

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 March 2015
for
The Irongate Group Limited

THURSDAY



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for the Year Ended 31 March 2015

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The Irongate Group Limited
Company Information
for the Year Ended 31 March 2015

DIRECTORS:

I H Thomson
Mrs J Thomson
A J Noble
Miss C L Johnstone FCMA
Mrs S L Wilson

SECRETARY:

Miss C L Johnstone FCMA

REGISTERED OFFICE:

Kingsway Park Close
Kingsway Industrial Park
Derby
DE22 3FT

REGISTERED NUMBER:

02566762 (England and Wales)

AUDITORS:

Bates Weston Audit Ltd
Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE1 2RJ

The Irongate Group Limited
Group Strategic Report
for the Year Ended 31 March 2015

The directors present their strategic report of the company and the group for the year ended 31 March 2015.

REVIEW OF BUSINESS

The Irongate Group Limited has made good progress this year with the strategy of repositioning the business as a business services company with the focus on selling products and services outside of its core business of office products and printing. The introduction of work wear and personal protective equipment, shredding and scanning and promotional products made a significant contribution to the group's performance.

The Irongate Group Limited managed to grow all of its business sectors during the year, including office supplies. This is against the backdrop of a market that is in decline. Print sales both outsourced and manufactured were in growth, this coming from some significant new business wins in both areas. The new focus on work wear proved fruitful with some significant orders and contract wins. New business levels across the group were high and margins have held up helping the group increase overall turnover and margins on the previous year. Overall group turnover was up by 6.5% and although profit before tax decreased by 18.1%, ignoring share options vesting an increase of 21.8% was seen. This was achieved through margin control measures and a focus on cost control and efficiency.

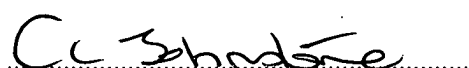
Further investment was made during the year in our print business with significant investment in new print technology with the purchase of the IGEN 150 and several other software products and finishing devices. These purchases enabled the group to continue to offer our customers best in class digital printing services now and in the future.

The management of the company and the execution of its strategy are subject to a number of risks. The key business risks and uncertainties affecting The Irongate Group Limited are considered to relate to the competition from other providers of business services and print solutions and the challenges arising as a result of the economic climate.

The business continues to trade well and the directors anticipate another good year of growth in 2015/16 across the business. Although market conditions remain tough, our sales teams continue to identify and attract business and we anticipate this will continue across the all sectors of the company.

There have been no significant events since the year end.

ON BEHALF OF THE BOARD:



Miss C L Johnstone FCMA - Director

Date: 24/7/2015

Report of the Directors
for the Year Ended 31 March 2015

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2015.

DIVIDENDS

Interim dividends totalling £27.90 per share were paid during the year. The directors recommend that no final dividend will be paid.

The total distribution of dividends for the year ended 31 March 2015 will be £306,900.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

I H Thomson
Mrs J Thomson
A J Noble
Miss C L Johnstone FCMA
Mrs S L Wilson

DISCLOSURE IN THE STRATEGIC REPORT

The matters required to be disclosed under SI (2008) 410 Sch 7 are contained within the Strategic Report as applicable in accordance with s414C(11) of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors
for the Year Ended 31 March 2015

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:


Miss C L Johnstone FCMA - Director

Date: 24/7/2015

Report of the Independent Auditors to the Members of
The Irongate Group Limited

We have audited the financial statements of The Irongate Group Limited for the year ended 31 March 2015 on pages seven to twenty three. 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 group's and the parent 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 Group Strategic Report and the Report of the Directors 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 group's and of the parent company's affairs as at 31 March 2015 and of the group's 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
The Irongate Group Limited

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Ian Neal FCA CTA (Senior Statutory Auditor)
for and on behalf of Bates Weston Audit Ltd
Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE1 2RJ

24 JUL 2015

Date:

The Irongate Group Limited (Registered number: 02566762)

Consolidated Profit and Loss Account
for the Year Ended 31 March 2015

	Notes	2015 £	2014 £
TURNOVER		14,915,153	14,009,521
Cost of sales		10,104,915	9,515,564
GROSS PROFIT		4,810,238	4,493,957
Administrative expenses		4,308,137	3,881,624
OPERATING PROFIT	3	502,101	612,333
Interest receivable and similar income		5,998	6,088
		508,099	618,421
Interest payable and similar charges	4	1,437	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		506,662	618,421
Tax on profit on ordinary activities	5	88,567	144,283
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		418,095	474,138

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

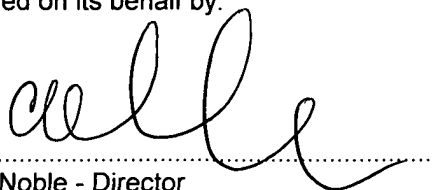
TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

Consolidated Balance Sheet
31 March 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	603,570	643,808
Tangible assets	9	886,642	628,415
Investments	10	-	-
		<u>1,490,212</u>	<u>1,272,223</u>
CURRENT ASSETS			
Stocks	11	187,449	185,862
Debtors	12	3,003,079	2,869,671
Cash at bank and in hand		1,075,759	1,242,685
		<u>4,266,287</u>	<u>4,298,218</u>
CREDITORS			
Amounts falling due within one year	13	<u>2,618,160</u>	<u>2,972,571</u>
NET CURRENT ASSETS		<u>1,648,127</u>	<u>1,325,647</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,138,339</u>	<u>2,597,870</u>
PROVISIONS FOR LIABILITIES	16	<u>38,484</u>	<u>8,284</u>
NET ASSETS		<u><u>3,099,855</u></u>	<u><u>2,589,586</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	11,000	11,000
Share premium	18	114,321	114,321
Other reserves	18	393,458	35,100
Profit and loss account	18	<u>2,581,076</u>	<u>2,429,165</u>
SHAREHOLDERS' FUNDS	22	<u><u>3,099,855</u></u>	<u><u>2,589,586</u></u>

The financial statements were approved by the Board of Directors on 24 JUL 2015 and were signed on its behalf by:



A J Noble - Director

Company Balance Sheet
31 March 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	362,759	276,687
Investments	10	2,010,472	2,010,472
		<u>2,373,231</u>	<u>2,287,159</u>
CURRENT ASSETS			
Stocks	11	167,614	153,122
Debtors	12	2,693,469	2,915,297
Cash at bank		369,739	258,899
		<u>3,230,822</u>	<u>3,327,318</u>
CREDITORS			
Amounts falling due within one year	13	2,255,146	2,542,740
NET CURRENT ASSETS		<u>975,676</u>	<u>784,578</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,348,907</u>	<u>3,071,737</u>
CAPITAL AND RESERVES			
Called up share capital	17	11,000	11,000
Share premium	18	114,321	114,321
Other reserves	18	393,458	35,100
Profit and loss account	18	2,830,128	2,911,316
SHAREHOLDERS' FUNDS	22	<u>3,348,907</u>	<u>3,071,737</u>

The financial statements were approved by the Board of Directors on 24 JUL 2015 and were signed on its behalf by:



A J Noble - Director

Consolidated Cash Flow Statement
for the Year Ended 31 March 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	25	1,044,845	907,332
Returns on investments and servicing of finance	26	4,561	6,088
Taxation		(144,283)	(129,144)
Capital expenditure	26	(468,966)	(164,991)
Equity dividends paid		(306,900)	(255,200)
		<u>129,257</u>	<u>364,085</u>
Financing	26	(296,183)	(363,463)
(Decrease)/increase in cash in the period		<u>(166,926)</u>	<u>622</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	27		
(Decrease)/increase in cash in the period		(166,926)	622
Cash outflow from decrease in debt and lease financing		<u>296,183</u>	<u>363,463</u>
Change in net funds resulting from cash flows		129,257	364,085
New hire purchase		-	(29,262)
Movement in net funds in the period		<u>129,257</u>	<u>334,823</u>
Net funds at 1 April		<u>894,802</u>	<u>559,979</u>
Net funds at 31 March		<u><u>1,024,059</u></u>	<u><u>894,802</u></u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated accounts incorporate the accounts of The Irongate Group Limited and all of its subsidiary undertakings for the year. The acquisition method of accounting has been adopted.

Goodwill arising on consolidation has been capitalised and is being written off to the profit and loss account evenly over its useful economic life.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax and is recognised on date of dispatch.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Technical equipment	- 33% on cost
Equipment	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost and 25% on 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 represents the purchase invoice value of materials on a first in first out basis.

Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences.

A deferred tax asset is recognised only when it is more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences and losses can be deducted.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Fixed asset investments

Fixed asset investments are valued at cost less provisions for permanent diminution in valuations.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015

1. ACCOUNTING POLICIES - continued

Share based payments

The company issues equity-settled, share based options to certain directors which are measured at fair value and recognised as an expense in the profit and loss account with a corresponding increase in the profit and loss reserve. The costs of associated national insurance contributions are borne by the directors.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of these payments are measured at the dates of the grant and are recognised over the period during which the directors become unconditionally entitled to the award. At the balance sheet date, the company revises its estimates of the number of options that are expected to vest and recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to the profit and loss reserve.

2. STAFF COSTS

	2015 £	2014 £
Wages and salaries	2,946,502	2,770,691
Social security costs	318,109	300,192
Other pension costs	79,929	62,239
	<u>3,344,540</u>	<u>3,133,122</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Directors	5	5
Administration	66	64
Selling	23	23
	<u>94</u>	<u>92</u>

3. OPERATING PROFIT

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

	2015 £	2014 £
Depreciation - owned assets	213,497	186,913
Depreciation - assets on hire purchase contracts	6,858	1,829
Profit on disposal of fixed assets	(9,616)	(11,337)
Goodwill amortisation	40,238	40,238
Auditors' remuneration	14,500	14,500
Operating lease rentals - Other	110,000	116,900
Directors' share based payments charges	<u>393,458</u>	<u>124,956</u>
Directors' remuneration	518,966	507,524
Directors' pension contributions to money purchase schemes	<u>48,600</u>	<u>35,933</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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One director exercised share options during the year (2014 - three directors).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015

3. OPERATING PROFIT - continued

Information regarding the highest paid director is as follows:

	2015 £	2014 £
Emoluments etc	261,139	241,504
Pension contributions to money purchase schemes	31,600	21,600

The highest paid director exercised no share options during the year (2014 - 158 share options) .

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Hire purchase	1,437	-

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
UK corporation tax	137,059	144,283
Deferred tax	(48,492)	-
Tax on profit on ordinary activities	88,567	144,283

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	506,662	618,421
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	106,399	142,237
Effects of:		
Expenses not deductible for tax purposes	94,655	20,414
Income not taxable for tax purposes	(7,371)	-
Capital allowances in excess of depreciation	(54,696)	(12,030)
Marginal relief adjustment	(562)	(6,338)
Lower rate tax adjustment	(1,366)	-
Current tax charge	137,059	144,283

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £184,996 (2014 - £645,642).

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015**

7. DIVIDENDS

	2015 £	2014 £
Interim	<u>306,900</u>	<u>255,200</u>

8. INTANGIBLE FIXED ASSETS

Group

COST

At 1 April 2014
and 31 March 2015

Goodwill
£

804,760

AMORTISATION

At 1 April 2014
Amortisation for year

160,952
40,238

At 31 March 2015

201,190

NET BOOK VALUE

At 31 March 2015

603,570

At 31 March 2014

643,808

9. TANGIBLE FIXED ASSETS

Group

COST

At 1 April 2014
Additions
Disposals

Technical
equipment
£

Equipment
£

Fixtures
and
fittings
£

57,488

15,750

-

599,447

277,186

(325,500)

259,898

7,934

-

At 31 March 2015

73,238

551,133

267,832

DEPRECIATION

At 1 April 2014
Charge for year
Eliminated on disposal

47,408

11,139

-

328,937

100,632

(309,591)

209,626

13,503

-

At 31 March 2015

58,547

119,978

223,129

NET BOOK VALUE

At 31 March 2015

14,691

431,155

44,703

At 31 March 2014

10,080

270,510

50,272

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015**

9. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2014	611,526	230,826	1,759,185
Additions	217,393	6,053	524,316
Disposals	(182,447)	-	(507,947)
At 31 March 2015	646,472	236,879	1,775,554
DEPRECIATION			
At 1 April 2014	333,626	211,173	1,130,770
Charge for year	87,762	7,319	220,355
Eliminated on disposal	(152,622)	-	(462,213)
At 31 March 2015	268,766	218,492	888,912
NET BOOK VALUE			
At 31 March 2015	377,706	18,387	886,642
At 31 March 2014	277,900	19,653	628,415

The net book value of tangible fixed assets includes £0 (2014 - £27,433) in respect of assets held under hire purchase contracts.

Company

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2014	228,693	543,218	225,359	997,270
Additions	6,011	178,709	6,053	190,773
Disposals	-	(135,301)	-	(135,301)
At 31 March 2015	234,704	586,626	231,412	1,052,742
DEPRECIATION				
At 1 April 2014	196,396	314,616	209,571	720,583
Charge for year	8,529	72,007	6,353	86,889
Eliminated on disposal	-	(117,489)	-	(117,489)
At 31 March 2015	204,925	269,134	215,924	689,983
NET BOOK VALUE				
At 31 March 2015	29,779	317,492	15,488	362,759
At 31 March 2014	32,297	228,602	15,788	276,687

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015

10. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST	
At 1 April 2014 and 31 March 2015	2,010,472
NET BOOK VALUE	
At 31 March 2015	2,010,472
At 31 March 2014	2,010,472

Investment in Subsidiary Undertakings

At the balance sheet date, the company had the following wholly owned subsidiaries. All are included in these consolidated financial statements:-

	Class of share	Nature of business
Derby Stationery Store Limited	Ordinary	Dormant
Irongate Retail Limited	Ordinary	Dormant
Ram Print Limited	Ordinary	Digital printing and copying services

11. STOCKS

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Goods for resale	187,449	185,862	167,614	153,122

12. DEBTORS

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Amounts falling due within one year:				
Trade debtors	2,817,033	2,655,621	2,506,362	2,340,675
Other debtors	-	-	-	400,000
Prepayments	107,354	214,050	94,699	160,906
	2,924,387	2,869,671	2,601,061	2,901,581

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015**

12. DEBTORS - continued

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Amounts falling due after more than one year:				
Deferred tax asset:				
Capital allowances due for future periods	-	-	13,716	13,716
Short term timing differences	78,692	-	78,692	-
	<u>78,692</u>	<u>-</u>	<u>92,408</u>	<u>13,716</u>
Aggregate amounts	<u>3,003,079</u>	<u>2,869,671</u>	<u>2,693,469</u>	<u>2,915,297</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Hire purchase contracts (see note 14)	-	29,262	-	-
Trade creditors	1,653,591	1,806,779	1,622,762	1,707,534
Amounts owed to group undertakings	-	-	197	197
Tax	137,059	144,283	109,741	80,917
Social security and other taxes	333,794	288,680	247,193	214,929
Other creditors	397,045	676,911	217,092	535,008
Directors' current accounts	51,700	-	51,700	-
Accrued expenses	44,971	26,656	6,461	4,155
	<u>2,618,160</u>	<u>2,972,571</u>	<u>2,255,146</u>	<u>2,542,740</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2015 £	2014 £
Net obligations repayable:		
Within one year	-	29,262

The following operating lease payments are committed to be paid within one year:

Group

	Land and buildings	
	2015 £	2014 £
Expiring:		
In more than five years	<u>110,000</u>	<u>110,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

Company

	Land and buildings	
	2015	2014
	£	£
Expiring:		
In more than five years	110,000	110,000

15. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2015	2014
	£	£
Hire purchase contracts	-	29,262

16. PROVISIONS FOR LIABILITIES

	Group	
	2015	2014
	£	£
Deferred tax		
Accelerated capital allowances	38,484	8,284

Group

	Deferred tax
	£
Balance at 1 April 2014	8,284
Provided during year	30,200
Balance at 31 March 2015	38,484

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
			£	£
11,000	Ordinary	£1	11,000	11,000

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015

18. RESERVES

Group

	Profit and loss account £	Share premium £	Other reserves £	Totals £
At 1 April 2014	2,429,165	114,321	35,100	2,578,586
Profit for the year	418,095			418,095
Dividends	(306,900)			(306,900)
Share options vesting	-	-	399,074	399,074
Share options settled	40,716	-	(40,716)	-
At 31 March 2015	<u>2,581,076</u>	<u>114,321</u>	<u>393,458</u>	<u>3,088,855</u>

Company

	Profit and loss account £	Share premium £	Other reserves £	Totals £
At 1 April 2014	2,911,316	114,321	35,100	3,060,737
Profit for the year	184,996			184,996
Dividends	(306,900)			(306,900)
Share options vesting	-	-	399,074	399,074
Share options settled	40,716	-	(40,716)	-
At 31 March 2015	<u>2,830,128</u>	<u>114,321</u>	<u>393,458</u>	<u>3,337,907</u>

19. OTHER FINANCIAL COMMITMENTS

The company has a contingent liability in respect of a composite guarantee given to The Royal Bank of Scotland to secure borrowings within The Irongate Group. At the balance sheet date the net amount of the group liability was £Nil (2014: £Nil).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015

20. RELATED PARTY DISCLOSURES

During 2010, The Irongate Group Limited acquired the entire issued share capital of Ram Print Limited from its shareholders I H Thomson, Mrs J Thomson, A J Noble and Miss C L Johnstone FCMA for a total consideration of £2,000,000.

The amount included in other creditors at the year end as follows:

	2015 £	2014 £
I H Thomson	-	159,169
Mrs J Thomson	-	136,803
A J Noble	-	14,738
Miss C L Johnstone FCMA	-	7,910

Interest is charged at 1% and applies from 1 April 2010 on the balance outstanding. During the year interest was paid to the directors of, I H Thomson £Nil (2014 - £1,584), Mrs J Thomson £Nil (2014 - £1,361), A J Noble £Nil (2014 - £147) and Miss C L Johnstone FCMA £Nil (2014 - £78).

The company occupies property owned by Mr and Mrs I H Thomson's pension scheme and the rent paid for the year was £110,000 (2014 - £110,000).

During the year interim dividends of £306,900 (2014 - £255,200) were paid as follows:-

	2015 £	2014 £
I H Thomson	153,478	127,623
Mrs J Thomson	99,436	96,930
A J Noble	19,195	15,045
Miss C L Johnstone FMCA	28,653	14,326
Mrs S L Wilson	6,138	1,276
	<u>306,900</u>	<u>255,200</u>

The directors maintain current accounts with the company. At the 31 March 2015 the balances owed to the directors were:-

	2015 £	2014 £
I H Thomson	25,855	-
Mrs J Thomson	16,750	-
A J Noble	3,234	-
Miss C L Johnstone FMCA	4,827	-
Mrs S L Wilson	1,034	-

These balances are interest free and repayable upon demand.

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is I H Thomson.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2015 £	2014 £
Profit for the financial year	418,095	474,138
Dividends	(306,900)	(255,200)
	<hr/>	<hr/>
Share options vesting	111,195	218,938
	399,074	124,956
	<hr/>	<hr/>
Net addition to shareholders' funds	510,269	343,894
Opening shareholders' funds	2,589,586	2,245,692
	<hr/>	<hr/>
Closing shareholders' funds	3,099,855	2,589,586
	<hr/>	<hr/>

Company

	2015 £	2014 £
Profit for the financial year	184,996	645,642
Dividends	(306,900)	(255,200)
	<hr/>	<hr/>
Share options vesting	(121,904)	390,442
	399,074	124,956
	<hr/>	<hr/>
Net addition to shareholders' funds	277,170	515,398
Opening shareholders' funds	3,071,737	2,556,339
	<hr/>	<hr/>
Closing shareholders' funds	3,348,907	3,071,737
	<hr/>	<hr/>

23. SHARE-BASED PAYMENT TRANSACTIONS

During 2010, the company granted 2,885 share options to two directors, at an exercise price of £63. During 2013 a further 1,210 were granted on similar terms at an exercise price of £63 to the two directors and the new director.

During 2015 one director exercised options on 312 shares with a fair value of £193.50 per share at the option price. During 2014 the three directors exercised their options on 768 shares with a fair value of £180 per share at the option price.

Options not taken up at the balance sheet date total 3,015 (2014: 3,327) shares.

At the balance sheet date an accrual has been made at their fair value for options likely to be exercised.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015

24. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	502,101	612,333
Depreciation charges	260,593	228,980
Profit on disposal of fixed assets	(9,616)	(11,337)
Share options exercised	40,716	89,856
Share options accrued for near future	358,358	35,100
Increase in stocks	(1,587)	(12,743)
Increase in debtors	(54,716)	(259,804)
(Decrease)/increase in creditors	(51,004)	224,947
Net cash inflow from operating activities	1,044,845	907,332

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	5,998	6,088
Interest element of hire purchase payments	(1,437)	-
Net cash inflow for returns on investments and servicing of finance	4,561	6,088
Capital expenditure		
Purchase of tangible fixed assets	(524,316)	(181,241)
Sale of tangible fixed assets	55,350	16,250
Net cash outflow for capital expenditure	(468,966)	(164,991)
Financing		
Loan repayments in year	(318,621)	(363,463)
Capital repayments in year	(29,262)	-
Amount introduced by directors	51,700	-
Net cash outflow from financing	(296,183)	(363,463)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2015

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.14 £	Cash flow £	At 31.3.15 £
Net cash:			
Cash at bank and in hand	1,242,685	(166,926)	1,075,759
	<u>1,242,685</u>	<u>(166,926)</u>	<u>1,075,759</u>
Debt:			
Hire purchase	(29,262)	29,262	-
Debts falling due within one year	(318,621)	266,921	(51,700)
	<u>(347,883)</u>	<u>296,183</u>	<u>(51,700)</u>
Total	<u>894,802</u>	<u>129,257</u>	<u>1,024,059</u>