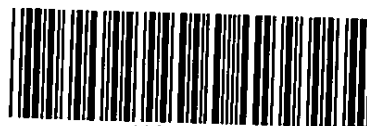


**MIDLAND REGIONAL PRINTERS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2012**

**Company Registration Number 00961426**

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**MIDLAND REGIONAL PRINTERS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2012**

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**MIDLAND REGIONAL PRINTERS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 30 SEPTEMBER 2012**

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**The board of directors**

S G Tew  
P L Tew  
E Taylor  
S M Bates  
M T Tew  
C E Tew

**Company secretary**

S G Tew

**Business address**

Jubilee House  
Nottingham Road  
Nottingham  
NG7 7BT

**Registered office**

The Poynt  
45 Wollaton Street  
Nottingham  
NG1 5FW

**Auditor**

RSM Tenon Audit Limited  
The Poynt  
45 Wollaton Street  
Nottingham  
NG1 5FW

# **MIDLAND REGIONAL PRINTERS LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 30 SEPTEMBER 2012**

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The directors present their report and the financial statements of the company for the year ended 30 September 2012

### **Principal activities and business review**

The principal activity of the company is that of commercial printers coupled with specialist label and digital divisions

Trading conditions continue to be tough which has sadly resulted in the closure of some of our competitors however we have been able to achieve a slight increase in turnover over the last year. Our customer base is in continuous review and recent opportunities have arisen giving confidence to further increase our turnover in 2012/13

Costs continue to rise but initiatives are in place to ensure we survive the economic pressures and meet the challenges of 2012/13

### **Results and dividends**

The profit for the year, after taxation, amounted to £3,765. The directors have not recommended a dividend.

### **Financial risk management objectives and policies**

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and hire purchase and finance lease agreements. The main purpose of these instruments is to finance the business operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest and invoice discounting.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debts.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from the directors and from financial institutions. The interest rate and monthly repayments on the loans from financial institutions are fixed at 2% over base rate. The business manages the liquidity risk by ensuring there are sufficient funds available to meet payments.

The business is a lessee in respect of financed leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet payments.

### **Directors**

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

S G Tew  
P L Tew  
E Taylor  
S M Bates  
A Siggs

# MIDLAND REGIONAL PRINTERS LIMITED

## THE DIRECTORS' REPORT *(continued)*

### YEAR ENDED 30 SEPTEMBER 2012

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A Siggs resigned as a director on 5 April 2012  
M T Tew was appointed as a director on 1 January 2013  
C E Tew was appointed as a director on 1 January 2013

#### **Directors' responsibilities**

The directors are responsible for preparing the 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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 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, individually, aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

#### **Auditor**

During the period RSM Tenon Audit Limited were appointed as auditors. RSM Tenon Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



S G Tew

Director

Approved by the directors on 24 June 2013

**MIDLAND REGIONAL PRINTERS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDLAND**  
**REGIONAL PRINTERS LIMITED**  
**YEAR ENDED 30 SEPTEMBER 2012**

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We have audited the financial statements of Midland Regional Printers Limited for the year ended 30 September 2012 on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 3, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 30 September 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter - going concern**

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. At the balance sheet date the company's current liabilities exceeded its current assets by £627,264. These conditions along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**Opinion on other matters prescribed by the Companies Act 2006**

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

**MIDLAND REGIONAL PRINTERS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDLAND**  
**REGIONAL PRINTERS LIMITED** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2012**

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**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

*RSM Tenon Audit Limited*

Kelly Boorman, Senior Statutory Auditor  
For and on behalf of

RSM Tenon Audit Limited  
Statutory Auditor  
The Poynt  
45 Wollaton Street  
Nottingham  
NG1 5FW

Date - *28/6/13*

**MIDLAND REGIONAL PRINTERS LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 SEPTEMBER 2012**

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	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Turnover</b>	2	4,822,648	4,772,984
Cost of sales		(3,631,001)	(3,407,365)
<b>Gross profit</b>		<u>1,191,647</u>	<u>1,365,619</u>
Distribution costs		(242,891)	(235,822)
Administrative expenses		(774,197)	(779,454)
<b>Operating profit</b>	3	<u>174,559</u>	<u>350,343</u>
Interest payable and similar charges	6	(166,637)	(282,934)
<b>Profit on ordinary activities before taxation</b>		<u>7,922</u>	<u>67,409</u>
Tax on profit on ordinary activities	7	(4,157)	(19,424)
<b>Profit for the financial year</b>		<u><u>3,765</u></u>	<u><u>47,985</u></u>

All of the activities of the company are classed as continuing

The notes on pages 10 to 18 form part of these financial statements

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**MIDLAND REGIONAL PRINTERS LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 30 SEPTEMBER 2012**

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	2012 £	2011 £
Profit for the financial year Attributable to the shareholders	3,765	47,985
Unrealised loss on revaluation of certain fixed assets	<u>—</u>	<u>(214,825)</u>
Total gains and losses recognised since the last annual report	<u>3,765</u>	<u>(166,840)</u>

The notes on pages 10 to 18 form part of these financial statements

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**MIDLAND REGIONAL PRINTERS LIMITED**

Registered Number 00961426

**BALANCE SHEET****30 SEPTEMBER 2012**

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	8	2,429,104	2,580,040
<b>Current assets</b>			
Stocks	9	294,457	249,824
Debtors	10	1,058,117	1,096,279
Cash at bank		71,711	116,080
		<u>1,424,285</u>	<u>1,462,183</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(2,051,549)</u>	<u>(2,042,997)</u>
<b>Net current liabilities</b>		(627,264)	(580,814)
<b>Total assets less current liabilities</b>		<u>1,801,840</u>	<u>1,999,226</u>
<b>Creditors: Amounts falling due after more than one year</b>	12	(598,305)	(803,613)
<b>Provisions for liabilities</b>			
Deferred taxation	14	<u>(102,837)</u>	<u>(98,680)</u>
		<u>1,100,698</u>	<u>1,096,933</u>
<b>Capital and reserves</b>			
Called-up share capital	16	1,000	1,000
Revaluation reserve	17	741,033	741,033
Profit and loss account	18	358,665	354,900
<b>Shareholders' funds</b>	19	<u>1,100,698</u>	<u>1,096,933</u>

These financial statements were approved by the directors and authorised for issue on 24 June 2013, and are signed on their behalf by



S G Tew  
Director

The notes on pages 10 to 18 form part of these financial statements

**MIDLAND REGIONAL PRINTERS LIMITED**

**CASH FLOW STATEMENT**

**YEAR ENDED 30 SEPTEMBER 2012**

	Note	2012 £	£	2011 £	£
<b>Net cash inflow/(outflow) from operating activities</b>	20		534,519		(411,049)
<b>Returns on investments and Servicing of finance</b>					
Interest paid		(98,630)		(100,104)	
Interest element of finance leases		<u>(68,007)</u>		<u>(182,830)</u>	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(166,637)		(282,934)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(34,887)		(22,075)	
Receipts from sale of fixed assets		<u>—</u>		<u>2,083</u>	
<b>Net cash outflow from capital expenditure</b>			(34,887)		(19,992)
<b>Cash inflow/(outflow) before financing</b>			<u>332,995</u>		<u>(713,975)</u>
<b>Financing</b>					
(Repayment of)/increase in bank loans		(213,544)		732,577	
Capital element of finance leases		<u>(163,820)</u>		<u>96,778</u>	
<b>Net cash (outflow)/inflow from financing</b>			(377,364)		829,355
<b>(Decrease)/increase in cash</b>	20		<u>(44,369)</u>		<u>115,380</u>

**MIDLAND REGIONAL PRINTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2012**

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**1. 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, and in accordance with applicable accounting standards

**Going concern**

The financial statements have been prepared on a going concern basis notwithstanding the fact that the company is in a net current liability position at the year end. The company meets its day to day working capital requirements through the ongoing facilities provided by the directors and the company's bankers continuing to provide the necessary finance to enable the company to trade. The company expects this support to be continued for the foreseeable future. If this support was not continued and the company was unable to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities which may arise, and to reclassify fixed assets as current assets.

**Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold Property	- 2% per annum straight line
Plant & Machinery	- 10% or 15% per annum reducing balance
Fixtures & Fittings	- 15% per annum reducing balance
Motor Vehicles	- 15% per annum reducing balance

**Stocks**

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

Cost is calculated using the first-in first-out method and includes the normal cost of transporting stock to its present location and condition. Cost includes material and direct costs and an appropriate proportion of fixed and variable overheads. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

**Work in progress**

Work in progress is valued on the basis of direct material and labour costs plus attributable overheads based on a normal level of activity.

**MIDLAND REGIONAL PRINTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2012**

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**1. Accounting policies *(continued)***

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account at a constant proportion of the capital repayments outstanding

**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

Assets held under finance lease agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account at a constant proportion of the capital repayments outstanding

**Pension costs**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund

**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 tax, or a right to pay less tax, or a right to receive repayments of tax

Deferred tax assets are recognised only to the extent that the directors consider it 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 recognised have not been discounted. Deferred tax is measured on a non-discounted basis at the average 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

**MIDLAND REGIONAL PRINTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2012**

**2. Turnover**

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
United Kingdom	4,596,345	4,673,645
Overseas	226,303	99,339
	<u>4,822,648</u>	<u>4,772,984</u>

**3. Operating profit**

Operating profit is stated after charging

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	62,128	70,161
Depreciation of assets held under finance lease agreements	123,695	138,224
Loss on disposal of fixed assets	—	12,057
Auditors remuneration	5,250	8,250
Operating lease costs		
-Plant and machinery	<u>12,781</u>	<u>9,581</u>

**4. Particulars of employees**

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

	<b>2012</b>	<b>2011</b>
	<b>No</b>	<b>No</b>
Office and management	23	23
Manufacturing and sales	32	30
	<u>55</u>	<u>53</u>

The aggregate payroll costs of the above were

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,242,631	1,186,765
Social security costs	119,594	112,010
Other pension costs	11,370	8,596
	<u>1,373,595</u>	<u>1,307,371</u>

**MIDLAND REGIONAL PRINTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2012**

**5. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services were

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Remuneration receivable	100,362	118,517
Value of company pension contributions to money purchase schemes	<u>11,249</u>	<u>8,071</u>
	<u>111,611</u>	<u>126,588</u>

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

	<b>2012</b>	<b>2011</b>
	<b>No</b>	<b>No</b>
Money purchase schemes	<u>2</u>	<u>2</u>

**6 Interest payable and similar charges**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Interest payable on bank borrowing	33,478	22,870
Finance charges	68,007	182,830
Other similar charges payable	<u>65,152</u>	<u>77,234</u>
	<u>166,637</u>	<u>282,934</u>

**7. Taxation on ordinary activities**

**Analysis of charge in the year**

	<b>2012</b>		<b>2011</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred tax				
Origination and reversal of timing differences	<u>4,157</u>		<u>19,424</u>	
Total deferred tax (note 14)		<u>4,157</u>		<u>19,424</u>

**MIDLAND REGIONAL PRINTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2012**

**7. Taxation on ordinary activities (continued)**

**Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2011 - 20.50%)

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>7,922</u>	<u>67,409</u>
Profit on ordinary activities by rate of tax	1,584	13,819
Effects of		
Expenses not deductible for tax purposes	40	3,078
Capital allowances for period in excess of depreciation	5,304	13,453
Utilisation of tax losses	(11,093)	(30,350)
Non qualifying depreciation	<u>4,165</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

**8. Tangible fixed assets**

	<b>Freehold Property £</b>	<b>Plant &amp; Machinery £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 October 2011	1,180,000	4,292,547	63,029	108,386	5,643,962
Additions	<u>-</u>	<u>12,329</u>	<u>4,558</u>	<u>18,000</u>	<u>34,887</u>
At 30 September 2012	<u>1,180,000</u>	<u>4,304,876</u>	<u>67,587</u>	<u>126,386</u>	<u>5,678,849</u>
<b>Depreciation</b>					
At 1 October 2011	-	2,922,694	52,960	88,268	3,063,922
Charge for the year	<u>20,826</u>	<u>155,999</u>	<u>1,718</u>	<u>7,280</u>	<u>185,823</u>
At 30 September 2012	<u>20,826</u>	<u>3,078,693</u>	<u>54,678</u>	<u>95,548</u>	<u>3,249,745</u>
<b>Net book value</b>					
At 30 September 2012	<u>1,159,174</u>	<u>1,226,183</u>	<u>12,909</u>	<u>30,838</u>	<u>2,429,104</u>
At 30 September 2011	<u>1,180,000</u>	<u>1,369,853</u>	<u>10,069</u>	<u>20,118</u>	<u>2,580,040</u>

The Company's freehold property was professionally revalued by Alexanders Surveyors on the 23 January 2012. The property on Malton Road was valued at £600,000 and the premises known as Jubilee House on Nottingham Road was valued at £580,000. This class of assets has a current value of £1,159,174 (2011 - £1,180,000) and a carrying amount at historical cost of £768,400 (2011 - £768,400). The depreciation on this historical cost is £293,595 (2011 - £278,227).



**MIDLAND REGIONAL PRINTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2012**

**8. Tangible fixed assets (continued)**

**Finance lease agreements**

Included within the net book value of £2,429,104 is £1,038,231 (2011 - £1,149,632) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £123,695 (2011 - £138,224)

**9. Stocks**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Raw materials	78,867	95,290
Work in progress	115,876	80,554
Finished goods	99,714	73,980
	<u>294,457</u>	<u>249,824</u>

**10. Debtors**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Trade debtors	983,201	1,040,129
Other debtors	53,816	33,951
Prepayments and accrued income	21,100	22,199
	<u>1,058,117</u>	<u>1,096,279</u>

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

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Bank loans	658,498	847,729
Trade creditors	893,451	689,213
PAYE and social security	73,828	70,734
Finance lease agreements	195,507	178,332
Other creditors	284	3,026
Directors current accounts	177,645	196,571
Accruals and deferred income	52,336	57,392
	<u>2,051,549</u>	<u>2,042,997</u>

Included within bank loans is £627,059 (2011 - £809,777) of factored debt

**MIDLAND REGIONAL PRINTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2012**

**12. Creditors. Amounts falling due after more than one year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Bank loans	307,712	332,025
Finance lease agreements	290,593	471,588
	<u>598,305</u>	<u>803,613</u>

The bank overdraft, loan and invoice finance creditor are secured by way of a debenture including a fixed charge over all present freehold and leasehold property, first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future and a first floating charge over all assets and undertaking both present and future

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate

**13. Commitments under finance lease agreements**

Future commitments under finance lease agreements are as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Amounts payable within 1 year	195,506	178,332
Amounts payable between 1 and 2 years	214,897	191,984
Amounts payable between 3 and 5 years	75,697	279,604
	<u>486,100</u>	<u>649,920</u>
Finance lease agreements are analysed as follows		
Current obligations	195,507	178,332
Non-current obligations	290,593	471,588
	<u>486,100</u>	<u>649,920</u>

**14. Deferred taxation**

The movement in the deferred taxation provision during the year was

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
At 1 October 2011	98,680	79,256
Profit and loss account movement arising during the year	<u>4,157</u>	<u>19,424</u>
At 30 September 2012	<u>102,837</u>	<u>98,680</u>

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

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Excess of taxation allowances over depreciation on fixed assets	98,680	112,162
Tax losses available	<u>4,157</u>	<u>(13,482)</u>
	<u>102,837</u>	<u>98,680</u>

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**15. Related party transactions**

At 30 September 2012 an amount of £136,634 (2011 - £155,560) was owed to S Tew and £41,011 (2011 - £41,011) was owed to P Tew, being balances on the directors loan accounts

**16. Share capital**

**Authorised share capital**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**Allotted, called up and fully paid**

	<b>2012</b>		<b>2011</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

**17. Revaluation reserve**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Balance brought forward	741,033	955,858
Revaluation of fixed assets	—	(214,825)
Balance carried forward	<u>741,033</u>	<u>741,033</u>

**18 Profit and loss account**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Balance brought forward	354,900	306,915
Profit for the financial year	3,765	47,985
Balance carried forward	<u>358,665</u>	<u>354,900</u>

**19. Reconciliation of movements in shareholders' funds**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	3,765	47,985
Other net recognised gains and losses	—	(214,825)
Net addition/(reduction) to shareholders' funds	3,765	(166,840)
Opening shareholders' funds	1,096,933	1,263,773
Closing shareholders' funds	<u>1,100,698</u>	<u>1,096,933</u>

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**20. Notes to the cash flow statement**

**Reconciliation of operating profit to net cash inflow/(outflow) from operating activities**

	2012 £	2011 £
Operating profit	174,559	350,343
Depreciation	185,823	208,385
Loss on disposal of fixed assets	—	12,057
Increase in stocks	(44,633)	(25,966)
Decrease/(increase) in debtors	38,162	(177,908)
Increase/(decrease) in creditors	180,608	(777,960)
Net cash inflow/(outflow) from operating activities	<u>534,519</u>	<u>(411,049)</u>

**Reconciliation of net cash flow to movement in net debt**

	2012 £	2011 £
(Decrease)/increase in cash in the period	(44,369)	115,380
Net cash outflow from/(inflow) from bank loans	213,544	(732,577)
Cash outflow in respect of capital element of finance leases	<u>163,820</u>	<u>(96,778)</u>
Change in net debt	<u>332,995</u>	<u>(713,975)</u>
Net debt at 1 October 2011	(1,713,594)	<u>(999,619)</u>
Net debt at 30 September 2012	<u>(1,380,599)</u>	<u>(1,713,594)</u>

**Analysis of changes in net debt**

	At 1 October 2011 £	Cash flows £	At 30 September 2012 £
Net cash			
Cash in hand and at bank	<u>116,080</u>	<u>(44,369)</u>	<u>71,711</u>
Debt			
Debt due within 1 year	(847,729)	189,231	(658,498)
Debt due after 1 year	(332,025)	24,313	(307,712)
Finance lease agreements	<u>(649,920)</u>	<u>163,820</u>	<u>(486,100)</u>
	<u>(1,829,674)</u>	<u>377,364</u>	<u>(1,452,310)</u>
Net debt	<u>(1,713,594)</u>	<u>332,995</u>	<u>(1,380,599)</u>