

**Company Registration No. 2381444 (England and Wales)**

**THE INTOUCH GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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# **THE INTOUCH GROUP LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	J C Bartolacci B J Dunn
<b>Secretary</b>	Reed Smith Corporate Services Limited
<b>Company number</b>	2381444
<b>Registered office</b>	The Broadgate Tower 20 Primrose Street London EC2A 2RS
<b>Auditor</b>	Buckle Barton Limited Sanderson House Station Road Horsforth Leeds LS18 5NT

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# **THE INTOUCH GROUP LIMITED**

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# THE INTOUCH GROUP LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present the strategic report for the year ended 30 September 2016.

#### Fair review of the business

The company's principal activity during the year continued to be the production and design of reprographics for the packaging industry and is unchanged since last year.

Following the acquisition of Schawk Inc by Matthews International Corporation Inc in July 2014 The InTouch Group Limited became part of the SGK branding division, one of three reporting segments within the group - SGK Brand Solutions, Memorialization and Industrial. The SGK Brand Solutions segment provides brand development, brand management, pre-media services, printing plates and cylinders, embossing tools and creative design services, principally to consumer packaged goods and retail customers and the primary packaging and corrugated industries.

The SGK Brand Solutions segment customer base consists primarily of brand owners and packaging industry converters. Brand owners are generally large, well known consumer products companies and retailers with a national or global presence. These types of companies tend to purchase their graphics needs directly and supply the printing forms, or the electronic files to make the printing plates and cylinders, to the packaging printer for their products. The SGK Brand Solutions segment serves customers primarily in Europe, the United States and Asia.

The SGK Brand Solutions segment is one of several providers of brand management, brand development and pre-media services and manufacturers of printing plates and cylinders with an international presence. The combination of the company's businesses in Europe, the United States and Asia is an important part of the Matthews group's strategy to become a worldwide leader in the graphics industry in providing consistent service to multinational customers on a global basis. Competition is on the basis of product quality, timeliness of delivery and price.

#### Results and performance

Revenue dropped 13% during the year largely due to the reallocation of certain work to elsewhere in the SGK branding division. An operating profit (before exceptional costs) of £1,315k was achieved, an increase of £1,154k on the previous year, reflecting favourable currency movements and improved operational efficiencies, resulting in a significantly reduced headcount on year. The company ceased trading on 30 September 2016 on which date all of its assets and liabilities were transferred to fellow group company Schawk UK Limited, creating a single UK branding business within the Matthews UK group.

#### Business environment

The global economy has continued to suffer, presenting both an uncertain business climate and challenging trading environment. Despite this, and a reduction in turnover, the results show a considerable increase in profit before tax.

#### Strategy

The company's success is dependent upon the retention of its existing customer base and continued growth. The company continues to develop new and improved design techniques and to review the products and services offered to ensure they meet the needs of its customers.

#### Key performance indicators

The Board of Directors monitors the progress of the company by reference to a number of key performance indicators and a summary of the main key performance indicators is provided below:

	2016	2015	
Turnover	£11,204,735	£12,867,372	
Gross Profit Margin	82%	85%	
Profit / (loss) Before Tax	£1,243,869	(£205,231)	
Return on Capital Employed	145%	-	

(Profit before tax as a proportion of brought forward equity shareholders' funds)

# **THE INTOUCH GROUP LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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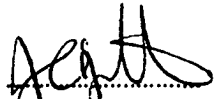
### **Principle Risks and Uncertainties**

The process of risk assessment and risk management is addressed through a framework of policies, procedures, and internal controls. All policies are subject to approval by the Board of Directors and ongoing review by management. Compliance with regulations, legal and ethical standards is a high priority for the company.

The directors consider the main risks to the company to be those posed by competition and technological developments. The company mitigates those risks by seeking to ensure that its pricing structure always remains competitive and that the service provided to customers is market leading.

In addition the company is exposed to certain financial risks which are discussed in the Directors' Report.

ON BEHALF OF THE BOARD



J.C. Bartolacci

Director

23 June 2017

# **THE INTOUCH GROUP LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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The directors present their annual report and financial statements for the year ended 30 September 2016.

#### **Principal activities**

The principal activity of the company continued to be the production and design of reprographics for the packaging industry and is unchanged since last year.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J C Bartolacci  
B J Dunn

#### **Results and dividends**

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

The directors do not recommend payment of a final dividend.

#### **Future developments**

The company ceased trading and became dormant on 1st October 2016.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Buckle Barton Limited be reappointed as auditor of the company will be put at a General Meeting.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 period. In preparing these 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;
- 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.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# THE INTOUCH GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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### **Financial Risk Management and Objectives and Policies**

The company's only financial instrument is a loan to a fellow group company.

The existence of this financial instrument exposes the company to a number of financial risks, which are described in more detail below.

No transactions of a speculative nature are undertaken.

The main risks arising from the company's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The directors' review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

#### *Credit risk*

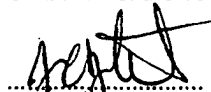
The company's principal financial asset, is a debt due by a fellow group company.

The directors reviewed the strategy of the group debtor and are monitoring its financial performance to ensure the debt remains recoverable.

#### *Liquidity risk*

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

On behalf of the board



J C Bartolacci

Director

23 June 2017

# **THE INTOUCH GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBER OF THE INTOUCH GROUP LIMITED**

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We have audited the financial statements of The InTouch Group Limited for the year ended 30 September 2016 set out on pages 7 to 21. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 pages 3 - 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**

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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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.

#### **Opinion on other matters 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.



# THE INTOUCH GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF THE INTOUCH GROUP LIMITED

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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.

**Mark Dalton BA (Hons) FCA (Senior Statutory Auditor)**  
for and on behalf of Buckle Barton Limited

23 June 2017

**Statutory Auditor**

Sanderson House  
Station Road  
Horsforth  
Leeds  
LS18 5NT

# THE INTOUCH GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	11,204,735	12,867,372
Cost of sales		(2,110,028)	(1,870,410)
<b>Gross profit</b>		<b>9,094,707</b>	<b>10,996,962</b>
Administrative expenses		(7,779,715)	(10,835,731)
Exceptional costs - business reorganisation	4	(37,012)	(333,264)
<b>Operating profit/(loss)</b>	<b>5</b>	<b>1,277,980</b>	<b>(172,033)</b>
Interest receivable and similar income	7	1,327	635
Interest payable and similar charges	8	(35,438)	(33,833)
<b>Profit/(loss) before taxation</b>		<b>1,243,869</b>	<b>(205,231)</b>
Taxation	9	(243,000)	34,000
<b>Profit/(loss) for the financial year</b>		<b>1,000,869</b>	<b>(171,231)</b>

# THE INTOUCH GROUP LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

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	2016 £	2015 £
Profit/(loss) for the year	1,000,869	(171,231)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,000,869</u>	<u>(171,231)</u>

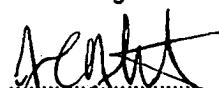
# THE INTOUCH GROUP LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	11		-		115,174
<b>Current assets</b>					
Stocks	12	-		326,093	
Debtors	13	1,494,975		2,901,012	
Cash at bank and in hand		-		959,717	
		<u>1,494,975</u>		<u>4,186,822</u>	
<b>Creditors: amounts falling due within one year</b>	14	-		<u>(3,448,370)</u>	
<b>Net current assets</b>			<u>1,494,975</u>		<u>738,452</u>
<b>Total assets less current liabilities</b>			<u><u>1,494,975</u></u>		<u><u>853,626</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		60,004		60,004
Capital redemption reserve			2,500		2,500
Profit and loss reserves			<u>1,432,471</u>		<u>791,122</u>
<b>Total equity</b>			<u><u>1,494,975</u></u>		<u><u>853,626</u></u>

The financial statements were approved by the board of directors and authorised for issue on 23 June 2017 and are signed on its behalf by:



J.C. Bartolacci  
Director

Company Registration No. 2381444

# THE INTOUCH GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2014</b>		60,004	2,500	1,293,417	1,355,921
<b>Year ended 30 September 2015:</b>					
Loss and total comprehensive income for the year		-	-	(171,231)	(171,231)
Dividends	10	-	-	(331,064)	(331,064)
<b>Balance at 30 September 2015</b>		60,004	2,500	791,122	853,626
<b>Year ended 30 September 2016:</b>					
Profit and total comprehensive income for the year		-	-	1,000,869	1,000,869
Dividends	10	-	-	(359,520)	(359,520)
<b>Balance at 30 September 2016</b>		60,004	2,500	1,432,471	1,494,975

# THE INTOUCH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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### **1 Accounting policies**

#### **Company information**

The InTouch Group Limited is a company limited by shares incorporated in England and Wales. The registered office is The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements for the year ended 30 September 2016 are the first financial statements prepared by The InTouch Group Limited in accordance with FRS102, the financial reporting standard applicable in the United Kingdom and Republic of Ireland. The date of transition was 1 October 2014. The reported financial position and performance are not affected by the transition to FRS102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The company ceased trading on 30 September 2016 on which date all of its assets were transferred to Schawk UK Limited. The company's remaining assets and liabilities are stated at amortised cost.

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised once goods and services have been delivered and all performance obligations are satisfied; regardless of whether invoiced or paid. Turnover which has been recognised but not invoiced by the balance sheet date is included in debtors as 'accrued income'. Amounts invoiced in advance are included in 'accruals and deferred income'

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided from the month of purchase at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the lease term on cost
Computer equipment	33% p.a. on cost
Fixtures, fittings & office equipment	20% p.a. on cost or over the lease term

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# THE INTOUCH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# THE INTOUCH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



# THE INTOUCH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

The company operates a defined contribution pension scheme covering the majority of the employees. The scheme is fully funded and contributions by both employees and the company are held in a trustee administered fund completely independent of the company's finances. Employer's contributions to the scheme are charged against profits. The cost of such contributions in the year ended 30 September 2016 was £123,638 (2015: £171,918).

There were no outstanding or prepaid contributions at the balance sheet date.

#### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### **1.15 Exemption from preparing consolidated accounts**

The company has taken advantage of the exemption available under s.401 Companies Act 2006 and not prepared group accounts. The company's (and all its subsidiary undertakings') results are included in the consolidated accounts of the ultimate parent company, Matthews International Corporation Inc.

# THE INTOUCH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
<b>Turnover</b>		
Production & design of reprographics	11,204,735	12,867,372

#### Other significant revenue

Interest income	1,327	635
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#### Turnover analysed by geographical market

	2016 £	2015 £
UK	2,435,628	3,188,953
USA	2,756,371	2,240,628
Rest of world	6,012,736	7,437,791
	11,204,735	12,867,372

### 4 Exceptional costs/(income)

	2016 £	2015 £
Business reorganisation costs	37,012	333,264

# THE INTOUCH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 5 Operating profit/(loss)

	2016 £	2015 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(693,628)	236,828
Fees payable to the company's auditor for the audit of the company's financial statements	2,125	12,255
Depreciation of owned tangible fixed assets	128,677	148,635
Profit on disposal of tangible fixed assets	(1,011)	-
Operating lease charges	425,151	462,146

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Directors	2	2
Administrative, sales, and productive	172	218
	<u>174</u>	<u>220</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	6,049,507	7,169,425
Social security costs	481,071	641,335
Pension costs	123,638	171,918
	<u>6,654,216</u>	<u>7,982,678</u>

### 7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	1,327	635

### 8 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and loans	63	1,258
Interest payable to group undertakings	35,375	32,575

# THE INTOUCH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 9 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	276,000	-
Adjustments in respect of prior periods	-	(5,000)
<b>Total current tax</b>	<b>276,000</b>	<b>(5,000)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(33,000)	(29,000)
<b>Total tax charge/(credit)</b>	<b>243,000</b>	<b>(34,000)</b>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit/(loss) before taxation	1,243,869	(205,231)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	248,774	(41,046)
Tax effect of expenses that are not deductible in determining taxable profit	2,733	5,436
Change in unrecognised deferred tax assets	-	8,888
Permanent capital allowances in excess of depreciation	-	(1,116)
Depreciation on assets not qualifying for tax allowances	5,138	28,317
Research and development tax credit	-	(3,202)
Other non-reversing timing differences	-	(29,000)
Deferred tax adjustments in respect of prior years	-	(2,277)
Effect of change in rate of deferred tax provision	9,109	-
Roundings	(22,754)	-
<b>Taxation for the year</b>	<b>243,000</b>	<b>(34,000)</b>

### 10 Dividends

	2016 £	2015 £
Interim paid	359,520	331,064

# THE INTOUCH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 11 Tangible fixed assets

	Land and buildings Leasehold	Computer equipment	Fixtures, fittings & office equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 2015	279,972	1,079,764	593,779	1,953,515
Additions	-	26,622	218,414	245,036
Disposals	(279,972)	(1,106,386)	(812,193)	(2,198,551)
At 30 September 2016	-	-	-	-
<b>Depreciation and impairment</b>				
At 1 October 2015	279,972	1,021,511	536,858	1,838,341
Depreciation charged in the year	-	48,148	80,529	128,677
Eliminated in respect of disposals	(279,972)	(1,069,659)	(617,387)	(1,967,018)
At 30 September 2016	-	-	-	-
<b>Carrying amount</b>				
At 30 September 2016	-	-	-	-
At 30 September 2015	-	58,253	56,921	115,174

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Depreciation charge for the year in respect of leased assets	-	-

### 12 Stocks

	2016 £	2015 £
Work in progress	-	308,246
Finished goods and goods for resale	-	17,847
	-	326,093

# THE INTOUCH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 13 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	2,538,674
Other debtors	1,494,975	24,299
Prepayments and accrued income	-	132,039
	<u>1,494,975</u>	<u>2,695,012</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 15)	-	206,000
	<u>-</u>	<u>206,000</u>
<b>Total debtors</b>	<u>1,494,975</u>	<u>2,901,012</u>

### 14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	-	569,045
Amounts due to group undertakings	-	1,070,318
Corporation tax	-	(491)
Other taxation and social security	-	222,658
Accruals and deferred income	-	1,586,840
	<u>-</u>	<u>3,448,370</u>

### 15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2016 £	Assets 2015 £
<b>Balances:</b>		
Accelerated capital allowances	-	206,000
	<u>-</u>	<u>206,000</u>
<b>Movements in the year:</b>		2016 £
Liability/(Asset) at 1 October 2015		(206,000)
Transfer on disposal		206,000
		<u>-</u>
Liability at 30 September 2016		<u>-</u>

# THE INTOUCH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 15 Deferred taxation

(Continued)

### 16 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	123,638	171,918

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 17 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Authorised</b>		
100,000 Ordinary Shares of £1 each	100,000	100,000
<b>Issued and fully paid</b>		
60,004 Ordinary Shares of £1 each	60,004	60,004

### 18 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	-	44,434
Between two and five years	-	181,500
	-	225,934

# **THE INTOUCH GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 SEPTEMBER 2016***

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### **19 Controlling party**

The company's parent company is Schawk Wace Group Limited a company registered in England & Wales.

The ultimate controlling party is Matthews International Corporation Inc. a company registered in Pennsylvania (United States of America)

The company's accounts are included in the consolidated accounts of Matthews International Corporation Inc. Published accounts for Matthews International Corporation Inc are available from:

Two North Shore Center  
Pittsburgh  
Pennsylvania  
USA  
15212-5851