

Company Number: 2386753

Sterling Press Limited

Directors' Report and Financial Statements

for the Year Ended 31 March 2013

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Sterling Press Limited

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Sterling Press Limited
Company Information

Directors S D Pizzey
J F Pizzey

Company secretary S D Pizzey

Registered office Kettering Parkway South
Kettering Venture Park
Kettering
Northamptonshire
NN15 6XU

Bankers National Westminster Bank plc
40 Market Street
Wellingborough
Northants
NN8 1AD

Auditors Hawsons Chartered Accountants
Jubilee House
32 Duncan Close
Moulton Park
Northampton
NN3 6WL

Sterling Press Limited

Directors' Report for the Year Ended 31 March 2013

The directors present their report and the financial statements for the year ended 31 March 2013

Principal activity

The principal activity of the company is printing

Statement of 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and 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.

Business review

Fair review of the business

Whilst the backdrop of the UK economy continues to remain challenging, the Directors are pleased to report a 5.9% increase in turnover with an added benefit of widening the spread of our client base across the business.

Net debt has fallen for the first time in several years and should continue to fall at an even greater rate, year-on-year, with an intention for the business to be debt-free within five years. This is deemed possible by the fact that the hire purchase repayment profile is at a stage where the monthly figure reduces every month for the next three years and even with any new capital investment, will not exceed the amounts paid over the last two years. This leaves the business well placed to maximise its return on the investment over the previous five years and maintains Sterling as one of the leading providers of print within the UK.

Despite net debt falling during the year, the business made a significant investment within its digital colour printing offering with the purchase of a new press and an entire new front-end data handling suite.

The Directors are very grateful to all the staff at Sterling who helped deliver these results.

Sterling Press Limited

Directors' Report for the Year Ended 31 March 2013

..... *continued*

Principal risks and uncertainties

The business' principal financial instruments comprise bank balances, bank facilities, trade debtors, trade creditors 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 facilities at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

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 debtors.

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

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

Results and Dividends

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2013.

Directors of the company

The directors who held office during the year were as follows:

S D Pizzey

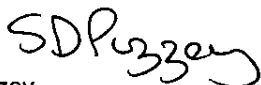
J F Pizzey

Disclosure of information to the auditors

The directors of the company who held office at the date of the approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board and signed on its behalf by



S D Pizzey
Director

12 July 2013

Independent Auditor's Report to the Members of Sterling Press Limited

We have audited the financial statements of Sterling Press Limited for the year ended 31 March 2013, set out on pages 6 to 20. 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 Statement of directors responsibilities (set out on page 2), 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 (APB'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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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 matter 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.

**Independent Auditor's Report to the Members of
Sterling Press Limited**

..... *continued*

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

Hawsons

Richard Burkimsher

Senior Statutory Auditor

For and on behalf of Hawsons Chartered Accountants

Statutory Auditor

Jubilee House

32 Duncan Close

Moulton Park

Northampton

NN3 6WL

16 July 2013

Sterling Press Limited
Profit and Loss Account for the Year Ended 31 March 2013

	Note	2013 £	2012 £
Turnover		22,502,042	21,250,490
Cost of sales		<u>(14,944,488)</u>	<u>(13,440,497)</u>
Gross profit		7,557,554	7,809,993
Administrative expenses		<u>(6,790,124)</u>	<u>(6,647,768)</u>
Operating profit	2	767,430	1,162,225
Interest payable and similar charges	5	<u>(565,382)</u>	<u>(501,827)</u>
Profit on ordinary activities before taxation		202,048	660,398
Tax on profit on ordinary activities	6	<u>(35,022)</u>	<u>(208,326)</u>
Profit for the financial year	16	<u><u>167,026</u></u>	<u><u>452,072</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

There is no material difference between the results reported above and the results on an unmodified historical cost basis

Sterling Press Limited
(Registration number: 2386753)
Balance Sheet at 31 March 2013

	Note	2013 £	2012 £
Fixed assets			
Intangible fixed assets	7	36,000	60,000
Tangible fixed assets	8	8,077,072	9,131,258
Investments	9	100	100
		<u>8,113,172</u>	<u>9,191,358</u>
Current assets			
Stocks	10	439,110	523,528
Debtors	11	6,455,196	5,821,367
Cash at bank and in hand		1,432	13,117
		<u>6,895,738</u>	<u>6,358,012</u>
Creditors Amounts falling due within one year	12	<u>(8,578,290)</u>	<u>(8,716,173)</u>
Net current liabilities		<u>(1,682,552)</u>	<u>(2,358,161)</u>
Total assets less current liabilities		6,430,620	6,833,197
Creditors Amounts falling due after more than one year	13	(3,521,905)	(3,995,508)
Provisions for liabilities	14	<u>(541,000)</u>	<u>(637,000)</u>
Net assets		<u>2,367,715</u>	<u>2,200,689</u>
Capital and reserves			
Called up share capital	15	40,000	40,000
Other reserves	16	60,000	60,000
Profit and loss account	16	<u>2,267,715</u>	<u>2,100,689</u>
Shareholders' funds	17	<u>2,367,715</u>	<u>2,200,689</u>

These financial statements were approved and authorised for issue by the Board and signed on its behalf by

S D Pizzey
Director

S D Pizzey

12 July 2013

Sterling Press Limited
Cash Flow Statement for the Year Ended 31 March 2013

Reconciliation of operating profit to net cash flow from operating activities

	2013 £	2012 £
Operating profit	767,430	1,162,225
Depreciation, amortisation and impairment charges	1,740,354	1,662,834
Profit on disposal of fixed assets	(7,367)	(5,800)
Decrease/(increase) in stocks	84,418	(63,340)
Increase in debtors	(608,829)	(304,551)
Increase in creditors	70,119	691,086
Net cash inflow from operating activities	<u>2,046,125</u>	<u>3,142,454</u>

Cash flow statement

	2013 £	2012 £
Net cash inflow from operating activities	<u>2,046,125</u>	<u>3,142,454</u>
Returns on investments and servicing of finance		
HP and finance lease interest	(351,813)	(308,313)
Interest paid	(201,565)	(243,912)
	<u>(553,378)</u>	<u>(552,225)</u>
Taxation paid	(172,522)	(89,826)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(137,760)	(341,752)
Sale of tangible fixed assets	65,935	5,800
Advances to the parent company	-	(100,000)
	<u>(71,825)</u>	<u>(435,952)</u>
Net cash inflow before management of liquid resources and financing	<u>1,248,400</u>	<u>2,064,451</u>
Financing		
Value of new loans obtained during the period	353,543	90,000
Repayment of loans and borrowings	(232,656)	(612,826)
Repayment of capital element of finance leases and HP contracts	(3,099,339)	(1,917,421)
Refinance of HP contracts	1,475,000	-
	<u>(1,503,452)</u>	<u>(2,440,247)</u>
Decrease in cash	<u>(255,052)</u>	<u>(375,796)</u>

Sterling Press Limited

Cash Flow Statement for the Year Ended 31 March 2013

.. *continued*

Reconciliation of net cash flow to movement in net debt

	Note	2013 £	2012 £
Decrease in cash		(255,052)	(375,796)
Cash inflow from increase in loans		(353,543)	(90,000)
Cash outflow from repayment of loans		232,656	612,826
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		3,099,339	1,917,421
Cash inflow from refinancing HP contracts		<u>(1,475,000)</u>	<u>-</u>
Change in net debt resulting from cash flows	21	1,248,400	2,064,451
Exchange differences		-	50,398
Other non-cash movements		(37,004)	(15,953)
New finance leases		<u>(582,976)</u>	<u>(2,937,083)</u>
Movement in net debt	21	628,420	(838,187)
Net debt at 1 April	21	<u>(8,595,088)</u>	<u>(7,756,901)</u>
Net debt at 31 March	21	<u><u>(7,966,668)</u></u>	<u><u>(8,595,088)</u></u>

Sterling Press Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Exemption from preparing group accounts

The company has taken exemption from preparing group accounts as it is included in consolidated accounts for a larger group which are drawn up as full consolidated audited accounts which are filed at Companies House

Going concern

The financial statements have been prepared on a going concern basis

Turnover

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

Income is recognised in the profit and loss account once work is completed and all applicable costs have been recorded by the company or are provided for. The financial statements do not include income for which there are unprovided further costs

Goodwill

Goodwill is the difference between the fair value of the consideration paid for a business and associated brand name and the aggregate of the fair value of that entity's assets and liabilities

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows

Goodwill	Straight line over 5 years
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Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows

Plant and machinery	9.7% to 25% straight line per annum
Furniture and equipment	15% to 50% straight line per annum
Motor vehicles	25% straight line per annum
Fixtures and fittings	15% straight line per annum

Fixed asset investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result on ordinary activities

Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

Sterling Press Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... .. *continued*

Deferred tax

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

Deferred tax is measured on a discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse.

Foreign currency

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Hire purchase and leasing

Assets held under finance lease contracts are capitalised in the balance sheet and are depreciated in line with the company's depreciation policy. The finance costs relating to the obligation are charged to the profit and loss account on a systematic basis over the life of the relevant contract.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Pensions

The company operates a money purchase pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Operating profit

Operating profit is stated after charging

	2013 £	2012 £
Operating leases - plant and machinery	14,192	50,226
Auditor's remuneration - The audit of the company's annual accounts	9,270	9,000
Profit on sale of tangible fixed assets	(7,367)	(5,800)
Depreciation of owned assets	1,716,354	1,638,834
Amortisation	24,000	24,000

Sterling Press Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... *continued*

3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2013 No.	2012 No.
Administration and support	83	67
Production	117	128
	<u>200</u>	<u>195</u>

The aggregate payroll costs were as follows

	2013 £	2012 £
Wages and salaries	5,881,140	5,590,532
Social security costs	598,680	560,160
Staff pensions	242,802	209,128
	<u>6,722,622</u>	<u>6,359,820</u>

4 Directors' remuneration

The directors' remuneration for the year was as follows

	2013 £	2012 £
Directors' remuneration (including benefits in kind)	<u>18,604</u>	<u>17,553</u>

5 Interest payable and similar charges

	2013 £	2012 £
Interest on bank borrowings	88,320	78,028
Other interest payable	125,249	165,884
Finance charges	351,813	308,313
Foreign exchange (gain)/loss on hire purchase contracts	-	(50,398)
	<u>565,382</u>	<u>501,827</u>

Sterling Press Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

6 Taxation

	2013 £	2012 £
Current tax		
Corporation tax charge	147,500	189,000
Adjustments in respect of previous years	<u>(16,478)</u>	<u>(7,674)</u>
UK Corporation tax	131,022	181,326
Deferred tax		
Origination and reversal of timing differences	<u>(96,000)</u>	<u>27,000</u>
Total tax on profit on ordinary activities	<u><u>35,022</u></u>	<u><u>208,326</u></u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 24% (2012 - 26%)

The differences are reconciled below

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>202,048</u>	<u>660,398</u>
Corporation tax at standard rate	48,492	171,703
Depreciation in excess of capital allowances	85,668	993
Other timing differences	(1,705)	(311)
Expenses not deductible for tax purposes	15,045	16,615
Adjustments in respect of previous years	<u>(16,478)</u>	<u>(7,674)</u>
Total current tax	<u><u>131,022</u></u>	<u><u>181,326</u></u>

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2012	<u>120,000</u>
At 31 March 2013	<u>120,000</u>
Amortisation	
At 1 April 2012	60,000
Charge for the year	<u>24,000</u>
At 31 March 2013	<u>84,000</u>
Net book value	
At 31 March 2013	<u><u>36,000</u></u>
At 31 March 2012	<u><u>60,000</u></u>

Sterling Press Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... *continued*

8 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2012	72,871	16,015,475	741,539	465,323	17,295,208
Additions	-	597,865	28,968	93,903	720,736
Disposals	-	(331,027)	-	(86,000)	(417,027)
At 31 March 2013	<u>72,871</u>	<u>16,282,313</u>	<u>770,507</u>	<u>473,226</u>	<u>17,598,917</u>
Depreciation					
At 1 April 2012	57,814	7,166,646	705,256	234,234	8,163,950
Charge for the year	1,613	1,580,244	40,893	93,604	1,716,354
Eliminated on disposals	-	(309,188)	-	(49,271)	(358,459)
At 31 March 2013	<u>59,427</u>	<u>8,437,702</u>	<u>746,149</u>	<u>278,567</u>	<u>9,521,845</u>
Net book value					
At 31 March 2013	<u>13,444</u>	<u>7,844,611</u>	<u>24,358</u>	<u>194,659</u>	<u>8,077,072</u>
At 31 March 2012	<u>15,057</u>	<u>8,848,829</u>	<u>36,283</u>	<u>231,089</u>	<u>9,131,258</u>

Finance lease assets

Included within the net book value of tangible fixed assets is £7,584,403 (2012 - £8,565,919) in respect of assets held under finance lease agreements. Depreciation for the year on these assets was £1,576,935 (2012 - £1,231,050)

Sterling Press Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

9 Investments held as fixed assets

Shares in group undertakings and participating interests

	Shares in group undertakings £
Cost	
At 1 April 2012	100
At 31 March 2013	100
Net book value	
At 31 March 2013	100
At 31 March 2012	100

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Sterling Design Limited	£1 ordinary shares	100%	Dormant

The profit for the financial period of Sterling Design Limited was £nil and the aggregate amount of capital and reserves at the end of the period was £100

10 Stocks

	2013 £	2012 £
Stocks	311,777	334,470
Work in progress	127,333	189,058
	<u>439,110</u>	<u>523,528</u>

Sterling Press Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... *continued*

11 Debtors

	2013 £	2012 £
Trade debtors	3,459,248	3,189,319
Amounts owed by group undertakings	931,921	931,921
Other debtors	1,682,896	1,413,622
Directors' current accounts	186,916	-
Prepayments and accrued income	194,215	286,505
	<u>6,455,196</u>	<u>5,821,367</u>

Debtors includes £2,415,263 (2012 - £2,121,626) receivable after more than one year

This can be analysed as follows

	2013 £	2012 £
Amounts owed by group undertakings	931,921	931,921
Other debtors	1,483,342	1,189,705
	<u>2,415,263</u>	<u>2,121,626</u>

12 Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	3,177,597	3,300,616
Bank loans and overdrafts	2,424,611	2,181,244
Other loans	106,657	39,824
Obligations under finance lease and hire purchase contracts	1,914,927	2,391,629
Corporation tax	147,500	189,000
Other taxes and social security	156,399	180,628
Accruals and deferred income	650,599	433,232
	<u>8,578,290</u>	<u>8,716,173</u>

Sterling Press Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

13 Creditors. Amounts falling due after more than one year

	2013 £	2012 £
Other loans	491,440	399,680
Obligations under finance lease and hire purchase contracts	3,030,465	3,595,126
Directors' current accounts	-	702
	<u>3,521,905</u>	<u>3,995,508</u>

Included within other loans after more than one year is a loan from a director's spouse. All parties have confirmed that the loan will not be called for repayment within 12 months of the balance sheet date, therefore the loan balance has been classified as falling due after more than one year.

Security

Obligations under hire purchase and finance lease contracts are secured on the assets to which the finance relates.

Bank loans and overdrafts are secured by way of a fixed and floating charge over the assets of the company.

£235,831 (2012 - £57,183) of other loans are secured on the assets to which the finance relates. £213,472 relates to the new loan received during the year from a pension scheme of which the directors are beneficiaries.

14 Provisions

	Deferred tax £
At 1 April 2012	637,000
Credited to the profit and loss account	<u>(96,000)</u>
At 31 March 2013	<u>541,000</u>

Analysis of deferred tax

	2013 £	2012 £
Deferred tax is provided at 23% (2012 - 24%)		
Difference between accumulated depreciation and amortisation and capital allowances	610,000	711,000
Other timing differences	<u>(69,000)</u>	<u>(74,000)</u>
	<u>541,000</u>	<u>637,000</u>

15 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

Sterling Press Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

16 Reserves

	Other reserves £	Profit and loss account £	Total £
At 1 April 2012	60,000	2,100,689	2,160,689
Profit for the year	-	167,026	167,026
At 31 March 2013	<u>60,000</u>	<u>2,267,715</u>	<u>2,327,715</u>

17 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Profit attributable to the members of the company	167,026	452,072
Net addition to shareholders' funds	167,026	452,072
Shareholders' funds at 1 April 2012	2,200,689	1,748,617
Shareholders' funds at 31 March 2013	<u>2,367,715</u>	<u>2,200,689</u>

18 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £242,802 (2012 - £209,128).

Contributions totalling £9,956 (2012 - £7,897) were payable to the scheme at the end of the year and are included in creditors.

19 Contingent liabilities

The company has signed a cross guarantee in respect of funding taken out by Seckloe 186 Limited, a company controlled by S D Pizzey and J F Pizzey. At the balance sheet date, the amount outstanding in respect of this guarantee was £2,244,079 (2012 - £2,423,683).

Sterling Press Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

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20 Commitments

Operating lease commitments

As at 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2013 £	2012 £
Land and buildings		
Within one year	<u>34,286</u>	<u>29,474</u>
Other		
Within two and five years	<u>29,059</u>	<u>14,192</u>

21 Analysis of net debt

	At 1 April 2012 £	Cash flow £	Other non-cash changes £	At 31 March 2013 £
Cash at bank and in hand	13,117	(11,685)	-	1,432
Bank overdraft	(2,181,244)	(243,367)	-	(2,424,611)
	<u>(2,168,127)</u>	<u>(255,052)</u>	<u>-</u>	<u>(2,423,179)</u>
Debt due within one year	(39,824)	39,824	(106,657)	(106,657)
Debt due after more than one year	(400,382)	(160,711)	69,653	(491,440)
Finance leases and hire purchase contracts	(5,986,755)	1,624,339	(582,976)	(4,945,392)
Net debt	<u>(8,595,088)</u>	<u>1,248,400</u>	<u>(619,980)</u>	<u>(7,966,668)</u>

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22 Related party transactions

During the year the company made the following related party transactions

J Pizzey, a director, had made a loan to the company in prior years on which interest of £37,614 (2012 - £40,822) was paid during the year. During 2013 the loan was repaid and further advances of £186,916 were made by the company to J Pizzey. At the balance sheet date the amount due from/(to) the director was £186,916 (2012 - (£702))

E Pizzey, the spouse of S Pizzey, a director, has also made a loan to the company and interest of £58,107 (2012 - £47,592) was paid in respect of the loan during the year. At the balance sheet date the amount due to E Pizzey was £43,716 (2012 - £75,820)

During the year a new loan of £265,000 was received from a pension scheme of which the directors are beneficiaries. At the balance sheet date the amount due to the pension scheme was £213,472 (2012 - £5,000)

During the year the company was charged rent amounting to £272,000 (2012 - £432,000) by Seckloe 186 Limited, a company under the control of S D Pizzey and J F Pizzey. The company also charged management charges to Seckloe 186 Limited of £150,000 (2012 - £nil). At the balance sheet date the amount due from Seckloe 186 Limited was £1,483,342 (2012 - £1,189,704)

23 Control

The company is controlled by Seckloe 297 Limited, a company incorporated in England which owns 100% of the share capital. That company in turn is controlled by S D Pizzey and J F Pizzey, the directors of Sterling Press Limited