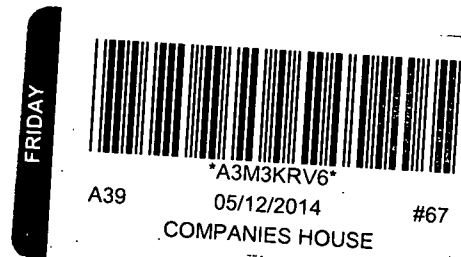


# Unaudited Financial Statements Graphic Art (Cambridge) Limited

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For the year ended 31 August 2014



## 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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Graphic Art (Cambridge) Limited

## Director's Report

For the year ended 31 August 2014

The director presents his report and the financial statements for the year ended 31 August 2014.

### Director

The director who served during the year was:

K L Jones

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

28.11.14

and signed on its behalf.

G M Russell  
Secretary

G. M. Russell

## Report to the director on the preparation of the unaudited statutory financial statements of Graphic Art (Cambridge) Limited for the year ended 31 August 2014

We have compiled the accompanying financial statements of Graphic Art (Cambridge) Limited based on the information you have provided. These financial statements comprise the Balance Sheet of Graphic Art (Cambridge) Limited as at 31 August 2014, the Profit and Loss Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 financial statements 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 our engagement letter dated 30 January 2012. 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.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). 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).

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities.



Grant Thornton UK LLP

Chartered Accountants

Norwich

Date: 21/2/2014

## Profit and Loss Account

For the year ended 31 August 2014

	Note	2014 £	2013 £
<b>Turnover</b>	1,2	2,699,098	2,429,573
Cost of sales		(1,476,742)	(1,531,217)
<b>Gross profit</b>		1,222,356	898,356
Distribution costs		(104,996)	(87,792)
Administrative expenses		(907,060)	(920,058)
<b>Operating profit/(loss)</b>	3	210,300	(109,494)
Interest payable and similar charges		-	(1,642)
<b>Profit/(loss) on ordinary activities before taxation</b>		210,300	(111,136)
Tax on profit/(loss) on ordinary activities	5	49,620	-
<b>Profit/(loss) for the financial year</b>	11	259,920	(111,136)

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

## Balance Sheet

As at 31 August 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	6		31,809		22,261
<b>Current assets</b>					
Stocks		248,790		295,722	
Debtors	7	583,193		728,629	
Cash at bank and in hand		355,867		260	
		<u>1,187,850</u>		<u>1,024,611</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(369,014)</u>		<u>(456,147)</u>	
<b>Net current assets</b>			<u>818,836</u>		<u>568,464</u>
<b>Net assets</b>			<u><u>850,645</u></u>		<u><u>590,725</u></u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Profit and loss account	11		<u>850,545</u>		<u>590,625</u>
<b>Shareholders' funds</b>			<u><u>850,645</u></u>		<u><u>590,725</u></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.

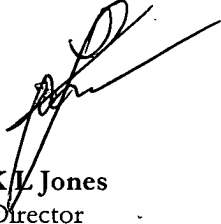
The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 August 2014 and of its profit for the 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 2014

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



18 November 2014

K/L Jones  
Director

Registered number: 909006

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



# Notes to the Financial Statements

For the year ended 31 August 2014

## 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:

Leasehold 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 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

### 1.6 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.

# Notes to the Financial Statements

For the year ended 31 August 2014

## 1. Accounting Policies (continued)

### 1.7 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.

### 1.8 Operating leases

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

### 1.9 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.

### 1.10 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.

### 1.11 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.

## 2. Turnover

38.0% of the company's turnover (2013 - 41.0%) is attributable to geographical markets outside the United Kingdom.

# Notes to the Financial Statements

For the year ended 31 August 2014

## 3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	12,198	31,797
Pension costs	6,556	6,201
Loss on disposal of fixed assets	11,314	-
	<u>20,068</u>	<u>38,000</u>

## 4. Director's remuneration

	2014 £	2013 £
Aggregate remuneration (including benefits)	16,375	15,835
	<u>16,375</u>	<u>15,835</u>

## 5. Taxation

	2014 £	2013 £
<b>Analysis of tax credit in the year</b>		
<b>Deferred tax (see note 9)</b>		
Deferred tax credit	(49,620)	-
<b>Tax on profit/(loss) on ordinary activities</b>	<u>(49,620)</u>	<u>-</u>

At the year end the company had corporation tax losses available against future taxable profits of approximately £1,455,000 (2013 £1,608,000).

## Notes to the Financial Statements

For the year ended 31 August 2014

**6. Tangible fixed assets**

	Leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>					
At 1 September 2013	62,143	2,070,858	171,945	167,163	2,472,109
Additions	-	-	27,480	5,580	33,060
Disposals	-	-	(97,075)	-	(97,075)
At 31 August 2014	62,143	2,070,858	102,350	172,743	2,408,094
<b>Depreciation</b>					
At 1 September 2013	62,143	2,067,857	152,685	167,163	2,449,848
Charge for the year	-	1,500	8,857	1,841	12,198
On disposals	-	-	(85,761)	-	(85,761)
At 31 August 2014	62,143	2,069,357	75,781	169,004	2,376,285
<b>Net book value</b>					
At 31 August 2014	-	1,501	26,569	3,739	31,809
At 31 August 2013	-	3,001	19,260	-	22,261

**7. Debtors**

	2014 £	2013 £
Trade debtors	491,697	502,716
Other debtors	41,876	225,913
Deferred tax asset (see note 9)	49,620	-
	583,193	728,629

**8. Creditors:****Amounts falling due within one year**

	2014 £	2013 £
Bank overdraft	-	106,142
Trade creditors	128,950	134,891
Amounts owed to group undertakings	197,250	197,250
Other taxation and social security	27,256	8,979
Other creditors	15,558	8,885
	369,014	456,147

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

## Notes to the Financial Statements

For the year ended 31 August 2014

**9. Deferred taxation asset**

	2014 £	2013 £
At beginning of year	-	-
Credit for the year (see note 5)	49,620	-
	<hr/>	<hr/>
At end of year	49,620	-
	<hr/>	<hr/>

The deferred taxation asset is made up as follows:

	2014 £	2013 £
Depreciation in excess of capital allowances	9,620	-
Corporation tax losses carried forward	40,000	-
	<hr/>	<hr/>
	49,620	-
	<hr/>	<hr/>

There is also an unprovided deferred tax asset of approximately £251,000 (2013: £343,000) relating to corporation tax losses carried forward. This has not been provided for due to the uncertainty in respect of its recovery.

**10. Share capital**

	2014 £	2013 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

**11. Reserves**

	Profit and loss account £
At 1 September 2013	590,625
Profit for the financial year	259,920
	<hr/>
At 31 August 2014	850,545
	<hr/>

**12. 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.

## Notes to the Financial Statements

For the year ended 31 August 2014

### 13. Operating lease commitments

At 31 August 2014 the company had annual commitments of £156,012 (2013: £156,012) under property operating leases which expired in September 2014. The renewal of these operating leases is currently under negotiation.

### 14. 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 2014 Graphic Art (Cambridge) Limited owed Mark One Investments Limited £197,250 (2013: £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.

	2014	2013
	£	£
Sales to Cambridge Electro Plating Limited	2,508	2,893
Purchases from Cambridge Electro Plating Limited	4,133	15,613
Management charges made by Cambridge Electro Plating Limited	48,000	48,000

At the beginning of the year Cambridge Electro Plating Limited owed £185,000 to Graphic Art (Cambridge) Limited which was repaid in full during the year. The loan was interest free.

### 15. 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.