gibson  
Director



J S Burns  
Director

The notes on pages 11 to 27 form part of these financial statements.

**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2012**

	Note	2012 £	£	2011 £	£
<b>Net cash inflow from operating activities</b>	26		607,192		604,551
<b>Returns on investments and Servicing of finance</b>					
Interest paid		(78,159)		(66,679)	
Interest element of hire purchase		<u>(16,358)</u>		<u>(22,756)</u>	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(94,517)		(89,435)
<b>Taxation</b>			—		5,087
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		(67,721)		(35,954)	
Sale of tangible fixed assets		<u>9,500</u>		<u>18,000</u>	
<b>Net cash outflow from capital expenditure and financial investment</b>			(58,221)		(17,954)
<b>Net cash inflow before financing</b>			<u>454,454</u>		<u>502,249</u>
<b>Financing</b>					
Revolving credit facility		(256,420)		(3,312)	
Bank loans		58,333		(49,999)	
Capital element of hire purchase		(321,015)		(354,233)	
Other loans		<u>(29,012)</u>		<u>99</u>	
<b>Net cash outflow from financing</b>			(548,114)		(407,445)
<b>(Decrease)/increase in cash</b>	26		<u>(93,660)</u>		<u>94,804</u>

The notes on pages 11 to 27 form part of these financial statements.

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

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### 1. Accounting policies

#### Basis of accounting

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

The 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 group profit and loss account after or up to the date that control passes respectively. By the 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.

#### Turnover

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

#### 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.

#### Tangible fixed assets

Tangible fixed assets are recorded at original 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. The valuation details are discussed in note 10. 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

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

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

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

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### 1. Accounting policies *(continued)*

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.

#### **Stocks**

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.

#### **Hire purchase agreements**

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.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### **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. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### **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.

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

### 1. Accounting policies *(continued)*

#### 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.

#### Investments

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

### 2. Turnover

The turnover and loss before tax are attributable to the principal activities of the group and arise wholly within the United Kingdom.

### 3. Other operating income

	2012 £	2011 £
Rent receivable	<u>33,300</u>	<u>33,300</u>

### 4. Operating profit

Operating profit is stated after charging/(crediting):

	2012 £	2011 £
Depreciation of owned fixed assets	258,374	271,747
Depreciation of assets held under hire purchase agreements	107,955	139,878
Profit on disposal of fixed assets	(3,785)	(11,196)
Auditors remuneration	21,025	24,570
Operating lease costs:		
- Other	307,631	336,301
Relocation cost	<u>26,682</u>	<u>-</u>
	2012 £	2011 £
Auditors remuneration		
- audit of the financial statements	2,600	2,600
- other fees	18,425	21,970
	<u>21,025</u>	<u>24,570</u>

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

### 5. Particulars of employees

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

	2012 No	2011 No
Production	58	59
Management and administration	16	14
	<u>74</u>	<u>73</u>

The aggregate payroll costs of the above were:

	2012 £	2011 £
Wages and salaries	2,082,525	1,993,006
Social security costs	219,723	195,374
Other pension costs	25,371	27,932
	<u>2,327,619</u>	<u>2,216,312</u>

### 6. Directors' remuneration

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

	2012 £	2011 £
Remuneration receivable	324,038	294,346
Value of company pension contributions to money purchase schemes	24,000	24,000
	<u>348,038</u>	<u>318,346</u>

#### Remuneration of highest paid director:

	2012 £	2011 £
Total remuneration (excluding pension contributions)	74,774	67,051
Value of company pension contributions to money purchase schemes	3,000	3,000
	<u>77,774</u>	<u>70,051</u>

The number of directors accruing benefits under company pension schemes was as follows:

	2012 No	2011 No
Money purchase schemes	<u>5</u>	<u>5</u>



# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

### 7. Interest payable and similar charges

	2012 £	2011 £
Interest payable on bank borrowing	78,159	66,679
Finance charges	16,358	22,756
	<u>94,517</u>	<u>89,435</u>

### 8. Taxation on ordinary activities

#### (a) Analysis of charge in the year

	2012 £	2011 £
UK Corporation tax	5,608	-
Under provision in prior year	251	-
	<u>5,859</u>	<u>-</u>
Deferred tax:		
Origination and reversal of timing differences	(67,528)	(33,348)
Tax on profit on ordinary activities	<u>(61,669)</u>	<u>(33,348)</u>

#### (b) Factors affecting current tax charge

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>328,069</u>	<u>154,201</u>
Profit on ordinary activities by rate of tax of 26% (2011: 28%)	85,403	43,176
Effects of:		
Expenses not deductible for tax purposes	4,376	1,638
Difference between capital allowances and depreciation	18,237	9,806
Utilisation of tax losses	(102,275)	(52,535)
Increase in taxable losses	-	321
Under provision in respect of prior years	251	-
Other timing differences	(133)	(2,406)
Total current tax (note 8(a))	<u>5,859</u>	<u>-</u>

#### (c) Factors that may affect future tax charges

The group has taxable trading losses of approximately £980,812 (£2011: £1,308,000) available to offset against future trading profits, and capital losses of £78,000 (2011: £78,000) to offset against future capital gains.

Any future sale of the revalued properties at their revalued amounts would give rise to a potential corporation tax charge of approximately £65,000 (2011: £75,000). However, these properties are not expected to be sold in the foreseeable future. Consequently, no deferred tax liability has been recognised in connection with this potential future obligation.

**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2012**

**9. Profit attributable to members of the parent company**

The profit dealt with in the financial statements of the parent company was £47,630 (2011 - £(228,850)).

**10. Tangible fixed assets**

<b>Group</b>	<b>Freehold land &amp; buildings £</b>	<b>Plant &amp; equipment £</b>	<b>Fixtures, fittings &amp; office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 April 2011	690,000	7,422,991	760,731	98,272	8,971,994
Additions	—	36,009	27,447	17,625	81,081
Disposals	—	(4,900)	(3,560)	(86,027)	(94,487)
At 31 March 2012	<u>690,000</u>	<u>7,454,100</u>	<u>784,618</u>	<u>29,870</u>	<u>8,958,588</u>
<b>Depreciation</b>					
At 1 April 2011	—	4,306,283	588,038	89,999	4,984,320
Charge for the year	9,551	307,427	41,822	7,529	366,329
On disposals	—	(1,707)	(1,038)	(86,027)	(88,772)
At 31 March 2012	<u>9,551</u>	<u>4,612,003</u>	<u>628,822</u>	<u>11,501</u>	<u>5,261,877</u>
<b>Net book value</b>					
At 31 March 2012	<u>680,449</u>	<u>2,842,097</u>	<u>155,796</u>	<u>18,369</u>	<u>3,696,711</u>
At 31 March 2011	<u>690,000</u>	<u>3,116,708</u>	<u>172,693</u>	<u>8,273</u>	<u>3,987,674</u>

**Hire purchase agreements**

Included within the net book value of £3,696,711 is £939,320 (2011 - £1,232,710) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £107,955 (2011 - £139,878).

**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2012**

**10. Tangible fixed assets (continued)**

<b>Company</b>	<b>Freehold land &amp; buildings £</b>	<b>Plant &amp; equipment £</b>	<b>Fixtures, fittings &amp; office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 April 2011	690,000	5,271,973	667,279	70,532	6,699,784
Additions	–	36,009	15,149	–	51,158
Disposals	–	–	–	(70,532)	(70,532)
At 31 March 2012	<u>690,000</u>	<u>5,307,982</u>	<u>682,428</u>	<u>–</u>	<u>6,680,410</u>
<b>Depreciation</b>					
At 1 April 2011	–	3,098,010	513,713	69,267	3,680,990
Charge for the year	9,551	213,520	37,396	1,265	261,732
On disposals	–	–	–	(70,532)	(70,532)
At 31 March 2012	<u>9,551</u>	<u>3,311,530</u>	<u>551,109</u>	<u>–</u>	<u>3,872,190</u>
<b>Net book value</b>					
At 31 March 2012	<u>680,449</u>	<u>1,996,452</u>	<u>131,319</u>	<u>–</u>	<u>2,808,220</u>
At 31 March 2011	<u>690,000</u>	<u>2,173,963</u>	<u>153,566</u>	<u>1,265</u>	<u>3,018,794</u>

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

### 10. Tangible fixed assets (continued)

In August 2011, the freehold land and buildings were revalued to £690,000 on the basis of existing value in use and sound freehold title, by Jones Lang LaSalle, an external firm of professional valuers. The directors had therefore revalued the freehold land and buildings at 31 March 2011 on a basis consistent with this professional valuation.

The company's plant and equipment was revalued both by the directors and Messrs Colebrook Evans and McKenzie Limited, Independent Valuers in 1994 and 1995 respectively on a basis which more accurately reflected the useful lives of the assets, and their estimated renewal values. The valuation has not been updated since this date as the transitional arrangements in FRS 15 have been adopted to retain these book values.

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

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Cost	6,734,653	6,703,544	4,974,151	4,938,142
Aggregate depreciation based on cost	(4,335,491)	(4,029,771)	(3,183,831)	(2,970,311)
	<u>2,399,162</u>	<u>2,673,773</u>	<u>1,790,320</u>	<u>1,967,831</u>

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

	2012 £	2011 £
Cost	547,445	547,445
Aggregate depreciation based on cost	(115,860)	(106,309)
	<u>431,585</u>	<u>441,136</u>

### Hire purchase agreements

Included within the net book value of £2,808,220 is £821,499 (2011 - £1,085,741) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £91,278 (2011 - £117,610).

**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2012**

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**11. Investments**

<b>Company</b>	<b>Subsidiary Undertakings £</b>
<b>Cost</b>	
At 1 April 2011	1,111,545
Additions	<u>150,000</u>
At 31 March 2012	<u>1,261,545</u>
<b>Net book value</b>	
At 31 March 2012	<u>1,261,545</u>
At 31 March 2011	<u>1,111,545</u>

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

### 11. Investments (continued)

The additions in the year relate to 150,000 £1 ordinary shares issued to Foil Ribbon and Impact Printing Group Limited by Metalpaper Limited. The total share of Foil Ribbon and Impact Printing Group Limited in Metalpaper Limited remained 77.5% both before and after this transaction.

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

Name	Country of incorporation	Proportion of share capital	Ordinary £1 shares
Frip Finishing Limited	England	100%	1,000
Metalpaper Limited	England	77.5%	193,748

The principal activity during the year of FRIP Finishing Limited was the provision of foil stamping, embossing services and print finishers and for Metalpaper Limited was that of metalised packaging products.

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

Name	Country of incorporation	Proportion of share capital	Ordinary £1 shares
Foil Ribbon and Impact Printing (London) Limited	England	100%	1,000
Foil Ribbon and Impact Printing (Manchester) Limited	England	100%	1,000
Foil Ribbon and 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
Laminating and Varnishing Company Limited	England	100%	1,199,564

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

Name	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

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

### 12. Stocks

	<i>Group</i>		<i>Company</i>	
	2012	2011	2012	2011
	£	£	£	£
Raw materials	205,696	213,179	—	—

### 13. Debtors

	<i>Group</i>		<i>Company</i>	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	1,456,818	1,456,065	—	—
Amounts owed by group undertakings	—	—	164,145	259,074
Corporation tax repayable	—	251	—	—
Other debtors	20,285	—	—	—
Prepayments and accrued income	252,160	196,095	35,828	24,197
	<u>1,729,263</u>	<u>1,652,411</u>	<u>199,973</u>	<u>283,271</u>

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

	<i>Group</i>		<i>Company</i>	
	2012	2011	2012	2011
	£	£	£	£
Amounts owed by group undertakings	—	—	164,145	259,074

Amounts due from group undertakings have no fixed repayment date and are interest free, but will not be requested for payment until the group undertakings are in a financial position to do so, which is not expected to be within one year of the balance sheet date.

### 14. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	48,000	50,000	48,000	50,000
Trade creditors	622,974	595,510	58,459	50,036
Amounts owed to group undertakings	—	—	347,777	221,669
Hire purchase agreements (note 16)	274,122	327,598	246,424	290,660
Corporation tax	5,608	—	5,608	—
Other taxes and social security	199,965	245,649	51,606	58,703
Other creditors	839,477	1,180,426	106,888	93,279
Accruals and deferred income	192,319	197,888	27,862	32,546
	<u>2,182,465</u>	<u>2,597,071</u>	<u>892,624</u>	<u>796,893</u>

Included within group other creditors is £710,398 (2011: £966,818) 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.

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

### 15. Creditors: amounts falling due after more than one year

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	432,000	371,667	432,000	371,667
Hire purchase agreements (note 16)	268,512	522,691	234,318	471,128
Other creditors	17,496	90,056	—	30,000
	<u>718,008</u>	<u>984,414</u>	<u>666,318</u>	<u>872,795</u>

The bank loan is repayable by monthly instalments on or before 31 January 2017, bears interest at 2.5% above base rate, is secured by a legal charge over the freehold properties, a bond and floating charge over all of the assets of the group and company, and is repayable as follows:

	<b>Group and Company</b>	
	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
One Year	48,000	50,000
Between one and two years	48,000	50,000
Between two and five years	144,000	150,000
After more than five years	240,000	171,667
	<u>480,000</u>	<u>421,667</u>

### 16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	274,122	327,598	246,424	290,660
Between two to five years	268,512	522,691	234,318	471,128
	<u>542,634</u>	<u>850,289</u>	<u>480,742</u>	<u>761,788</u>

Obligations under hire purchase agreements are secured on the assets to which they relate.

### 17. Deferred taxation

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

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Provision brought forward	282,000	315,348	275,000	315,348
Decrease in provision	(67,528)	(33,348)	(70,862)	(40,348)
Provision carried forward	<u>214,472</u>	<u>282,000</u>	<u>204,138</u>	<u>275,000</u>



**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2012**

**17. Deferred taxation (continued)**

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

<b>Group</b>	<b>2012 Provided £</b>	<b>2011 Provided £</b>
Excess of taxation allowances over depreciation on fixed assets	214,472	414,000
Trading losses	-	(132,000)
	<u>214,472</u>	<u>282,000</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of:

<b>Company</b>	<b>2012 Provided £</b>	<b>2011 Provided £</b>
Excess of taxation allowances over depreciation on fixed assets	<u>204,138</u>	<u>275,000</u>

The group has an unprovided deferred tax asset of £188,500 (2011: £201,000) relating to trading losses. These assets have not been recognised due to uncertainty regarding the future economic benefit arising from utilising the losses in the foreseeable future.

**18. Commitments under operating leases**

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as set out below.

<b>Group</b>	<b>Land and buildings 2012 £</b>	<b>2011 £</b>
Operating leases which expire:		
Within 2 to 5 years	270,360	184,160
After more than 5 years	117,796	151,200
	<u>388,156</u>	<u>335,360</u>

**19. Contingencies**

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 £1,125,472 (2011: £1,215,257).

**20. Capital commitments**

Amounts contracted for but not provided in the financial statements amounted to £370,000 (2011: £Nil).

# FOIL RIBBON & IMPACT PRINTING GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

### 21. 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 purchased services of £39,553 (2011: £12,315) from Secaura Limited, a company in which R M Gibson is a director and shareholder and is also a shareholder of Foil Ribbon & Impact Printing Group Limited. At 31 March 2012, Secaura Limited was owed £3,708 (2011: £5,750).

During the year the group charged management charges totalling £42,000 (2011: £16,800) to Metalpaper Limited, a subsidiary in which the Group owns 77.5% of the issued equity share capital.

At the year end, director and shareholder L W Gibson had an interest free loan of £nil (2011: £30,000) due from Foil Ribbon and Impact Printing Group Limited.

All transactions were conducted on an arms length basis.

### 22. Share capital

#### Authorised share capital:

	2012 £	2011 £
750,170 Ordinary 'A' Shares shares of £0.05 each	37,509	37,509
706,330 Ordinary 'B' Shares shares of £0.05 each	35,316	35,316
1,543,500 Ordinary 'C' Shares shares of £0.05 each	77,175	77,175
1,071,600 Ordinary 'D' Shares shares of £0.05 each	53,580	53,580
10 Preference 'A' Shares shares of £0.01 each	-	-
	<u>203,580</u>	<u>203,580</u>

#### Allotted, called up and fully paid:

	2012 No	£	2011 No	£
Ordinary 'A' Shares shares of £0.05 each	750,170	37,509	750,170	37,509
Ordinary 'B' Shares shares of £0.05 each	706,330	35,316	706,330	35,316
Ordinary 'C' Shares shares of £0.05 each	150,920	7,546	150,920	7,546
Ordinary 'D' Shares shares of £0.05 each	1,071,600	53,580	1,071,600	53,580
10 Preference 'A' Shares 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 filed at Companies House. Dividends are payable on each class of share at the discretion of the directors.

**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2012**

**23. Reserves**

<b>Group</b>	<b>Share premium account £</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>
Balance brought forward	966,609	296,182	824,137
Profit for the year	–	–	386,925
Other movements			
- transfer to/from revaluation reserve	–	(5,403)	5,403
Balance carried forward	<u>966,609</u>	<u>290,779</u>	<u>1,216,465</u>

<b>Company</b>	<b>Share premium account £</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>
Balance brought forward	966,609	296,182	1,093,228
Profit for the year	–	–	47,630
Other movements			
- transfer to/from revaluation reserve	–	(5,403)	5,403
Balance carried forward	<u>966,609</u>	<u>290,779</u>	<u>1,146,261</u>

**24. Reconciliation of movements in shareholders' funds**

**Group**

	<b>2012 £</b>	<b>2011 £</b>
Profit for the financial year	386,925	188,008
Revaluation	–	(287,250)
Net addition/(reduction) to shareholders' funds	<u>386,925</u>	<u>(99,242)</u>
Opening shareholders' funds	<u>2,220,879</u>	<u>2,320,121</u>
Closing shareholders' funds	<u>2,607,804</u>	<u>2,220,879</u>

**Company**

	<b>2012 £</b>	<b>2011 £</b>
Profit/(loss) for the financial year	47,630	(228,850)
Revaluation	–	(287,250)
Net addition/(reduction) to shareholders' funds	<u>47,630</u>	<u>(516,100)</u>
Opening shareholders' funds	<u>2,489,970</u>	<u>3,006,070</u>
Closing shareholders' funds	<u>2,537,600</u>	<u>2,489,970</u>

**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2012**

**25. Minority interests**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
At beginning of year	(70,321)	(69,862)
Share of profit/(loss) for the year	2,813	(459)
Capitalisation of loan	43,548	
At end of year	<u>(23,960)</u>	<u>(70,321)</u>

**26. Notes to the cash flow statement**

**Reconciliation of operating profit to net cash inflow from operating activities**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Operating profit for the year	422,586	243,636
Depreciation	366,329	411,625
Profit on the disposal of tangible fixed assets	(3,785)	(11,196)
Decrease/(Increase) in stocks	7,483	(22,566)
Increase in debtors	(77,103)	(64,838)
(Decrease)/Increase in creditors	(108,318)	47,890
Net cash inflow from operating activities	<u>607,192</u>	<u>604,551</u>

**Reconciliation of net cash flow to movement in net debt**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
(Decrease)/Increase in cash	(93,660)	94,804
Cash outflow from financing	548,114	407,445
Changes in net debt resulting from cash flows	<u>454,454</u>	<u>502,249</u>
New hire purchase and finance lease agreements	(13,360)	(98,100)
Capitalisatoin of a loan	43,548	-
Net debt brought forward	(2,168,051)	(2,572,200)
Net debt carried forward	<u>(1,683,409)</u>	<u>(2,168,051)</u>

**FOIL RIBBON & IMPACT PRINTING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2012**

**27. Analysis of changes in net debt**

	At 1 April 2011 £	Cash flows £	Non cash changes £	At 31 March 2012 £
Cash at bank and in hand	160,779	(93,660)	-	67,119
Loan due within one year	(50,000)	2,000	-	(48,000)
Loan due after one year	(371,667)	(60,333)	-	(432,000)
Hire purchase agreements	(850,289)	321,015	(13,360)	(542,634)
Revolving credit facility	(966,818)	256,420	-	(710,398)
Other loans due after one year	(90,056)	29,012	43,548	(17,496)
Net debt	<u>(2,168,051)</u>	<u>454,454</u>	<u>30,188</u>	<u>(1,683,409)</u>

Non cash changes represent obligations under new hire purchase and finance lease agreements entered into during the year, and the capitalisation of a loan.

**28. Ultimate controlling party**

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