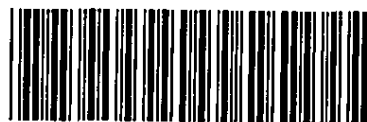


**PAPER SPECTRUM LIMITED  
UNAUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2009**

TUESDAY



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COMPANIES HOUSE

Company registration number:

2994025

**PAPER SPECTRUM LIMITED**  
**FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

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Company registration number:

2994025

Registered office:

Unit 12  
Abbey Business Court  
Wallingford Road  
Leicester  
LE4 5RD

Directors:

T B Herbert  
C J Roberts

Secretary:

T B Herbert

Bankers:

Barclays Bank plc  
Leicester  
LE87 2BB

**PAPER SPECTRUM LIMITED**  
**FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

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**PAPER SPECTRUM LIMITED**  
**REPORT OF THE DIRECTORS**

1.

The directors present their fourteenth report together with unaudited financial statements for the year ended 31 March 2009.

**Principal activity**

The company is principally engaged in the sale of paper and related products.

**Review of the business**

The company faced a difficult trading year on reduced turnover and margins and suffered a significant bad debt. However, at the time of writing this report, the directors believe there are signs of an improved trading position and they are cautiously optimistic for the future. The directors will need to save costs and do their best to maximize the potential for income but the company has a solid base from which to trade.

There was a profit for the year after taxation amounting to £275 (2008: £23,495). The directors paid interim dividends of £22,818 during the year based on profits indicated as being available for distribution by the company's management accounts at the time. However in preparing these accounts the Directors considered it prudent to recognise bad and doubtful debts of £19,234 and this provision extinguished much of the accumulated profit. Upon realising the impact on distributable reserves the directors ceased the payment of dividends. Members have not been asked to repay the dividends as they were paid in good faith by the company at the time of payment. At the time of approving these accounts the directors believe the company has stabilised and that distributable reserves have been reinstated. No final dividend is proposed giving a net reduction in reserves of £22,543 at 31 March 2009.

**Directors**

The present membership of the Board is set out below. Both directors served throughout the year.

Mr. T B Herbert retires by rotation and, being eligible, offers himself for re-election.

The interests of the directors in the shares of the company at 1 April 2008 and 31 March 2009 were as follows:

	2009 and 2008 £1 Ordinary shares
Mr. T B Herbert	25
Mr. C J Roberts	75

**Directors' responsibilities for the financial statements**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities

**PAPER SPECTRUM LIMITED**  
REPORT OF THE DIRECTORS cont'd

**2.**

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**Going concern**

The unaudited financial statements have been prepared on a going concern basis that assumes the company will be able to meet its debts as they fall due. The validity of this assumption depends on the continuing support of the company's bankers who hold a personal guarantee from the directors and the ability of the directors to reduce costs and improve the trading position. As noted above, at the time of signing these unaudited financial statements, the directors believe that the company has slowly but positively moved into profitable trading.

**Auditors**

The Directors are not required to appoint auditors as the company is within the exemptions provided by Section 249A(1) of the Companies Act 1985.

**Small company exemption**

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

ON BEHALF OF THE BOARD



T B Herbert  
Secretary

Date: 27 November 2009

**PAPER SPECTRUM LIMITED**  
**PRINCIPAL ACCOUNTING POLICIES**

3.

The unaudited financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective April 2008) and under the historical cost convention.

**Going concern**

The financial statements have been prepared on a going concern basis that assumes the company will be able to meet its debts as they fall due. The validity of this assumption depends on the continuing support of the company's bankers who hold a personal guarantee from the directors.

**Cash Flow Statement**

The directors have taken advantage of the exemption in Financial Reporting Standard Number 1 (Revised 1996) from including a cash flow statement in these unaudited accounts on the grounds that the company is small.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

**a Turnover**

Turnover is the total amount receivable by the company for goods supplied, excluding Value Added Tax.

**b Depreciation**

Depreciation is calculated to write down the cost less estimated residual value of all fixed assets over their expected useful lives. The periods and rates generally applicable are:

Leasehold properties	over the period of the lease
Motor vehicles	25% per annum reducing balance
Computer equipment	33% per annum straight line
Office Equipment	25% per annum reducing balance
Plant and machinery	15% per annum reducing balance

**c Stock**

Stock is valued at the lower of cost and net realisable value.

**d Deferred taxation**

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

**e Contributions to pension funds**

The pension costs charged against profits represent the amount of company contributions paid to the directors' personal pension fund policies during the year.

**f Leased assets**

Assets held under hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the agreement. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

**PAPER SPECTRUM LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 March 2009

4.

	<u>Note</u>	<u>2009</u> £	<u>2008</u> £
Turnover	1	669,280	716,382
Cost of sales		<u>498,145</u>	<u>517,428</u>
Gross profit		171,135	198,954
Administrative expenses		<u>169,775</u>	<u>168,925</u>
Operating profit		1,360	30,029
Net interest payable and similar charges	2	<u>925</u>	<u>748</u>
Profit on ordinary activities before taxation	1	435	29,281
Tax on profit on ordinary activities	4	<u>160</u>	<u>5,786</u>
Profit on ordinary activities after taxation transferred to reserves	1 and 11	<u>275</u>	<u>23,495</u>

There were no recognised gains or losses other than those for the financial period.

The accompanying accounting policies and notes form an integral part of these unaudited financial statements.

**PAPER SPECTRUM LIMITED**  
**BALANCE SHEET**  
 At 31 March 2009

5.

	<u>Note</u>	<u>2009</u> £	<u>2009</u> £	<u>2008</u> £
Fixed assets				
Tangible assets	6		10,299	11,679
Current assets				
Stock		27,404		34,702
Debtors	7	84,511		118,777
Cash at bank and in hand		201		378
		<u>112,116</u>		<u>153,857</u>
Creditors: amounts falling due within one year	8	<u>126,401</u>		<u>146,956</u>
Net current -liabilities/assets			-14,285	6,901
Total assets less current liabilities			-3,986	18,580
Provisions for liabilities	9		-1,369	-1,392
Deficiency of assets			<u>-5,355</u>	<u>17,188</u>
Capital and reserves				
Called up share capital	10		100	100
Profit and loss account	11		-5,455	17,088
Deficiency in shareholders' funds			<u>-5,355</u>	<u>17,188</u>

"(a) For the year ended 31 March 2009 the company was entitled to exemption under section 249A(1) of the Companies Act 1985;

(b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985;

(c) The Directors acknowledge their responsibilities for:

(i) ensuring the company keeps accounting records which comply with section 221; and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

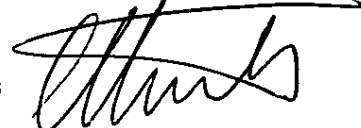
(d) These unaudited financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and on a going concern basis which depends on the continuing support of the company's bankers."

The financial statements were approved by the Board of Directors on 27 November 2009.



T B Herbert  
Director

C J Roberts  
Director



The accompanying accounting policies and notes form an integral part of these unaudited financial statements.

**PAPER SPECTRUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

6.

**1. Turnover and profit on ordinary activities before taxation**

Turnover and profit on ordinary activities before taxation is attributable to the one continuing activity of the company, the sale of paper and paper related products.  
Profit on ordinary activities before taxation is stated after:

	<u>2009</u> £	<u>2008</u> £
Depreciation - owned assets	2,385	1,209
Depreciation - assets on hire purchase	-	1,607
Operating lease rental – property	<u>7,690</u>	<u>7,331</u>
Interest received	<u>26</u>	<u>15</u>

**2. Net interest**

	<u>2009</u> £	<u>2008</u> £
Bank overdraft interest	828	516
Finance charges in respect of hire purchase agreements	123	247
Interest receivable	<u>-26</u>	<u>-15</u>
Net interest	<u>925</u>	<u>748</u>

**3. Employee information**

Staff costs during the year were as follows:

	<u>2009</u> £	<u>2008</u> £
Wages and salaries	91,451	96,847
Social Security costs	<u>7,640</u>	<u>8,544</u>
	<u>99,091</u>	<u>105,391</u>

The average number of employees in the year was 5 including the directors (2008:6).  
Remuneration in respect of the Directors was:

	<u>2009</u> £	<u>2008</u> £
Management remuneration and benefits	<u>49,151</u>	<u>51,711</u>

**4. Tax on profit on ordinary activities**

The taxation charge on the result for the year is made up as follows:

	<u>2009</u> £	<u>2008</u> £
Deferred tax (note 9)	-23	-110
Corporation tax at 21% (2008:20%)	<u>183</u>	<u>5,896</u>
	<u>160</u>	<u>5,786</u>

**PAPER SPECTRUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

7.

**5. Dividends**

	<u>2009</u> £	<u>2008</u> £
Paid in the year - £228.18 per ordinary share (note 11)	<u>22,818</u>	<u>29,653</u>

Due to the impact of bad debt provisions made in these financial statements, dividends paid during the year out of profits available for distribution exceeded such profits as at the end of the year. Members have not been asked to repay such excess dividends as they were paid in good faith by the Directors at the time. The directors believe that distributable profits have been reinstated as at the time of approving these financial statements.

**6. Tangible fixed assets**

	<u>Total</u> £	<u>Leasehold improvements</u> £	<u>Motor Vehicles</u> £	<u>Plant and equipment</u> £
<b>Cost</b>				
At 1 April 2008	36,764	1,555	11,432	23,777
Additions	1,005	-	-	1,005
	<u>37,769</u>	<u>1,555</u>	<u>11,432</u>	<u>24,782</u>
Disposals	-	-	-	-
At 31 March 2009	<u>37,769</u>	<u>1,555</u>	<u>11,432</u>	<u>24,782</u>
<b>Depreciation</b>				
At 1 April 2008	25,085	1,553	6,607	16,925
Provided in the year	2,385	-	1,206	1,179
	<u>27,470</u>	<u>1,553</u>	<u>7,813</u>	<u>18,104</u>
Eliminated on disposals	-	-	-	-
At 31 March 2009	<u>27,470</u>	<u>1,553</u>	<u>7,813</u>	<u>16,925</u>
<b>Net book amount</b>				
At 31 March 2009	<u>10,299</u>	<u>2</u>	<u>3,619</u>	<u>6,678</u>
At 31 March 2008	<u>11,679</u>	<u>2</u>	<u>4,825</u>	<u>6,852</u>

**7. Debtors**

	<u>2009</u> £	<u>2008</u> £
Trade debtors	83,061	117,454
Other debtors	1,000	1,000
Prepayments	450	323
	<u>84,511</u>	<u>118,777</u>

**8. Creditors: amounts falling due within one year**

	<u>2009</u> £	<u>2008</u> £
Bank overdraft	28,531	10,401
Trade creditors	82,970	112,325
Amounts due under hire purchase agreements	-	836
Other creditors:		
Social Security and other taxes	12,320	20,514
Accruals	2,580	2,880
	<u>126,401</u>	<u>146,956</u>

**PAPER SPECTRUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

8.

**8. Cont'd Creditors: amounts falling due within one year****Borrowings are repayable as follows:**

<b>In installments</b>	<u>2009</u> £	<u>2008</u> £
Within one year		
Hire purchase		836
After one and within two years		
Hire purchase	-	
After two and within five years		
Hire purchase	-	
	<u>-</u>	<u>836</u>

The comparative figures stated above include liabilities in respect of motor vehicles held under hire purchase contracts with a net book amount of £ 4,825.

**9. Provisions for liabilities****Deferred taxation**

The company has the following liability to deferred taxation all of which is provided in the financial statements.

	<u>2009</u> £	<u>2008</u> £
Accelerated capital allowances	<u>1,369</u>	<u>1,392</u>

**10. Called up share capital**

	<u>2009</u> £	<u>2008</u> £
Authorised		
10000 ordinary shares of £1 each	10,000	10,000
Allotted called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**11. Reconciliation of movements in shareholders' funds and reserves**

	Profit and Loss Account £	Movement in Shareholders' Funds	
		<u>2009</u> £	<u>2008</u> £
At 1 April 2008	17,088	17,188	23,346
Profit for the financial year	275	275	23,495
Dividends paid in the year (see note 5)	<u>-22,818</u>	<u>-22,818</u>	<u>-29,653</u>
At 31 March 2009 – Deficiency in shareholders' funds	<u>-5,455</u>	<u>-5,355</u>	<u>17,188</u>

Company registration number:

2994025

**PAPER SPECTRUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

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**9.**

**12. Leasing commitments**

The company entered into a three year lease on its business premises at a basic current rent of £7,690 per annum.

**13. Controlling Related Party and related party transactions**

Mr. C J Roberts is the company's controlling related party by virtue of his shareholding.