

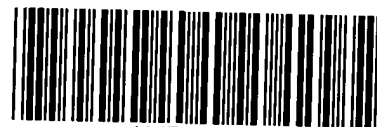
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**HARLAND SIMON PLC**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**HARLAND SIMON PLC**

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**COMPANY INFORMATION**

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**DIRECTORS**

R J Ashman (deceased 18 December 2014)  
K Smith  
V L Ranyard (resigned 31 July 2015)  
R S Watson  
J Staiano  
E J J Ashman (appointed 27 January 2015)  
S C Withers (appointed 24 June 2015)

**COMPANY SECRETARY**

K Smith

**REGISTERED NUMBER**

02733439

**REGISTERED OFFICE**

Bond Avenue  
Bletchley  
Milton Keynes  
Bucks  
MK1 1TJ

**INDEPENDENT AUDITOR**

Hillier Hopkins LLP  
Chartered Accountants & Statutory Auditor  
Chancery House  
199 Silbury Boulevard  
Milton Keynes  
MK9 1JL

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## HARLAND SIMON PLC

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### CONTENTS

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	Page
<b>Group strategic report</b>	1
<b>Directors' report</b>	2 - 3
<b>Independent auditor's report</b>	4 - 5
<b>Consolidated profit and loss account</b>	6
<b>Company profit and loss account</b>	7
<b>Consolidated balance sheet</b>	8
<b>Company balance sheet</b>	9
<b>Consolidated cash flow statement</b>	10
<b>Notes to the financial statements</b>	11 - 23

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## HARLAND SIMON PLC

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

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#### BUSINESS REVIEW

The results for the year and financial position of the company are as shown in the annexed financial statements.

Turnover for the year was 13% up on 2014, at £6.417 million and gross profit increased to 36%, resulting in a profit for the year of £242,983 compared to the previous year's loss of £67,504.

Although trading conditions remained difficult in a number of our markets the North American market continued to be a major part of our business.

2015/2016 has started well and we expect to see significant growth in our recently formed VERO division.

	Turnover £ million	Gross profit £ million	Gross profit margin %
2015	6.418	2.328	36
2014	5.579	1.640	29
2013	5.534	1.592	29

#### PRINCIPAL RISKS AND UNCERTAINTIES

The group has sufficient financial resources and bank facilities in place to fund the developing business and rigid management control systems ensure that overheads are kept to a minimum and cashflow is under constant review.

The company undertakes regular reviews of its health and safety policy to ensure the welfare and safety of its employees and others affected by the company's activities. Working practices ensure minimal impact on the environment.

This report was approved by the board and signed on its behalf.



R S Watson  
Director

Date: 20/1/16.

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## HARLAND SIMON PLC

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

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The directors present their report and the audited financial statements for the year ended 30 September 2015.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 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.

#### DIVIDENDS

No dividends will be distributed for the year ended 30 September 2015.

#### DIRECTORS

The directors who served during the year were:

R J Ashman (deceased 18 December 2014)

K Smith

V L Ranyard (resigned 31 July 2015)

R S Watson

J Staiano

E J J Ashman (appointed 27 January 2015)

S C Withers (appointed 24 June 2015)

#### FUTURE DEVELOPMENTS

Ever conscious that the market in newsprint is slowly declining, albeit still generating a significant percentage of our turnover, we last year rebranded our warehouse and tracking systems under the name VERO which is proving to be beneficial in the market place. We have entered into a number of partnership agreements in order to assist in the development of this business.

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## HARLAND SIMON PLC

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

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#### RESEARCH AND DEVELOPMENT ACTIVITIES

The company has continued to undertake research and development to make use of the latest technology in its systems and equipment. All research expenditure in the year has been charged in full to the profit and loss account. Where the directors are satisfied as to the technical, commercial and financial viability of certain projects, then the identifiable expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### DISCLOSURE OF INFORMATION TO AUDITOR

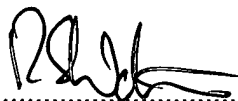
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

#### AUDITOR

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
**R S Watson**  
Director

Date: 20/11/16

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## HARLAND SIMON PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HARLAND SIMON PLC

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We have audited the financial statements of Harland Simon Plc for the year ended 30 September 2015, set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, 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 Directors' 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 group's and the parent company's affairs as at 30 September 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## HARLAND SIMON PLC

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HARLAND SIMON PLC

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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 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.

*Hillier Hopkins LLP*

Neal Carter ACA (Senior statutory auditor)

for and on behalf of

**Hillier Hopkins LLP**

Chartered Accountants

Statutory Auditor

Chancery House

199 Silbury Boulevard

Milton Keynes

MK9 1JL

Date: 20/01/16



**HARLAND SIMON PLC**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2	<b>6,417,799</b>	5,578,956
Cost of sales		<u>(4,090,214)</u>	<u>(3,938,696)</u>
<b>GROSS PROFIT</b>		<b>2,327,585</b>	1,640,260
Administrative expenses		<u>(2,191,105)</u>	<u>(1,847,641)</u>
Other operating income	3	<u>58,351</u>	<u>49,372</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	<b>194,831</b>	(158,009)
Interest receivable and similar income		28	102
Interest payable and similar charges	8	<u>(3,202)</u>	<u>(7,694)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>191,657</b>	(165,601)
Tax on profit/(loss) on ordinary activities	9	<u>51,326</u>	<u>98,097</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	18	<u><b>242,983</b></u>	<u>(67,504)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 11 to 23 form part of these financial statements.

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**HARLAND SIMON PLC**

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**COMPANY PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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	2015 £	2014 £
<b>TURNOVER</b>	<b>6,417,799</b>	<b>5,578,956</b>
Cost of sales	<b>(4,475,131)</b>	<b>(4,260,981)</b>
	<hr/>	<hr/>
<b>GROSS PROFIT</b>	<b>1,942,668</b>	<b>1,317,975</b>
Other operating income	<b>58,351</b>	<b>49,372</b>
	<hr/>	<hr/>
	<b>2,001,019</b>	<b>1,367,347</b>
	<hr/>	<hr/>
<b>LESS: OVERHEADS</b>		
Administration expenses	<b>(1,889,006)</b>	<b>(1,433,497)</b>
	<hr/>	<hr/>
<b>OPERATING PROFIT/(LOSS)</b>	<b>112,013</b>	<b>(66,150)</b>
Interest receivable and similar income	<b>28</b>	<b>102</b>
Interest payable and similar charges	<b>(3,202)</b>	<b>(7,694)</b>
	<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>108,839</b>	<b>(73,742)</b>
Tax on profit/(loss) on ordinary activities	<b>51,326</b>	<b>98,097</b>
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<b>PROFIT FOR THE YEAR</b>	<b>160,165</b>	<b>24,355</b>
	<hr/>	<hr/>

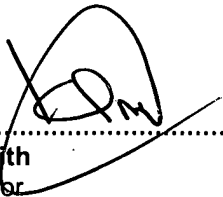
**HARLAND SIMON PLC**  
**REGISTERED NUMBER: 02733439**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Intangible assets	10		374,265		395,871
Tangible assets	11		25,629		12,957
			<u>399,894</u>		<u>408,828</u>
<b>CURRENT ASSETS</b>					
Stocks	13	645,261		459,221	
Debtors	14	993,033		1,222,393	
Cash at bank and in hand		187,672		165,176	
		<u>1,825,966</u>		<u>1,846,790</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(1,964,966)		(2,237,707)	
<b>NET CURRENT LIABILITIES</b>			<u>(139,000)</u>		<u>(390,917)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>260,894</u>		<u>17,911</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		260,002		260,002
Profit and loss account	18		892		(242,091)
<b>SHAREHOLDERS' FUNDS</b>	19		<u>260,894</u>		<u>17,911</u>

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

  
.....  
**R S Watson**  
Director

  
.....  
**K Smith**  
Director

Date: 20/11/16.

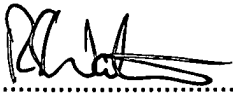
The notes on pages 11 to 23 form part of these financial statements.

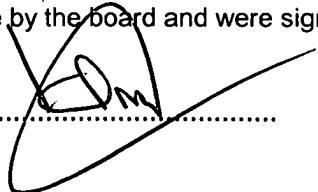
**HARLAND SIMON PLC**  
**REGISTERED NUMBER: 02733439**

**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Intangible assets	10		374,265		395,871
Tangible assets	11		25,629		12,957
Investments	12		597		597
			<u>400,491</u>		<u>409,425</u>
<b>CURRENT ASSETS</b>					
Stocks	13	645,261		459,221	
Debtors	14	1,281,986		1,605,389	
Cash at bank and in hand		177,034		143,466	
		<u>2,104,281</u>		<u>2,208,076</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(1,962,655)		(2,235,550)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>141,626</u>		<u>(27,474)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>542,117</u>		<u>381,951</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		260,002		260,002
Profit and loss account	18		282,115		121,949
<b>SHAREHOLDERS' FUNDS</b>	19		<u>542,117</u>		<u>381,951</u>

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

  
.....  
**R S Watson**  
Director

  
.....  
**K Smith**  
Director

Date: 

The notes on pages 11 to 23 form part of these financial statements.

**HARLAND SIMON PLC**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	20	162,652	481,903
Returns on investments and servicing of finance	21	(3,174)	(7,592)
Taxation		49,700	88,651
Capital expenditure and financial investment	21	(186,682)	(80,527)
<b>INCREASE IN CASH IN THE YEAR</b>		<u>22,496</u>	<u>482,435</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	2015 £	2014 £
Increase in cash in the year	<u>22,496</u>	<u>482,435</u>
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<u>22,496</u>	<u>482,435</u>
Net funds/(debt) at 1 October 2014	<u>165,176</u>	<u>(317,259)</u>
<b>NET FUNDS AT 30 SEPTEMBER 2015</b>	<u>187,672</u>	<u>165,176</u>

The notes on pages 11 to 23 form part of these financial statements.

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## HARLAND SIMON PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

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

The financial statements have been prepared on a going concern basis notwithstanding the net current liabilities as shown on the balance sheet. The company has full and continuing support from its shareholders.

##### 1.2 Basis of consolidation

The financial statements consolidate the accounts of Harland Simon Plc and all of its subsidiary undertakings ('subsidiaries').

##### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue from service contracts is recognised evenly over the period of the contract. Revenue from sales of products is recognised on delivery of the goods. Revenue from the sales of systems is recognised on a stage of completion basis. Where amounts invoiced exceed turnover, the excess is shown as a payment on account. The amount by which turnover exceeds amounts invoiced is shown as an amount recoverable on contracts.

##### 1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	33% on cost
Fixtures & fittings	-	33% on cost
Improvements to property	-	33% on cost

##### 1.6 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15, the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 30 September 1993 and will not update that valuation.

##### 1.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.9 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Work in progress on long term contracts is stated at total costs incurred, net of amounts transferred to the profit and loss account in respect of work carried out to date, less foreseeable losses and applicable payments on account.

Long term contract costs are represented by materials and direct labour.

Operating profit includes attributable profit on long term contracts. The attributable profit to date is based on the stage of completion of each project and the estimated outcome. Turnover is determined by the stage of completion of the project as calculated by appropriate employees. The amount by which turnover exceeds payments on account is shown separately as 'Amounts recoverable on contracts'.

**1.10 Deferred taxation**

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

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

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.11 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

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## HARLAND SIMON PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.12 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account.

##### 1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### 2. TURNOVER

The whole of the turnover is attributable to the principal activities of the company.

A geographical analysis of turnover is as follows:

	2015 £	2014 £
United Kingdom	1,102,578	2,343,299
Rest of European Union	721,361	628,829
Rest of world	4,593,860	2,606,828
	<u>6,417,799</u>	<u>5,578,956</u>

Further segmental information has not been disclosed as in the opinion of the directors, it would be seriously prejudicial to the interests of the company.

#### 3. OTHER OPERATING INCOME

	2015 £	2014 £
Management income	14,669	6,325
Rents receivable	41,940	41,940
Sundry income	1,742	1,107
	<u>58,351</u>	<u>49,372</u>



**HARLAND SIMON PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

**4. OPERATING PROFIT/(LOSS)**

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

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the group	11,876	13,298
Operating lease rentals:		
- buildings	25,646	44,215
Difference on foreign exchange	(32,583)	85,125
Research and development expenditure written off	187,182	148,843
	<u>187,182</u>	<u>148,843</u>

**5. AUDITORS' REMUNERATION**

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	10,596	10,250
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	2,950	2,750
All taxation advisory services not included above	6,614	6,859
All other non-audit services not included above	2,995	2,950
	<u>2,995</u>	<u>2,950</u>

**6. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	2,691,115	2,698,569
Social security costs	282,798	289,109
Other pension costs	217,212	107,475
	<u>3,191,125</u>	<u>3,095,153</u>

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

	2015 No.	2014 No.
Production and engineering	22	23
Installations, sales & distribution	22	24
Adminstration	8	7
	<u>52</u>	<u>54</u>

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**HARLAND SIMON PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**7. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Remuneration	<u>531,802</u>	<u>435,179</u>
Company pension contributions to defined contribution pension schemes	<u>41,441</u>	<u>15,511</u>

During the year retirement benefits were accruing to 4 directors (2014 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £151,009 (2014 - £152,930).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,526 (2014 - £NIL).

**8. INTEREST PAYABLE**

	2015 £	2014 £
On bank loans and overdrafts	<u>3,202</u>	<u>7,694</u>

**9. TAXATION**

	2015 £	2014 £
<b>Analysis of tax credit in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax (credit)/charge on profit/loss for the year	(37,381)	-
Adjustments in respect of prior periods	(9,362)	(88,651)
<b>Total current tax</b>	<u>(46,743)</u>	<u>(88,651)</u>
<b>Deferred tax</b> (see note 16)		
Origination and reversal of timing differences	(4,583)	(9,446)
<b>Tax on profit/loss on ordinary activities</b>	<u>(51,326)</u>	<u>(98,097)</u>

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**HARLAND SIMON PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**9. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit/loss on ordinary activities before tax	<u>191,657</u>	<u>(165,601)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	38,331	(33,120)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	11,977	9,701
Capital allowances for year in excess of depreciation	(3,953)	383
Adjustments to tax charge in respect of prior periods	(9,362)	(88,651)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(37,381)	-
Unrelieved tax losses carried forward	-	23,036
Unrelieved loss on foreign subsidiaries	(16,563)	-
Other differences leading to an increase (decrease) in the tax charge	(29,792)	-
<b>Current tax credit for the year (see note above)</b>	<u>(46,743)</u>	<u>(88,651)</u>

**Factors that may affect future tax charges**

The group has accumulated losses of £1,079,219 (2014: £1,162,039) available to offset against future trading profits. No deferred tax asset has been provided for part of these losses equating to £169,244 (2014: £202,408) because of the uncertainty as to when this asset will be realised.

HARLAND SIMON PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015

10. INTANGIBLE FIXED ASSETS

Group and Company	Development costs £	Goodwill £	Total £
<b>Cost</b>			
At 1 October 2014	1,009,534	3	1,009,537
Additions	162,134	-	162,134
At 30 September 2015	1,171,668	3	1,171,671
<b>Amortisation</b>			
At 1 October 2014	613,663	3	613,666
Charge for the year	183,740	-	183,740
At 30 September 2015	797,403	3	797,406
<b>Net book value</b>			
At 30 September 2015	374,265	-	374,265
At 30 September 2014	395,871	-	395,871

11. TANGIBLE FIXED ASSETS

Group and Company	Plant & machinery £	Fixtures & fittings £	Improvements to property £	Total £
<b>Cost or valuation</b>				
At 1 October 2014	46,560	242,131	67,224	355,915
Additions	24,548	-	-	24,548
Disposals	(7,951)	-	-	(7,951)
At 30 September 2015	63,157	242,131	67,224	372,512
<b>Depreciation</b>				
At 1 October 2014	33,603	242,131	67,224	342,958
Charge for the year	11,876	-	-	11,876
On disposals	(7,951)	-	-	(7,951)
At 30 September 2015	37,528	242,131	67,224	346,883
<b>Net book value</b>				
At 30 September 2015	25,629	-	-	25,629
At 30 September 2014	12,957	-	-	12,957

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**HARLAND SIMON PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**12. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 October 2014 and 30 September 2015	<b>44,001</b>
<b>Impairment</b>	
At 1 October 2014 and 30 September 2015	<b>44,001</b>
<b>Net book value</b>	
At 30 September 2015	<b>-</b>
<i>At 30 September 2014</i>	<b>-</b>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
H.S.Technology Inc	Common \$1	100 %

<b>Name</b>	<b>Business</b>	<b>Registered office</b>
H.S.Technology Inc	Supply and distribution of control systems	United States of America

<b>Company</b>	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 October 2014 and 30 September 2015	<b>44,598</b>
<b>Impairment</b>	
At 1 October 2014 and 30 September 2015	<b>44,001</b>
<b>Net book value</b>	
At 30 September 2015	<b>597</b>
<i>At 30 September 2014</i>	<b>597</b>

**HARLAND SIMON PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

**13. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Stocks	333,488	369,382	333,488	369,382
Work in progress	311,773	89,839	311,773	89,839
	<b>645,261</b>	<b>459,221</b>	<b>645,261</b>	<b>459,221</b>

**14. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	426,999	980,546	426,999	980,546
Amounts owed by group undertakings	-	-	288,953	382,996
Other debtors	37,297	3,754	37,297	3,754
Prepayments and accrued income	121,625	124,839	121,625	124,839
Amounts recoverable on long term contracts	353,061	63,786	353,061	63,786
Deferred tax asset (see note 16)	54,051	49,468	54,051	49,468
	<b>993,033</b>	<b>1,222,393</b>	<b>1,281,986</b>	<b>1,605,389</b>

**15. CREDITORS:  
Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Payments received on account	801,881	1,326,225	801,881	1,326,225
Trade creditors	496,674	352,933	496,674	352,933
Other taxation and social security	69,363	126,903	69,363	126,903
Other creditors	29,240	172,961	26,931	170,807
Accruals and deferred income	567,808	258,685	567,806	258,682
	<b>1,964,966</b>	<b>2,237,707</b>	<b>1,962,655</b>	<b>2,235,550</b>

All the assets of the company are subject to a debenture and legal charge in favour of the company bankers.

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**HARLAND SIMON PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**16. DEFERRED TAX ASSET**

	<u>Group</u>		<u>Company</u>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	£	£	£	£
At beginning of year	<b>49,468</b>	40,022	<b>49,468</b>	40,022
Released during the year (P&L)	<b>4,583</b>	9,446	<b>4,583</b>	9,446
At end of year	<b>54,051</b>	49,468	<b>54,051</b>	49,468

The deferred tax asset is made up as follows:

	<u>Group</u>		<u>Company</u>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	£	£	£	£
Accelerated capital allowances	<b>2,065</b>	5,307	<b>2,065</b>	5,307
Tax losses carried forward	<b>46,600</b>	30,000	<b>46,600</b>	30,000
Other timing differences	<b>5,386</b>	14,161	<b>5,386</b>	14,161
	<b>54,051</b>	49,468	<b>54,051</b>	49,468

**17. SHARE CAPITAL**

	<b>2015</b>	<b>2014</b>
	£	£
<b>Allotted, called up and fully paid</b>		
26,000,200 Ordinary shares of £0.01 each	<b>260,002</b>	260,002

**18. RESERVES**

<b>Group</b>	<b>Profit and loss account £</b>
At 1 October 2014	(242,091)
Profit for the financial year	242,983
At 30 September 2015	<b>892</b>

**HARLAND SIMON PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

**18. RESERVES (continued)**

	Profit and loss account £
<b>Company</b>	
At 1 October 2014	121,949
Profit for the financial year	160,166
	<u>282,115</u>
At 30 September 2015	<u>282,115</u>

**19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2015 £	2014 £
<b>Group</b>		
Opening shareholders' funds	17,911	85,415
Profit/(loss) for the financial year	242,983	(67,504)
	<u>260,894</u>	<u>17,911</u>
Closing shareholders' funds	<u>260,894</u>	<u>17,911</u>
	2015 £	2014 £
<b>Company</b>		
Opening shareholders' funds	381,951	357,596
Profit for the financial year	160,166	24,355
	<u>542,117</u>	<u>381,951</u>
Closing shareholders' funds	<u>542,117</u>	<u>381,951</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £160,166 (2014 - £24,355).

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Operating profit/(loss)	194,831	(158,009)
Amortisation of intangible fixed assets	183,740	147,822
Depreciation of tangible fixed assets	11,876	13,298
(Increase)/decrease in stocks	(186,040)	179,600
Decrease/(increase) in debtors	230,986	(428,296)
(Decrease)/increase in creditors	(272,741)	727,488
	<u>162,652</u>	<u>481,903</u>
<b>Net cash inflow from operating activities</b>	<u>162,652</u>	<u>481,903</u>



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**HARLAND SIMON PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	28	102
Interest paid	(3,202)	(7,694)
	<u>          </u>	<u>          </u>
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u><u>(3,174)</u></u>	<u><u>(7,592)</u></u>
	 2015 £	 2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	(162,134)	(77,811)
Purchase of tangible fixed assets	(24,548)	(2,716)
	<u>          </u>	<u>          </u>
<b>Net cash outflow from capital expenditure</b>	<u><u>(186,682)</u></u>	<u><u>(80,527)</u></u>

**22. ANALYSIS OF CHANGES IN NET FUNDS**

	1 October 2014 £	Cash flow £	Other non-cash changes £	30 September 2015 £
Cash at bank and in hand	165,176	22,496	-	187,672
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net funds</b>	<u><u>165,176</u></u>	<u><u>22,496</u></u>	<u><u>-</u></u>	<u><u>187,672</u></u>

**23. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme, the assets of which are held in an independently administered fund. The pension cost charge represents contributions payable by the group and the company and amounted to £217,212 (2014: £107,475). Contributions totalling £26,931 (2014: £70,806) were payable at the year end and are included in other creditors for the company and group.

## HARLAND SIMON PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 24. OPERATING LEASE COMMITMENTS

At 30 September 2015 the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings		2015	Other
	2015	2014		2014
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	12,993	12,385	11,612	11,954
Between 2 and 5 years	-	-	42,828	59,550
After more than 5 years	90,000	90,000	-	-

At 30 September 2015 the company had annual commitments under non-cancellable operating leases as follows:

Company	Land and buildings		2015	Other
	2015	2014		2014
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	-	-	11,612	11,954
Between 2 and 5 years	-	-	42,828	59,550
After more than 5 years	90,000	90,000	-	-

#### 25. RELATED PARTY TRANSACTIONS

Harland Simon UPS Limited is a company owned and controlled by the majority shareholders of Harland Simon plc. During the year, the value of rent received from Harland Simon UPS Limited was £41,940 (2014: £41,940), management income £14,669 (2014: £6,325) and expenditure recharged £nil (2014: £67). As at the balance sheet date the company was owed £15,452 by Harland Simon UPS Limited (2014: £nil).

#### 26. CONTROLLING PARTY

During the year the ultimate controlling parties were Mr R J Ashman and Mrs E J J Ashman who jointly control the majority of the shares of Harland Simon plc. Now the ultimate controlling party is Mrs E J J Ashman.