

# Unaudited Financial Statements Graphic Art (Cambridge) Limited

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**For the year ended 31 August 2013**

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COMPANIES HOUSE

**Registered number: 909006**

## Company Information

<b>Director</b>	K L Jones
<b>Company secretary</b>	G M Russell
<b>Registered number</b>	909006
<b>Registered office</b>	21-25 Union Lane Cambridge CB4 1PR
<b>Accountants</b>	Grant Thornton UK LLP Chartered Accountants Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB
<b>Bankers</b>	Lloyds TSB Bank PLC 95 - 97 Regent Street Cambridge CB2 1BQ
<b>Solicitors</b>	Hewitson, Becke & Shaw Shakespeare House 42 Newmarket Road Cambridge CB5 8EP

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# Director's Report

For the year ended 31 August 2013

The director presents his report and the financial statements for the year ended 31 August 2013

## Principal activities

The company's principal activities continued to be membrane manufacturing, printing and silk screening  
The results for the year are set out on page 3 No dividend is proposed

## Director

The director who served during the year was

K L Jones

## Qualifying third party indemnity provisions

Qualifying third party indemnity provision is in force for the benefit of the director

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 17/3/2014 and signed on its behalf



**G M Russell**  
Secretary

## Report to the director on the unaudited statutory accounts of Graphic Art (Cambridge) Limited for the year ended 31 August 2013


In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Graphic Art (Cambridge) Limited for the year ended 31 August 2013 which comprise the Profit and loss account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given to us

As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com](http://www.icaew.com)

This report is made solely to the director of Graphic Art (Cambridge) Limited in accordance with the terms of our engagement letter dated 30 January 2012. Our work has been undertaken solely to prepare for your approval the accounts of Graphic Art (Cambridge) Limited and state those matters that we have agreed to state to the director of Graphic Art (Cambridge) Limited in this report in accordance with the requirements of the Institute of Chartered Accountants in England and Wales, as detailed at [www.icaew.com](http://www.icaew.com). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Graphic Art (Cambridge) Limited and its director for our work or for this report.

It is your duty to ensure that Graphic Art (Cambridge) Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Graphic Art (Cambridge) Limited. You consider that Graphic Art (Cambridge) Limited is exempt from the statutory audit requirement for the year ended 31 August 2013.

We have not been instructed to carry out an audit or review of the accounts of Graphic Art (Cambridge) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



**Grant Thornton UK LLP**

Chartered Accountants

Norwich

Date 20/3/2014

# Profit and Loss Account

For the year ended 31 August 2013

	Note	2013 £	2012 £
<b>Turnover</b>	1,2	<b>2,429,573</b>	2,516,390
Cost of sales		<u>(1,531,217)</u>	<u>(1,633,093)</u>
<b>Gross profit</b>		<b>898,356</b>	883,297
Distribution costs		(87,792)	(106,547)
Administrative expenses		<u>(920,058)</u>	<u>(947,947)</u>
<b>Operating loss</b>	3	<b>(109,494)</b>	(171,197)
Interest payable and similar charges		<u>(1,642)</u>	<u>(134)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(111,136)</b>	(171,331)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
<b>Loss for the financial year</b>	10	<b><u>(111,136)</u></b>	<b><u>(171,331)</u></b>

The notes on pages 6 to 11 form part of these financial statements

## Balance Sheet

As at 31 August 2013

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	5		22,261		57,099
<b>Current assets</b>					
Stocks		295,722		327,802	
Debtors	6	728,629		737,267	
Cash at bank and in hand		260		33,861	
		<u>1,024,611</u>		<u>1,098,930</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(456,147)</u>		<u>(454,168)</u>	
<b>Net current assets</b>			<u>568,464</u>		<u>644,762</u>
<b>Net assets</b>			<u>590,725</u>		<u>701,861</u>
<b>Capital and reserves</b>					
Called up share capital	9		100		100
Profit and loss account	10		<u>590,625</u>		<u>701,761</u>
<b>Shareholders' funds</b>			<u>590,725</u>		<u>701,861</u>

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 August 2013 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

## Balance Sheet (continued)

As at 31 August 2013

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



**K L Jones**  
Director

17/7/2014

The notes on pages 6 to 11 form part of these financial statements



# Notes to the Financial Statements

For the year ended 31 August 2013

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company continues to have sufficient reserves and working capital to continue trading for at least the next twelve months and the director considers that the going concern basis remains appropriate

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

### 1.2 Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts

### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	10% straight line
Plant & machinery	-	20% - 33 3% straight line
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	20% straight line
Computer equipment	-	33 3% straight line

### 1.4 Stocks

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

### 1.5 Work in progress

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 work in progress

### 1.6 Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future installments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future installments

# Notes to the Financial Statements

For the year ended 31 August 2013

## 1. Accounting Policies (continued)

### 1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

### 1.8 Pensions

The pension costs charged against the profits represent the amount of the contributions payable to employees' personal pension plans in respect of the accounting period

### 1.9 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.

### 1.10 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.

### 1.11 Deferred 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. Provision is made for deferred tax in respect of all timing differences that have originated but not reversed by the balance sheet date, except that deferred tax assets are only recognised to the extent that they are regarded as recoverable. Deferred tax balances are not discounted.

## 2. Turnover

40.5% of the company's turnover (2012 - 42.6%) is attributable to geographical markets outside the United Kingdom.

## Notes to the Financial Statements

For the year ended 31 August 2013

**3. Operating loss**

The operating loss is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the company	31,797	34,114
Pension costs	6,201	6,195
Research and development expenditure written off	476	619
	<u>38,474</u>	<u>40,928</u>

**4. Director's remuneration**

	2013 £	2012 £
Aggregate remuneration	<u>15,835</u>	<u>15,517</u>

**5. Tangible fixed assets**

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>					
At 1 September 2012	62,143	2,070,858	189,029	167,163	2,489,193
Disposals	-	-	(17,084)	-	(17,084)
At 31 August 2013	<u>62,143</u>	<u>2,070,858</u>	<u>171,945</u>	<u>167,163</u>	<u>2,472,109</u>
<b>Depreciation</b>					
At 1 September 2012	62,143	2,042,482	160,306	167,163	2,432,094
Charge for the year	-	25,375	6,422	-	31,797
On disposals	-	-	(14,043)	-	(14,043)
At 31 August 2013	<u>62,143</u>	<u>2,067,857</u>	<u>152,685</u>	<u>167,163</u>	<u>2,449,848</u>
<b>Net book value</b>					
At 31 August 2013	<u>-</u>	<u>3,001</u>	<u>19,260</u>	<u>-</u>	<u>22,261</u>
At 31 August 2012	<u>-</u>	<u>28,376</u>	<u>28,723</u>	<u>-</u>	<u>57,099</u>

# Notes to the Financial Statements

For the year ended 31 August 2013

## 6. Debtors

	2013	2012
	£	£
Trade debtors	502,716	516,848
VAT repayable	-	4,376
Other debtors	225,913	216,043
	<u>728,629</u>	<u>737,267</u>

## 7. Creditors:

Amounts falling due within one year

	2013	2012
	£	£
Bank overdraft	106,142	-
Trade creditors	134,891	239,195
Amounts owed to group undertakings	197,250	197,250
Other taxation and social security	8,979	4,210
Other creditors	8,885	13,513
	<u>456,147</u>	<u>454,168</u>

The bank overdraft is secured by a floating charge over the assets of the company

## 8. Deferred tax

There is an unprovided deferred tax asset of £347,158 (2012 £331,898) relating to excess depreciation over capital allowances and losses carried forward. This has not been provided for due to uncertainty over whether it will be realised.

## 9. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

# Notes to the Financial Statements

For the year ended 31 August 2013

## 10. Reserves

	Profit and loss account £
At 1 September 2012	701,761
Loss for the financial year	(111,136)
	<hr/>
At 31 August 2013	590,625
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## 11. Pension commitments

The pension costs charged against the profits represent the amount of the contributions payable to employees' personal pension plans in respect of the accounting period

## 12. Operating lease commitments

At 31 August 2013 the company had annual commitments under non-cancellable operating leases as follows

	2013 £	2012 £
<b>Expiry date:</b>		
Between 2 and 5 years	156,012	156,012
	<hr/>	<hr/>

## 13. Related party transactions

(i) Throughout the year Graphic Art (Cambridge) Limited was controlled by K L Jones who is a director and has a controlling interest in the issued share capital of the parent undertaking Mark One Investments Limited. At 31 August 2013 Graphic Art (Cambridge) Limited owed Mark One Investments Limited £197,250 (2012 £197,250)

(ii) Throughout the year Graphic Art (Cambridge) Limited was also a related party of Cambridge Electro Plating Limited, by virtue of the fact Mr K L Jones' son, Mr M K Jones, is the sole director and shareholder of that company

	2013 £	2012 £
Sales to Cambridge Electro Plating Limited	2,893	5,197
Purchases from Cambridge Electro Plating Limited	15,613	9,156
Management charges made by Cambridge Electro Plating Limited	48,000	48,000
	<hr/>	<hr/>

At 31 August 2013 Cambridge Electro Plating Limited owed £185,000 (2012 £176,000) to Graphic Art (Cambridge) Limited. During the year Graphic Art (Cambridge) Limited received repayments totalling £48,000 and made additional net payments of £57,000 in respect of this loan. The loan is interest free.

# Notes to the Financial Statements

For the year ended 31 August 2013

## **14. Ultimate parent company**

The company is a subsidiary of Mark One Investments Limited which is the ultimate parent undertaking  
The company is registered in England and Wales