

Simpson Print Limited

**Directors' report and financial
statements**

Registered number 01061464

31 October 2014



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Strategic report

Principal activities

The principal activity of the company during the year was the provision of point of sale display materials and related services.

Business review and future outlook

The result for the year is set out in the profit and loss account on page 7. The Directors are satisfied with the progress made in the past year despite a difficult market place. The following items are noted:

- A reduction in net debt (see note 20) of £706,647 (2013: reduction of £478,823);
- Net cash generated from operating activities of £1,191,970 (2013: £900,833);
- Operating profit of £704,166 (2013: £840,356);
- Pre-tax profit (prior to sale of assets) of £452,122 (2013: £570,521).

The Directors remain optimistic regarding the future performance of the business despite the current challenging economic conditions, and are forecasting an improvement in profits for the coming year. The strategy of implementing cost cutting measures and improving margins whilst developing added value services for our customers is beginning to pay off.

Key performance indicators

The board monitors the performance of the company according to the following key performance indicators (KPIs):

	2014	2013	2012
Turnover growth	(4.8%)	(4.3%)	(2.1%)
Net profit percentage (pre tax)	3.9%	4.5%	0.6%
Net debt	3,657,110	4,363,757	£4,842,580
Sales per employee	£80,347	£82,142	£79,856
Gross profit per employee	£26,849	£27,350	£23,866

In addition to the above, sales order intake, cash flow, margin achieved and delivery output are measured on a daily basis.

Strategic report *(continued)*

Principal risks and uncertainties

One of the major risks to the business is incurring significant bad debts, particularly with the current volatility in the retail sector. We have worked hard with our credit insurers to mitigate this risk and have considerably increased the level of cover on all major customers. We have also been more selective in the customers we choose to trade with.

The retail sector remains challenging. We expect there to be a continuing reduction in the number of high street stores, but strong demand for in-store advertising displays from those retailers who take advantage of the opportunities these changes bring. We will continue to focus our efforts on introducing new value added products and services such as IT /software development and web to print applications. In addition we are also actively developing our range of products to serve new market sectors.

Environment and sustainability

The Directors remain committed to developing sustainable systems and processes in all operations. We continue to send 0 tonnes to landfill. Waste to transfer station in 2014 was 120 tonnes which represented 12.4% of overall waste. The remainder was all recycled.

We hold accreditations to ISO 14001, ISO 9001, PEFC and FSC and are CofC certified.

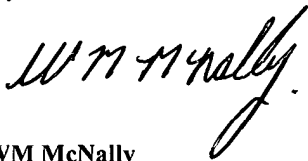
We continue to meet our targets for the Climate Change Levy, which is reviewed every 2 years up to the final target in 2020, as part of the BPIF umbrella agreement.

Our IT developments and online offering of Shop4Pop items, extends our sustainability programme to our clients, allowing them to order specific, bespoke requirements, depending on their estate profiles thus reducing their waste.

New equipment investments in Digital has brought about the installation of energy efficient machinery and reduction in image carrier media due to direct print to substrate.

Up to date vending machines, identified as having the highest efficiency ratings available, have been installed in the café and rest area.

By order of the Board



WM McNally
Director

Influence Park
Rutherford Road
Stephenson Industrial Estate
Washington
Tyne & Wear
NE37 3HX

17 July 2015

Directors' report

The directors present their directors report and financial statements for the year ended 31 October 2014.

Results and dividends

The results of the company for the year are set out on page 7.

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year and up to the date of this report were as follows:

M Simpson
W McNally
J Quinn
J Reithinger

Political and charitable donations

The company made no political contributions during the year. Donations to UK charities amounted to £140 (2013: £nil).

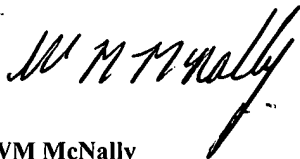
Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



WM McNally
Director

Influence Park
Rutherford Road
Stephenson Industrial Estate
Washington
Tyne & Wear
NE37 3HX

17 July 2015

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Simpson Print Limited

We have audited the financial statements of Simpson Print Limited for the year ended 31 October 2014 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Simpson Print Limited *(continued)*

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.



Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

17 July 2015

Profit and loss account
for the year ended 31 October 2014

	<i>Note</i>	2014 £	2013 £
Turnover	2	11,570,034	12,157,011
Cost of sales		(7,703,749)	(8,109,196)
		<hr/>	<hr/>
Gross profit		3,866,285	4,047,815
Administrative expenses		(3,176,371)	(3,221,811)
Other operating income	3	14,252	14,352
		<hr/>	<hr/>
Operating profit		704,166	840,356
Loss on sale of fixed assets		-	(20,358)
Interest receivable	6	67	20
Interest payable and similar charges	7	(252,111)	(269,855)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3-7	452,122	550,163
Tax on profit on ordinary activities	8	(78,574)	(72,785)
		<hr/>	<hr/>
Profit for the financial year	16	373,548	477,378
		<hr/> <hr/>	<hr/> <hr/>

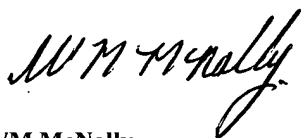
All of the above comprise continuing operations.

The company has no recognised gains or losses other than the results shown above for the current and preceding year. No separate statement of total recognised gains and losses has therefore been disclosed.

Balance sheet
 at 31 October 2014

	Note	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	9		4,866,803		4,977,608
Current assets					
Stocks	10	332,514		304,192	
Debtors	11	2,882,290		3,228,916	
Cash at bank and in hand		328,816		43,692	
		<u>3,543,620</u>		<u>3,576,800</u>	
Creditors: amounts falling due within one year	12	<u>(5,446,705)</u>		<u>(5,475,681)</u>	
Net current liabilities			<u>(1,903,085)</u>		<u>(1,898,881)</u>
Total assets less current liabilities			<u>2,963,718</u>		<u>3,078,727</u>
Creditors: amounts falling due after more than one year					
Provisions for liabilities	13 14		<u>(1,299,756)</u> <u>(495,609)</u>		<u>(1,852,635)</u> <u>(431,287)</u>
Net assets			<u>1,168,353</u>		<u>794,805</u>
Capital and reserves					
Called up share capital	15		364,473		364,473
Capital redemption reserve	16		40,000		40,000
Profit and loss account	16		763,880		390,332
Equity			<u>1,168,353</u>		<u>794,805</u>

These financial statements were approved by the board of directors on 17 July 2015 and were signed on its behalf by:



WM McNally
 Director

Company registered number: 01061464

Cash flow statement
for the year ended 31 October 2014

	<i>Note</i>	2014 £	2013 £
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		704,166	840,356
Depreciation and impairment charges		344,084	323,090
(Increase)/decrease in stocks		(28,322)	32,847
Decrease/(increase) in debtors		346,626	(164,227)
Decrease in creditors and provisions		(174,584)	(131,233)
		<hr/>	<hr/>
Net cash inflow from operating activities		1,191,970	900,833
		<hr/> <hr/>	<hr/> <hr/>
Cash flow statement			
Cash flow from operating activities		1,191,970	900,833
Returns on investments and servicing of finance	<i>19</i>	(252,044)	(269,835)
Taxation		-	-
Capital expenditure	<i>19</i>	(233,279)	(152,175)
		<hr/>	<hr/>
Cash inflow before financing		706,647	478,823
Financing	<i>19</i>	(421,523)	(386,443)
		<hr/>	<hr/>
Increase in cash in the year		285,124	92,380
		<hr/> <hr/>	<hr/> <hr/>
Reconciliation of net cash flow to movement in net debt			
	<i>20</i>		
Increase in cash in the year		285,124	92,380
Cash outflow from changes in debt and lease financing		421,523	386,443
		<hr/>	<hr/>
Change in net debt resulting from cash flows		706,647	478,823
		<hr/>	<hr/>
Movement in net debt in the year		706,647	478,823
Net debt at the start of the year		(4,363,757)	(4,842,580)
		<hr/>	<hr/>
Net debt at the end of the year		(3,657,110)	(4,363,757)
		<hr/> <hr/>	<hr/> <hr/>

Reconciliation of movements in shareholders' funds
for the year ended 31 October 2014

	2014 £	2013 £
Profit for the financial year	373,548	477,378
Net addition to shareholders' funds	373,548	477,378
Opening shareholders' funds	794,805	317,427
Closing shareholders' funds	1,168,353	794,805

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Going concern

The company manages its day to day working capital and funding requirements through operating cash flows and an invoice discounting facility together with long term bank and other loans, more details of which are disclosed in notes 12 and 13 to these financial statements.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have sufficient financial resources available for the foreseeable future and expects to continue to operate within the terms of its existing facilities. Following discussions with the external providers of finance the directors have no reason to believe that these facilities will not continue to be made available to the company at the currently agreed levels.

Notwithstanding net current liabilities of £1,903,085 at the balance sheet date, after making enquiries the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of these financial statements.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives as follows:

Freehold land and buildings	-	2% straight line
Plant and machinery	-	5-20% straight line/15% reducing balance
Motor vehicles	-	25% straight line
Fixtures and fittings	-	33 $\frac{1}{3}$ % - 50% straight line/15% reducing balance
Other equipment	-	20% - 50% straight line

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Government grants

Capital based government grants are credited to deferred income in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate.

Leases

Assets acquired under finance leases, including similar hire purchase contracts, are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes (continued)

1 Accounting policies (continued)

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials and consumables, the weighted average purchase price is used. For work in progress cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Classification of financial instruments by the group

Following the adoption of FRS 25, financial instruments issued by the group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company (or group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company (or group); and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Dividends on shares presented within equity

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers. Turnover is recognised on completion of projects.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Notes (continued)

2 Analysis of turnover

All turnover is derived from the company's principal activity and arises in the UK.

3 Notes to profit and loss account

	2014 £	2013 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation and other amounts written off tangible fixed assets:		
Owned	230,337	239,266
Leased	113,747	83,824
Hire of plant and machinery – rentals payable under operating leases	378,219	389,573
Hire of other assets – operating leases	148,160	159,570
Other operating income – Government grants released	(14,252)	(14,352)
Impairment of doubtful debts	(840)	17,139
	230,337	239,266
<i>Auditor's remuneration:</i>		
	2014 £	2013 £
Audit of these financial statements	13,000	12,500
	13,000	12,500
Amounts receivable by the auditor and their associates in respect of:		
Other services relating to taxation	9,100	7,613
	9,100	7,613

4 Remuneration of directors

	2014 £	2013 £
Directors' emoluments	297,296	291,639
Company contributions to money purchase pension schemes	19,103	4,413
	316,399	296,052

The aggregate emoluments of the highest paid director were £108,910 (2013: £109,067) and company pension contributions of £7,362 (2013: £354) were made to a money purchase scheme on his behalf.

	Number of directors	
	2014	2013
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	3	3

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2014	2013
Production staff	101	100
Office and management	43	48
	144	148

The aggregate payroll costs of these persons were as follows:

	2014 £	2013 £
Wages and salaries	3,160,242	3,182,477
Social security costs	252,842	265,268
Other pension costs (note 18)	104,750	23,610
	3,517,834	3,471,355

6 Interest receivable

	2014 £	2013 £
Bank deposit interest	7	-
Interest on debt recovery	60	-
Interest received on monies deposited with solicitors	-	20
	67	20

7 Interest payable and similar charges

	2014 £	2013 £
On bank loans and overdrafts	193,751	215,528
On other loans	576	1,300
Finance charges payable in respect of finance leases	57,784	53,027
	252,111	269,855

Notes *(continued)*

8 Taxation

Analysis of charge in year

	2014		2013	
	£	£	£	£
<i>UK corporation tax</i>				
Current tax on income for the period	-		-	
Adjustments in respect of prior periods	-		-	
	<hr/>		<hr/>	
Total current tax		-		-
<i>Deferred tax (see note 14)</i>				
Origination of timing differences	114,849		134,519	
Adjustments in respect of previous periods	(36,275)		(33,711)	
Effects of tax rate change on opening balance	-		(28,023)	
	<hr/>		<hr/>	
		78,574		72,785
		<hr/>		<hr/>
Tax charge on profit on ordinary activities		78,574		72,785
		<hr/>		<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2013: lower) than the standard rate of corporation tax in the UK, 21.83% (2013: 23.41%). The differences are explained below:

	2014	2013
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	452,122	550,163
	<hr/>	<hr/>
Current tax at 21.83% (2013: 23.41%)	98,686	128,814
<i>Effects of:</i>		
Expenses not deductible for tax purposes – fixed assets	19,311	20,591
Expenses not deductible for tax purposes	7,344	8,076
Capital allowances for period (in excess of)/below depreciation	(21,263)	(7,120)
Other timing differences	19	(175)
Tax losses utilised	(104,097)	(150,186)
	<hr/>	<hr/>
Total current tax charge/(credit) (see above)	-	-
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

The group has unrelieved UK corporation tax losses available to carry forward of approximately £117,507 (2013: £478,453).

The main rate of UK corporation tax reduced from 23% to 21% on 1 April 2014. A further reduction to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 October 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Notes (continued)

9 Tangible fixed assets

	Short term leasehold buildings £	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Other equipment £	Total £
<i>Cost</i>							
At beginning of year	38,665	4,111,678	5,372,968	84,500	48,208	609,245	10,265,264
Additions	-	-	167,224	5,973	23,523	36,559	233,279
Disposals	-	-	-	-	-	-	-
At end of year	<u>38,665</u>	<u>4,111,678</u>	<u>5,540,192</u>	<u>90,473</u>	<u>71,731</u>	<u>645,804</u>	<u>10,498,543</u>
<i>Depreciation and impairment</i>							
At beginning of year	8,345	629,879	4,055,929	74,405	48,208	470,890	5,287,656
Charge for year	7,741	80,200	189,416	5,530	5,153	56,044	344,084
On disposals	-	-	-	-	-	-	-
At end of year	<u>16,086</u>	<u>710,079</u>	<u>4,245,345</u>	<u>79,935</u>	<u>53,361</u>	<u>526,934</u>	<u>5,631,740</u>
<i>Net book value</i>							
At 31 October 2014	<u>22,579</u>	<u>3,401,599</u>	<u>1,294,847</u>	<u>10,538</u>	<u>18,370</u>	<u>118,870</u>	<u>4,866,803</u>
At 31 October 2013	<u>30,320</u>	<u>3,481,799</u>	<u>1,317,039</u>	<u>10,095</u>	-	<u>138,355</u>	<u>4,977,608</u>

Included in the total net book value of fixed assets for the Company is £1,063,384 (2013: £1,005,887) in respect of assets held under finance leases. Depreciation for the year on these assets was £113,747 (2013: £83,824).

10 Stocks

	2014 £	2013 £
Raw materials and consumables	246,535	250,147
Work in progress	85,979	54,045
	<u>332,514</u>	<u>304,192</u>

Notes (continued)

11 Debtors

	2014	2013
	£	£
Trade debtors	2,607,000	2,991,370
Prepayments and accrued income	275,290	237,546
	<u>2,882,290</u>	<u>3,228,916</u>

All debtors are due within one year.

12 Creditors: amounts falling due within one year

	2014	2013
	£	£
Bank loans and overdraft	212,937	202,876
Invoice discounting advances	1,971,616	1,767,873
Other loans (note 13)	61,444	105,205
Obligations under finance leases (note 13)	242,199	166,236
Trade creditors	2,143,631	2,166,512
Taxation and social security	352,594	405,658
Accruals and deferred income	264,310	348,697
Directors' loans	197,974	312,624
	<u>5,446,705</u>	<u>5,475,681</u>

Bank borrowings (including amounts in note 13) are secured by a fixed and floating charge over the Company's property assets and specific items of plant and machinery. The bank loan is repayable in 125 monthly instalments and interest is payable at 4.35% above the Bank's base rate.

The invoice discounting advances are secured by a fixed and floating charge over the trade debtors. The gross debtors which were subject to invoice discounting advances at 31 October 2014 were £2,266,225 (2013: £2,032,038).

Notes *(continued)*

13 Creditors: amounts falling due after more than one year

	2014	2013
	£	£
Directors' loans	143,232	325,249
Bank loan (note 12)	1,010,246	1,225,105
Other loans	-	39,736
Obligations under finance leases	146,278	262,545
	1,299,756	1,852,635
	1,299,756	1,852,635

The Directors' loans are repayable in 3 equal annual instalments commencing 21 July 2013 and are interest free and unsecured. A separate loan of £200,000 from the majority shareholder was received in the prior year. £50,000 was paid in the prior year with respect to this amount, and the remaining £150,000 was paid in the current year.

The total balance for other loans includes £61,444 (2013: £144,631) due to the Simpson Print Retirement Benefit Scheme. This loan is unsecured and was received from the Simpson Print Retirement Benefit Scheme in 2010. This loan is repayable in annual instalments of £20,909 commencing 31 July 2013. Interest is payable at 1.5% per annum and the balance outstanding at the year end is £61,444, of which the entire amount is included in amounts payable within one year.

Debt can be analysed as falling due:

	2014	2013
	£	£
In one year or less or on demand	2,686,170	2,554,814
Between one and two years	491,992	607,825
Between two and five years	723,798	936,780
After more than five years	83,965	308,030
	3,985,925	4,407,449
	3,985,925	4,407,449

The maturity of obligations under finance leases is as follows:

	2014	2013
	£	£
Within one year	242,199	166,236
In the second to fifth years	146,278	262,545
	388,477	428,781
	388,477	428,781

The obligations under finance leases are secured on the assets to which they relate.

Notes (continued)

14 Provisions for liabilities

	Deferred taxation £	Grant reserve £	Total £
At beginning of year	321,339	109,948	431,287
Charge/(credit) for the year	78,574	(14,252)	64,322
	<hr/>	<hr/>	<hr/>
At end of year	399,913	95,696	495,609
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The elements of deferred taxation are as follows:

	2014 £	2013 £
Fixed asset timing differences	424,037	417,643
Short term timing differences	(623)	(607)
Tax losses	(23,501)	(95,697)
	<hr/>	<hr/>
Deferred tax liability	399,913	321,339
	<hr/> <hr/>	<hr/> <hr/>

15 Called up share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
364,000 Ordinary shares of £1 each	364,000	364,000
473,169 Ordinary A shares of £0.001 each	473	473
	<hr/>	<hr/>
	364,473	364,473
	<hr/> <hr/>	<hr/> <hr/>

The Ordinary A shares rank pari passu with the Ordinary shares of the company. These have no redemption terms and carry only discretionary rights to dividends

16 Reserves

	Capital redemption reserve £	Profit and loss account £
At beginning of year	40,000	390,332
Profit for the year	-	373,548
	<hr/>	<hr/>
At end of year	40,000	763,880
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

17 Commitments

- a) The Company had capital commitments of £355,000 at the end of the financial year for which no provision has been made (2013: £nil).
- b) Annual commitments under non-cancellable operating leases are as follows:

	2014		2013	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Less than one year	-	24,090	-	148,257
Between one and two years	-	45,991	-	230,768
Between two and five years	69,125	160,592	69,125	39,751
	<u>69,125</u>	<u>230,673</u>	<u>69,125</u>	<u>418,776</u>

18 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £104,750 (2013: £23,610).

Contributions amounting to £3,114 (2013: £3,034) were payable to the fund and are included in creditors.

19 Analysis of cash flows

	2014		2013	
	£	£	£	£
Returns on investment and servicing of finance				
Interest received	67		20	
Interest paid	(194,528)		(216,828)	
Interest element of finance lease rental payments	(57,583)		(53,027)	
		<u>(252,044)</u>		<u>(269,835)</u>
Capital expenditure				
Purchase of tangible fixed assets	(233,279)		(157,027)	
Sale of tangible fixed assets	-		4,852	
		<u>(233,279)</u>		<u>(152,175)</u>
Financing				
Loan repayments	(288,295)		(244,175)	
Capital element of finance lease rentals	(40,304)		218,865	
New loan	-		(6,130)	
Net invoice discounting advances/(repayments)	203,743		(305,003)	
Directors' loans	(296,667)		(50,000)	
		<u>(421,523)</u>		<u>(386,443)</u>

Notes *(continued)*

20 Analysis of net debt

	At beginning of year £	Cash flow £	Other non cash changes £	At end of year £
Cash in hand, at bank	43,692	285,124	-	328,816
	<u>43,692</u>	<u>285,124</u>	<u>-</u>	<u>328,816</u>
Debt due within one year	(620,705)	584,962	(436,612)	(472,355)
Finance leases	(428,781)	40,304	-	(388,477)
Invoice discounting advances	(1,767,873)	(203,743)	-	(1,971,616)
Debt due after one year	(1,590,090)	-	436,612	(1,153,478)
	<u>(4,407,449)</u>	<u>421,523</u>	<u>-</u>	<u>(3,985,926)</u>
Total	<u>(4,363,757)</u>	<u>706,647</u>	<u>-</u>	<u>(3,657,110)</u>

21 Post balance sheet events

On 19 December 2014 the company purchased 41,855 of its own A ordinary shares at their par value of £0.001 for a total consideration of £41.86; the shares were cancelled following the purchase. Also, on 19 December 2014, the company made a bonus issue of 41,855 A Ordinary shares at par value of £0.001; the cost to the company was £41.86.

22 Fair value of assets and liabilities

In accordance with its accounting policy the company has not recognised any of its financial assets or liabilities at fair value. The fair value and carrying value are deemed not to be significantly different except for derivative financial instruments held by the company.

The fair value of the interest rate collar at year end is a deficit of £143,625 (2013: £219,610) when measured using the market price.

23 Related party disclosures

The company is controlled by Mr J Reithinger, the majority shareholder and a director of the company.

Interest payable includes £576 (2013: £1,300) payable on loans from the Simpson Print Retirement Benefit Scheme (note 13).

At the end of the year M Simpson was owed £141,686 (2013: £158,353) by the company arising from loans made to the company. These amounts are unsecured, interest free, and repayable in annual instalments commencing July 2013.

At the end of the year WM McNally was owed £33,253 (2013: £49,920) by the company arising from loans made to the company. These amounts are unsecured, interest free, and repayable in annual instalments commencing July 2013.

At the end of the year J Reithinger was owed £146,325 (2013: £399,658) by the company arising from loans made to the company. These amounts are unsecured, interest free, and repayable in annual instalments commencing July 2013.

During the year, J Reithinger was paid £20,000 (2013: £20,000) in respect of consultancy services rendered.

At the end of the year J Quinn was owed £19,942 (2013: £29,942) by the company arising from loans made to the company. These amounts are unsecured, interest free, and repayable in annual instalments commencing July 2013.