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Ken Wilkins Print Limited

Abbreviated accounts

For the year ended 31 March 2007

Grant Thornton

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COMPANIES HOUSE

Company No. 1793462

Company information

Registered office	Private Road No 1 Colwick Industrial Estate NOTTINGHAM NG4 2JQ
Directors	Mr A P Wilkins Mrs A Wilkins Mrs M P Wilkins
Secretary	Mrs M P Wilkins
Bankers	HSBC Plc 1 Victoria Road Netherfield NOTTINGHAM NG4 2LB
Website	www wilkins co uk
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 30 Hounds Gate NOTTINGHAM NG1 7DH

Index to the abbreviated accounts

Chairman's statement

Trading Statement

Having dealt with, during the 2005/6 year, the significant movement of textile packaging to 'offshore' locations by winning new business in the food and associated sectors, the company proceeded to grow strongly during the first financial quarter of 06 and is on budget to restore profitability in the 07/08 year

During August 06 two significant competitors suffered business failure and this impacted across the industry with a squeeze on capacity Since a number of the customers affected by these failures were also trading on a dual source basis with the company this unexpected surge left the directors with the problem of meeting demand or risking customers moving the totality of their business elsewhere, thus causing the company to lose the business won earlier in the year

As it was recognised that the business product profile had rapidly changed and 80% of the work in progress at this point fell into the category of high volume gluing, a decision was taken to invest in a second automated line which would then enable 80% of production to be manufactured with high efficiencies

The company's turnover finished at the end of March 07 at £20,177,125 which is an 11 4% increase on the previous year This level of turnover is expected to be maintained for the year 2007/2008

The first quarter 07/08 shows a dramatic improvement in efficiencies and profitability which endorses management's decision to retain customers and invest in more automation

Romania – Over the last three years substantial investment has been made to secure a manufacturing foothold in this low labour cost area This has been a significant drain on UK cash flow and management resources

The Romanian packaging plant has loans to the group of £1 1 million and this business is now self sufficient with regular loan repayments being made

The overall strategy to developing a business in Romania was two fold -

1) To retain and grow the textile packaging being manufactured in the UK by the company and now moving to Romania, Bulgaria, Turkey and other Eastern Bloc states
2) To position the business to be eligible for EU Grants which follow accession of new EU entrants

Sri Lanka – The rationale for establishing this business was to retain and grow the textile packaging being manufactured in the UK by the company and supply locally in Sri Lanka and the Asian region generally

From this base we export to over ten countries, the financial year ended March 07 saw this company increase its profits and the future growth prospects are excellent

Conclusion

The Wilkins Group has contended with dramatically changing market conditions over the last few years which necessitated significant initiatives to re-position the business profile This has impacted on the bottom line through the transitional process, however, funds generated have remained significant and continued to cover depreciation, interest and mortgage payments

The current position is extremely positive and earnings in the first financial quarter 07/08 give a good indicator to future prospects Traditionally the first quarter earnings show a loss with the earnings growth strongest through the autumn and Christmas period, however, the current financial accounts show a positive trend with profits in the first quarter

The Directors are confident that all the measures taken have been the correct ones to take the business forward with increased earnings over the next three quarters

Andrew Wilkins
Chairman and Managing Director
18/10/07

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2007

Principal activities and business review

The company operates principally as design consultants and high quality printers of packaging

During the prior year the company agreed to purchase the remaining shares in Wilkins Spence Packaging Lanka (pvt) Limited, a subsidiary At the year end the company held 97 5% of the share capital with the remaining 2 5% to be purchased over the next year

Results and dividends

The loss for the year, after taxation, amounted to £78,310 The directors have not recommended a dividend

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors and inter company loans that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations The main risks arising from the company financial instruments are interest rate risk, liquidity risk and foreign currency risk The directors review and agree policies for managing each of these risks and they are summarised below The policies have remained unchanged from previous periods

Interest rate risk

The company finances its operations through a mixture of retained profits, hire purchase, group borrowings and bank borrowings The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably Primarily this is achieved through financing loans

Currency risk

The company is exposed to transaction and translation foreign exchange risk Transaction risk managed by the investment in Wilkins Spence Packaging Lanka (pvt) Limited, who hold appropriate levels of foreign currency The company does not manage translation risk

Directors

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

Mr A P Wilkins
Mrs A Wilkins
Mrs M P Wilkins

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

Directors' responsibilities

The directors are responsible for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to 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 estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information

Donations

During the year the company made the following contributions

	2007	2006
	£	£
Charitable	900	-

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD

Mr A P Wilkins
Director
18 October 2007

Grant Thornton

Independent auditor's report to Ken Wilkins Print Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement, statement of total recognised gains and losses, note of historical cost profits and losses and the related notes, together with the financial statements of Ken Wilkins Print Limited for the year ended 31 March 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985 Our work has been undertaken so that we might state to the company those matters we are required to state to them in a special 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, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985 It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
NOTTINGHAM
22 October 2007

Principal 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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts

Turnover

Revenue is measured by reference to the consideration received or receivable by the company for goods supplied, excluding VAT and trade discounts Revenue is recognised upon the supply of goods to the customer

Intangible assets

Intangible assets comprise of legal expenses for patents

Intangible assets are amortised over their estimated useful lives of five years

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	2% straight line
Plant & Machinery	-	10% - 20% reducing balance
Fixtures & Fittings	-	15% reducing balance
Motor Vehicles	-	25% reducing balance

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

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items
A change in the basis of the valuation of stock and work in progress has resulted in a prior year adjustment being made, as detailed in note 7

Work in progress

Finished goods and work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity Provision is made for any foreseeable losses where appropriate No element of profit is included in the valuation of finished goods and work in progress

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pension costs

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company The annual contributions payable are charged to the profit and loss account

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

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

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

Foreign currencies

Monetary 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

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Investments

Investments are included at cost

Abbreviated profit and loss account

	Note	2007 £	2006 £
Gross profit (includes other operating income)		**4,127,472**	3,881,115
Other operating charges	1	**3,817,556**	3,462,693
Operating profit	2	**309,916**	418,422
Interest payable and similar charges	5	**371,226**	425,576
Loss on ordinary activities before taxation		**(61,310)**	(7,154)
Tax on loss on ordinary activities	6	**17,000**	28,000
Loss for the financial year	21	**(78,310)**	(35,154)

All of the activities of the company are classed as continuing

The accompanying accounting policies and notes form part of these abbreviated accounts.

Abbreviated balance sheet

	Note	2007 £	2006 £
Fixed assets			
Intangible assets	8	**18,739**	–
Tangible assets	9	**10,981,723**	11,374,026
Investments	10	**198,092**	198,092
		11,198,554	11,572,118
Current assets			
Stocks	11	**2,321,515**	1,999,670
Debtors	12	**11,271,007**	9,294,508
Cash at bank and in hand		**445,625**	15,200
		14,038,147	11,309,378
Creditors: amounts falling due within one year	13	**13,882,381**	12,101,399
Net current assets/(liabilities)		**155,766**	(792,021)
Total assets less current liabilities		**11,354,320**	10,780,097
Creditors. amounts falling due after more than one year	14	**4,980,070**	4,344,537
		6,374,250	6,435,560
Provisions for liabilities			
Deferred taxation	18	**807,000**	790,000
		5,567,250	5,645,560
Capital and reserves			
Called-up equity share capital	20	**432,910**	432,910
Revaluation reserve	21	**413,771**	424,660
Profit and loss account	21	**4,720,569**	4,787,990
Shareholders' funds	22	**5,567,250**	5,645,560

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors on 18 October 2007 and are signed on their behalf by

Mr A P Wilkins
Director

The accompanying accounting policies and notes form part of these abbreviated accounts.

Cash flow statement

	Note	2007 £	2006 £
Net cash inflow/(outflow) from operating activities	23(a)	**895,792**	(488,915)
Returns on investments and servicing of finance			
Interest paid		**(251,325)**	(252,054)
Interest element of finance leases and hire purchase		**(119,901)**	(173,522)
Net cash outflow from returns on investments and servicing of finance		**(371,226)**	(425,576)
Capital expenditure			
Payments to acquire intangible fixed assets		**(18,739)**	–
Payments to acquire tangible fixed assets		**(218,939)**	(367,337)
Net cash outflow from capital expenditure		**(237,678)**	(367,337)
Acquisitions and disposals			
Acquisition of shares in group undertakings		**(25,382)**	(16,488)
Net cash outflow from acquisitions and disposals		**(25,382)**	(16,488)
Cash inflow/(outflow) before financing		**261,506**	(1,298,316)
Financing			
Repayment of loan from the ken wilkins design print directors pension scheme		**(200,741)**	(26,267)
Increase in/(repayment of) bank loans		**894,259**	(196,408)
Capital element of finance leases and hire purchase		**(524,599)**	(613,788)
Net cash inflow/(outflow) from financing		**168,919**	(836,463)
Increase/(decrease) in cash	23(b)	**430,425**	(2,134,779)

Other primary statements

Statement of total recognised gains and losses

	2007	2006
	£	£
Loss for the financial year	(78,310)	(35,154)
Total recognised gains and losses for the year	(78,310)	(35,154)
Prior year adjustment (see note 7)	(397,597)	
Total gains and losses recognised since the last financial statements	(475,907)	

Note of historical cost profits and losses

	2007	2006
	£	£
Loss on ordinary activities before taxation	(61,310)	(7,154)
Difference between a historical cost Depreciation charge and the actual Charge calculated on the revalued amount	10,889	10,889
Historical cost loss on ordinary activities before taxation	(50,421)	3,735
Historical cost loss for the year After taxation	(67,421)	(24,265)

The accompanying accounting policies and notes form part of these abbreviated accounts.

Notes to the abbreviated accounts

1 Other operating charges

	2007	2006
	£	£
Distribution costs	859,312	630,884
Administrative expenses	2,958,244	2,831,809
	3,817,556	3,462,693

2 Operating profit

Operating profit is stated after charging/(crediting)

	2007	2006
	£	£
Depreciation of owned fixed assets	411,371	416,537
Depreciation of assets held under finance leases and hire purchase agreements	574,871	456,731
Profit on disposal of fixed assets	–	(1,382)
Auditor's remuneration		
Audit fees	19,000	15,000
Operating lease costs		
Other	360,665	167,351

3 Directors and employees

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

	2007	2006
	No	No
Production	172	176
Selling and distribution	7	9
Number of administrative staff	49	41
	228	226

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	5,542,723	4,990,283
Social security costs	513,229	461,313
Other pension costs	14,667	24,674
	6,070,619	5,476,270

4 Directors

Remuneration in respect of directors was as follows

	2007	2006
	£	£
Emoluments receivable	168,548	167,850

The number of directors who accrued benefits under company pension schemes was as follows

	2007	2006
	No	No
Money purchase schemes	3	3

5 Interest payable and similar charges

	2007	2006
	£	£
Interest payable on bank borrowing	247,287	251,185
Finance charges	119,901	173,522
Other similar charges payable	4,038	869
	371,226	425,576

6 Taxation on ordinary activities

	2007	2006
	£	£
Deferred tax		
Origination and reversal of timing differences	17,000	28,000

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007	2006
	£	£
Loss on ordinary activities before taxation	(61,310)	(7,154)
Profit on ordinary activities by rate of tax	(18,393)	(2,146)
Expenses not deductible for tax purposes	36,102	17,223
Capital allowances for period in excess of depreciation	159,825	(170,796)
Utilisation of tax losses	(177,534)	111,493
Short term timing differences	-	16,920
Group relief not paid for	-	27,306
Total current tax	-	-

7 Prior year adjustment

During the year the company changed it's method of calculating stocks and work in progress

The previously stated values of stock in the 2006 and 2005 years of £2,397,267 and £2,382,745 have been restated to £1,999,670 and £1,985,148 respectively

8 Intangible fixed assets

	Patent costs £
Cost	
Additions	18,739
At 31 March 2007	**18,739**
Amortisation	
At 1 April 2006 and 31 March 2007	–
Net book value	
At 31 March 2007	**18,739**
At 31 March 2006	–

9 Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 1 April 2006	4,484,673	11,910,703	1,129,676	489,641	18,014,693
Additions	–	578,430	12,002	3,507	593,939
At 31 March 2007	**4,484,673**	**12,489,133**	**1,141,678**	**493,148**	**18,608,632**
Depreciation					
At 1 April 2006	722,098	4,850,337	668,701	399,531	6,640,667
Charge for the year	89,693	803,623	70,033	22,893	986,242
At 31 March 2007	**811,791**	**5,653,960**	**738,734**	**422,424**	**7,626,909**
Net book value					
At 31 March 2007	**3,672,882**	**6,835,173**	**402,944**	**70,724**	**10,981,723**
At 31 March 2006	3,762,575	7,060,366	460,975	90,110	11,374,026

The buildings are owned by the company The land on which the buildings are situated is leased, at a commercial rate, from The Ken Wilkins Design Print Directors Pension Fund

Included within the net book value of £10,981,723 is £5,506,760 (2006 - £5,706,631) relating to assets held under finance leases and hire purchase agreements The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £574,871 (2006 - £456,731)

The leasehold buildings were revalued, on an open market basis, on 31 March 1993 by the directors at £900,000 resulting in a surplus of £544,438 which was credited to the revaluation reserve The directors have taken advantage of the transitional provisions of Financial Reporting Standard No 15 to continue to disclose the property at its 1993 valuation

9 Tangible fixed assets (continued)

If certain fixed assets had not been revalued, they would have been included on the historical cost basis at the following amounts

	Leasehold Property £
Cost	355,562
Accumulated depreciation	117,635
Net book amount at 31 March 2007	**237,927**
Net book amount at 1 April 2006	244,468

10 Investments

Shares in subsidiary company

	£
Cost	
At 1 April 2006 and 31 March 2007	**198,092**
Net book value	
At 31 March 2007	**198,092**
At 31 March 2006	198,092

At the year end the company owned 97 5% of the issued share capital of Wilkins Spence Packaging Lanka (pvt) Ltd, with an agreement to purchase the remaining 2 5% over the next year

Wilkins Spence Packaging Lanka (pvt) Ltd is a company registered in Sri Lanka The company operates as packaging printers

	2007 £	2006 £
Aggregate capital and reserves		
Wilkins Spence Packaging Lanka (pvt) Ltd	**308,503**	258,129
Profit for the year		
Wilkins Spence Packaging Lanka (pvt) Ltd	**98,037**	19,613

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity

11 Stocks

	2007	2006 (restated)
	£	£
Raw materials	48,042	57,013
Finished goods and work in progress	2,273,473	1,942,657
	2,321,515	1,999,670

12 Debtors

	2007	2006
	£	£
Trade debtors	4,428,913	3,605,563
Amounts owed by group undertakings	5,380,271	4,589,764
Amounts owed by undertakings in which the company has a participating interest	1,068,404	1,018,696
Other debtors	353,077	33,119
Prepayments and accrued income	40,342	47,366
	11,271,007	9,294,508

13 Creditors: amounts falling due within one year

	2007	2006
	£	£
Loan from The Ken Wilkins Design Print Directors Pension Scheme	–	200,741
Bank loans and overdrafts	269,742	344,280
Trade creditors	1,459,863	1,238,835
Amounts owed to group undertakings	10,608,067	8,969,480
Other taxation and social security	436,636	346,406
Amounts due under finance leases and hire purchase agreements	664,053	480,388
Other creditors	98,294	203,203
Accruals and deferred income	345,726	318,066
	13,882,381	12,101,399

14 Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Bank loans and overdrafts	2,881,458	1,912,661
Amounts due under finance leases and hire purchase agreements	2,098,612	2,431,876
	4,980,070	4,344,537

The bank borrowings are secured by a fixed and floating charge dated 1 February 1991 over the company's assets

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

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2007	2006
	£	£
Bank loans and overdrafts	**1,802,494**	535,541

The bank borrowings are repayable in monthly instalments of £22,478 (2006 £28,690) Interest is charged at 1% above the bank's base rate

15 Creditors: Bank borrowings

Creditors include bank borrowings which is due for repayment as follows

	2007	2006
	£	£
Amounts repayable		
In one year or less or on demand	**269,741**	344,280
In more than one year but not more than two years	**269,741**	344,280
In more than two years but not more than five years	**809,223**	1,032,840
In more than five years	**1,802,494**	535,541
	3,151,199	2,256,941

16 Commitments under finance leases and hire purchase agreements

Future commitments under finance leases and hire purchase agreements are as follows

	2007	2006
	£	£
Amounts payable within 1 year	**664,053**	480,388
Amounts payable between 1 and 2 years	**493,752**	703,005
Amounts payable between 3 and 5 years	**1,068,904**	1,728,871
Amounts payable after more than 5 years	**535,956**	-
	2,762,665	2,912,264

17 Pensions

The company operates a defined contribution pension scheme The assets of the scheme are administered by trustees in a fund independent from those of the company

The pension cost charge for the year was £14,667 (2006 £24,674)

18 Deferred taxation

The movement in the deferred taxation provision during the year was

	2007	2006
	£	£
Provision brought forward	790,000	762,000
Profit and loss account movement arising during the year	17,000	28,000
Provision carried forward	807,000	790,000

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2007	2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	908,000	1,009,000
Tax losses available	(90,000)	(208,000)
Other timing differences	(11,000)	(11,000)
	807,000	790,000

19 Leasing commitments

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007		2006	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire				
Within 1 year	88,568	30,045	-	21,727
Within 2 to 5 years	136,445	27,984	136,445	47,011
	225,013	58,029	136,445	68,738

20 Share capital

Authorised share capital

	2007	2006
	£	£
750,000 Ordinary shares of £1 each	**750,000**	750,000

Allotted, called up and fully paid

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	**432,910**	**432,910**	432,910	432,910

21 Reserves

	Revaluation reserve	Profit and loss account (restated)
	£	£
Original balance at 1 April 2006	424,660	5,185,587
Prior year adjustment (note 7)	–	(397,597)
Restated balance as at 1 April 2006	424,660	4,787,990
Loss for the year	–	(78,310)
Other movements		
- transfer to/from revaluation reserve	(10,889)	10,889
At 31 March 2007	413,771	4,720,569

22 Reconciliation of movements in shareholders' funds

	2007	2006 *(restated)*
	£	£
Loss for the financial year	**(78,310)**	(35,154)
Opening shareholders' funds -restated	**5,645,560**	6,078,311
Prior year adjustment (see note 7)	-	(397,597)
Closing shareholders' funds	**5,567,250**	5,645,560

23 Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2007	2006
	£	£
Operating profit	**309,916**	418,422
Depreciation	**986,242**	873,268
Profit on disposal of fixed assets	**-**	(1,382)
Increase in stocks	**(321,845)**	(14,522)
Increase in debtors	**(1,976,499)**	(573,926)
Increase/(decrease) in creditors	**1,897,978**	(1,190,775)
Net cash inflow/(outflow) from operating activities	**895,792**	(488,915)

(b) Reconciliation of net cash flow to movement in net debt

	2007	2006
	£	£
Increase/(decrease) in cash in the period	**430,425**	(2,134,779)
Net cash outflow from loan from the Ken Wilkins Design Print Directors Pension Scheme	**200,741**	26,267
Net cash (inflow) from/outflow from bank loans	**(894,259)**	196,408
Cash outflow in respect of finance leases and hire purchase	**524,599**	613,788
Change in net debt resulting from cash flows	**261,506**	(1,298,316)
New finance leases	**(375,000)**	(1,760,000)
Movement in net debt in the period	**(113,494)**	(3,058,316)
Net debt at 1 April 2006	**(5,354,746)**	(2,296,430)
Net debt at 31 March 2007	**(5,468,240)**	(5,354,746)

(c) *Analysis of changes in net debt*

	At 1 Apr 2006	Cash flows	Other changes	At 31 Mar 2007
	£	£	£	£
Net cash				
Cash in hand and at bank	15,200	430,425	-	445,625
Debt				
Debt due within 1 year	(545,021)	200,741	74,538	(269,742)
Debt due after 1 year	(1,912,661)	(894,259)	(74,538)	(2,881,458)
Finance leases and hire purchase agreements	(2,912,264)	524,599	(375,000)	(2,762,665)
	(5,369,946)	(168,919)	(375,000)	(5,913,865)
Net debt	(5,354,746)	261,506	(375,000)	(5,468,240)

24 Post balance sheet events

On 1 April 2007 the trade and assets of A P Wilkins (Sales) Limited, a fellow subsidiary of The Wilkins Group Limited, were hived across into Ken Wilkins Print Limited

25 Capital commitments

The company had no capital commitments as at 31 March 2007 and 31 March 2006

26 Ultimate parent company

As at 31 March 2006 the ultimate parent undertaking of this company is The Wilkins Group Limited, by virtue of a 100% shareholding The largest and smallest group of undertakings for which group accounts have been prepared is that headed by The Wilkins Group Limited Copies of the group accounts can be obtained at Private Road Number 1, Colwick Industrial Estate, Nottingham, NG4 2JQ

27 Contingent liabilities

Ken Wilkins Print Limited has shareholders in common with A P Wilkins (Sales) Limited and a cross company bank guarantee has been arranged, which creates a fixed and floating charge on the assets of each company At 31 March 2007 the outstanding contingent liability under this agreement amounted to £2,958,281 (2006 £2,226,737)

Ken Wilkins Print Limited has a bank guarantee dated 13 June 2001 for £60,000 (2006 £60,000)

The company is part of a group VAT arrangement with other companies in The Wilkins Group At 31 March 2007 the outstanding contingent liability under this agreement amounted to £226,514 (2006 £185,814)