# KAS PAPER SYSTEMS LIMITED

## YEAR ENDED 31st JANUARY 2010

| | |
|---|---|
| COMPANY NUMBER: | 520281 |
| DIRECTORS: | E.S. Hampstead<br>S. Hampstead<br>A. Hampstead |
| SECRETARY: | E.S. Hampstead |
| BANKERS: | H.S.B.C. PLC<br>Dunstable<br>22 West Street<br>Dunstable<br>Bedfordshire<br>LU6 1SY |
| ACCOUNTANTS: | Greene Miller & Co<br>14 Woburn Close<br>Bushey<br>Hertfordshire<br>WD23 4XA |
| REGISTERED OFFICE: | Brewers Hill Road<br>Dunstable<br>Bedfordshire<br>LU6 1AD |

# KAS PAPER SYSTEMS LIMITED

## REPORT OF THE DIRECTORS TO THE MEMBERS

## FOR THE YEAR ENDED 31st JANUARY 2010

The Directors present their annual report on the affairs of the Company together with the Accounts for the above year.

### PRINCIPAL ACTIVITIES

The Company's principal activity during the year was that of Manufacturers and Distributors of Mailing and Print Finishing Equipment.

### RESULTS AND DIVIDENDS

The Profit for the year, after taxation, amounts to £450883 (2009 £224544). The Company has declared and paid Dividends of £430000 for the year. (2009 £250000)

### REVIEW OF THE BUSINESS

The results for the year were in line with expectation.

### FUTURE DEVELOPMENTS

The Company is continuing its policy to enhance existing equipment, introduce new products and invest in research and development for the products of the future The general policy of extending export sales to new territories, continue.

### FIXED ASSETS

Capital expenditure in the year amounted to £50000 (2009 £112773) and the changes in Fixed Assets during the year are summarised in the notes to the financial statements.

### DIRECTORS

The Directors of the Company during the year and their beneficial interest in the issued share capital of the Company at the beginning and the end of the year were·

| | ORDINARY SHARES OF £1 EACH | |
|---|---|---|
| | BEGINNING OF YEAR | END OF YEAR |
| E.S. Hampstead | 31998 | 31998 |
| S.L. Hampstead | 9001 | 9001 |
| A. Hampstead | 9001 | 9001 |

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial year, which give a true and fair view of the state of the affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those accounts, the Directors are required to:

* select suitable accounting policies and then apply them consistently;
* make judgements and estimates that are reasonable and prudent;
* follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
* prepare the accounts 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, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These Accounts have been prepared in accordance with the provisions applicable to companies subject to the Small Companies Regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

.....

DIRECTOR : S.L. HAMPSTEAD

APPROVED BY THE BOARD ON THE 13th MAY 2010

# KAS PAPER SYSTEMS LIMITED

## PROFIT AND LOSS ACCOUNT

## FOR THE YEAR ENDED 31st JANUARY 2010

| | Notes | 2010 | 2009 |
|---|---|---|---|
| GROSS PROFIT | | 1295725 | 1081204 |
| Administration Expenses | | 448809 | 447148 |
| Selling and Distribution Expenses | | 342492 | 356395 |
| OPERATING PROFIT | 3 | 504424 | 277661 |
| Interest Receivable | 17 | 365 | 7314 |
| Interest Payable | 15 | - | 63531 |
| PROFIT ON ORDINARY ACTIVIES BEFORE TAXATION | | 504789 | 221444 |
| TAXATION | 12 | 53906 | (3100) |
| PROFIT AFTER TAXATION | | 450883 | 224544 |
| DIVIDENDS PAID | | 430000 | 250000 |
| RETAINED PROFITS (LOSS) FOR YEAR | | 20883 | (25456) |
| RETAINED PROFITS BROUGHT FORWARD | | 1146949 | 1172405 |
| RETAINED PROFITS CARRIED FORWARD | | 1167832 | 1146949 |

### CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years.

### TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profit for the above two financial years.

Company Number: 520281

## KAS PAPER SYSTEMS LIMITED

## BALANCE SHEET AS AT 31st JANUARY 2010

| | Notes | | 2010 | | 2009 |
|---|---|---|---|---|---|
| FIXED ASSETS | | | | | |
| Tangible Assets | 4 | | 1804725 | | 1860918 |
| CURRENT ASSETS | | | | | |
| Stock | 5 | 493344 | | 566820 | |
| Debtors | 6 | 321544 | | 282121 | |
| Balance at Bank | | 393280 | | 19880 | |
| | | 1208168 | | 868821 | |
| CREDITORS | | | | | |
| Amounts Falling Due Within One Year· | 7 | 795061 | | 532790 | |
| NET CURRENT ASSETS | | | 413107 | | 336031 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 2217832 | | 2196949 |
| CREDITORS | | | | | |
| Amounts Falling Due After More Than One Year: | 8 | | 1000000 | | 1000000 |
| NET ASSETS | | | 1217832 | | 1196949 |
| CAPITAL AND RESERVES | | | | | |
| Share Capital | 9 | | 50000 | | 50000 |
| Profit and Loss Account | | | 1167832 | | 1146949 |
| SHAREHOLDERS' FUNDS | 10 | | 1217832 | | 1196949 |

Balance Sheet Notes

- For the year ended 31st January 2010, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies,
- The members have not required the Company to obtain an audit of its Accounts for the year in question in accordance with section 476 of the Companies Act 2006
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These Accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

..... ... .....

DIRECTOR – E.S. HAMPSTEAD

APPROVED BY THE BOARD ON THE 13 MAY 2010

KAS PAPER SYSTEMS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st JANUARY 2010

1) ACCOUNTING POLICIES

Basis of Accounting

These Accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents the net amount of invoices to third parties, excluding VAT.

Tangible Fixed Assets

Depreciation is provided, at the following annual rates in order to write off each asset over its estimated useful life:

| | | |
|---|---|---|
| Freehold Buildings | - | 2% on Cost |
| Equipment | - | 10% on Written Down Value |
| Fixtures and Fittings | - | 10% on Written Down Value |
| Motor Vehicles | - | 25% and 33⅓% on Written Down Value |
| Freehold Land | - | No Depreciation |

Stocks

Stocks and Work in Progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences.

Research and Development

Expenditure on research and development is written off in the year in which it is incurred.

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.

Pension Costs

Contributions in respect of the Company's defined contribution pension scheme and contributions into Personal Pension Schemes, on behalf of employees are charged to the Profit and Loss Account in the year in which they are payable into the schemes.

KAS PAPER SYSTEMS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st JANUARY 2010

2) TURNOVER

Turnover is attributable to the one principal activity of the Company. Markets outside the United Kingdom amount to 62% (2009 71%) of total turnover. A geographical analysis of the turnover has not been given, as the Directors believe it would be seriously prejudicial to the interests of the Company.

3) OPERATING PROFIT

| | 2010 | 2009 |
|---|---|---|
| The operating profit is stated after charging: | | |
| Depreciation | 95165 | 106955 |
| Loss on Sale of Fixed Assets | 3446 | 5431 |

4) TANGIBLE FIXED ASSETS

| | FREEHOLD | EQUIPMENT | MOTOR VEHICLES | TOTAL |
|---|---|---|---|---|
| COST | | | | |
| At the Beginning of Year | 2015924 | 724222 | 338639 | 3078785 |
| Additions in Year | - | 11933 | 38067 | 50000 |
| Disposals in Year | - | - | (30385) | (30385) |
| | 2015924 | 736155 | 346321 | 3098400 |
| DEPRECIATION | | | | |
| At the Beginning of Year | 455106 | 554121 | 208640 | 1217867 |
| Disposal in Year | - | - | (19357) | (19357) |
| Charge for Year | 30683 | 18203 | 46279 | 95165 |
| | 485789 | 572324 | 235562 | 1293675 |
| NET BOOK VALUE | | | | |
| As at the 31st January 2010 | 1530135 | 163831 | 110759 | 1804725 |
| As at the 31st January 2009 | 1560818 | 170101 | 129999 | 1860918 |

5) STOCKS

| | 2010 | 2009 |
|---|---|---|
| Stock - Finished Goods | 128752 | 98500 |
| - Raw Material and Work in Progress | 364592 | 468320 |
| | 493344 | 566820 |

The replacement cost of the above would not be significantly different from the values stated.

6) DEBTORS

| | | |
|---|---|---|
| Sundry Trade Debtors | 309498 | 266949 |
| Prepayments | 5518 | 10875 |
| VAT | 6528 | 1297 |
| Corporation Tax Refund | - | 3000 |
| | 321544 | 282121 |

KAS PAPER SYSTEMS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st JANUARY 2010

| | | 2010 | 2009 |
|---|---|---|---|
| 7) | CREDITORS | | |
| | Amounts Falling Due Within One Year: | | |
| | Trade and Expense Creditors | 133170 | 86875 |
| | PAYE and National Insurance | 95448 | 76291 |
| | Accruals | 48835 | 45201 |
| | Corporation Tax | 54000 | - |
| | Service Guarantee Reserve | 289808 | 287843 |
| | Directors' Current Account | 173800 | 36580 |
| | | 795061 | 532790 |
| 8) | CREDITORS | | |
| | Amounts Falling Due After More Than One Year: | | |
| | Directors' Loan Account | 1000000 | 1000000 |

The loan will not be repaid by the Company, within the next twelve months and then only by instalments, which will be agreed between the Company and the Directors.

| | | | |
|---|---|---|---|
| 9) | SHARE CAPITAL | | |
| | Authorised | | |
| | 90000 Ordinary Shares of £1 each | 90000 | 90000 |
| | 10000 Preference Shares of £1 each | 10000 | 10000 |
| | | 100000 | 100000 |
| | Issued and Fully Paid | | |
| | 50000 Ordinary Shares of £1 each | 50000 | 50000 |
| 10) | MOVEMENTS ON SHAREHOLDERS' FUNDS | | |
| | Balance at Beginning of Year | 1196949 | 1222405 |
| | Net Profit for the Year, after Taxation | 450883 | 224544 |
| | Dividends Paid | (430000) | (250000) |
| | Balance at End of Year | 1217832 | 1196949 |

KAS PAPER SYSTEMS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st JANUARY 2010

| | | 2010 | 2009 |
|---|---|---|---|
| 11) | DIRECTORS' EMOLUMENTS | | |
| | Total Directors' Emoluments | 268000 | 230000 |
| | Benefits in Kind | 61915 | 63029 |
| | | 329915 | 293029 |
| 12) | TAX ON PROFIT ON ORDINARY ACTIVITIES | | |
| | Corporation Tax for the Year | 54000 | (3000) |
| | Corporation Tax - Previous Years Overprovision | (94) | (100) |
| | | 53906 | (3100) |

13) DIVIDEND
Dividends declared and paid in the year amount to £430000 (2009 £250000).

14) PENSION COMMITMENTS
The Company operates a defined contribution pension scheme on behalf of its Directors and certain employees and also makes payments into personal pension schemes on behalf of employees. The assets of the schemes are held separately from those of the Company in independently administered funds. Contributions are paid when funds are available and do not guarantee a fixed pension on retirement. Contributions paid in the year were £40525 (2009 £48224)

| | | 2010 | 2009 |
|---|---|---|---|
| 15) | DIRECTORS' INTEREST | | |
| | No interest was paid on the long-term loan, (2009 - £63531). | | |
| | Dividends paid to the Directors during the year were as follows: | | |
| | S Hampstead | 215000 | 125000 |
| | A Hampstead | 215000 | 125000 |
| | | 430000 | 250000 |
| 16) | COMMITMENTS | | |
| | Capital commitments. | | |
| | Contracted but not provided for in the Accounts | - | - |
| | Authorised by the Directors but not contracted for | - | - |
| 17) | INTEREST RECEIVABLE | | |
| | Bank Interest | 365 | 7314 |
| 18) | DEFERRED TAXATION | | |
| | Balance at Beginning of Year | - | - |
| | Profit & Loss Account Movement in Year | - | - |
| | Balance at End of Year | - | - |