

**Rivendell Europe Limited**

**Directors' report and financial  
statements**

**Registered number 3374815**

**30 September 2013**

TUESDAY



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2013

### Principal activities

The principal activities of the company are the supply of pre-media services to packaging and home shopping markets

### Business review

Our services are extended to include all pre-media supply chain services up to printing

We have also doubled our capacity in photopolymer plate making

The company's aim for this financial year is to develop our 3D and high definition offers into the total service package

### Proposed dividend

The directors do not recommend the payment of a dividend

### Directors

The directors who held office during the period were as follows

J McAulay  
I Ferris (resigned on 26 July 2013)  
AD Spowart

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

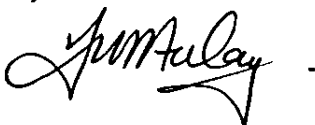
### Political and charitable contributions

The company made no political contributions during the year Donations to UK charities amounted to £nil (2013 £nil)

### Auditors

A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



J McAulay  
Director

Wira Business Park  
Clayton Wood Rise  
West Park Ring Road  
Leeds  
LS16 6EB

7 February 2014

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



1 The Embankment  
Neville Street  
Leeds  
LS1 4DW  
United Kingdom

## **Independent auditor's report to the members of Rivendell Europe Limited**

We have audited the financial statements of Rivendell Europe Limited for the year ended 30 September 2013 set out on pages 5 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors**

As explained more fully in the Directors' Responsibilities Statement 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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**

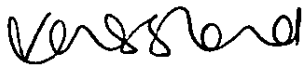
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Rivendell Europe 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



**Lindsey Crossland (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
1 The Embankment  
Leeds  
LS1 4DW

10 February 2014

**Profit and loss account**  
*for the year ended 30 September 2013*

	<i>Note</i>	2013 Total £	2012 Total £
<b>Turnover</b>		<b>3,646,426</b>	<b>3 535,156</b>
Change in stocks of finished goods and work in progress		71,273	(24,431)
Raw materials and consumables		(835,356)	(703 446)
Staff costs	3-4	(1,829,631)	(1,795,943)
Depreciation and other amounts written off tangible fixed assets		(141,487)	(171 134)
Other operating charges		(825,626)	(800 154)
Other operating income	2	-	110,367
<b>Operating profit</b>		<b>85,599</b>	<b>150,415</b>
Interest payable and similar charges	5	(63,240)	(65,858)
<b>Profit on ordinary activities before taxation</b>	2-5	<b>22,359</b>	<b>84,557</b>
Tax on profit on ordinary activities	6	(11,212)	(23,709)
<b>Profit for the financial year</b>	14	<b>11,147</b>	<b>60,848</b>

There are no recognised gains or losses for the year other than the profit for the year as shown above

**Balance sheet**  
**at 30 September 2013**

	<i>Note</i>	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Tangible assets	7		313,134		395,184
<b>Current assets</b>					
Stocks	8	227,151		155,878	
Debtors (including £460,687, (2012 £460,687) due after more than one year)	9	1,445,112		1,357,790	
Cash at bank and in hand		69,049		38,233	
		<u>1,741,312</u>		<u>1,551,901</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,546,249)</u>		<u>(1,347,633)</u>	
<b>Net current assets</b>			<u>195,063</u>		<u>204,268</u>
<b>Total assets less current liabilities</b>			<u>508,197</u>		<u>599,452</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(32,404)</u>		<u>(132,137)</u>
<b>Provisions for liabilities and charges</b>	12		<u>(9,065)</u>		<u>(11,734)</u>
<b>Net assets</b>			<u>466,728</u>		<u>455,581</u>
<b>Capital and reserves</b>					
Called up share capital	13		41,000		41,000
Share premium account	14		9,000		9,000
Capital reserve	14		220,677		220,677
Profit and loss account	14		196,051		184,904
<b>Shareholders' funds</b>			<u>466,728</u>		<u>455,581</u>

These financial statements were approved by the board of directors on 7th FEB 2014 and were signed on its behalf by



**J McAulay**  
Director



**Cash flow statement**  
*for the year ended 30 September 2013*

	<i>Note</i>	2013 £	2012 £
Net cash inflow from operating activities	17	142,374	203,372
Returns on investments and servicing of finance	17	(63,240)	(65 858)
Taxation		7,106	(5,285)
Capital expenditure	17	(59,437)	(23,535)
		<hr/>	<hr/>
Increase in cash before financing		26,803	108,694
Financing	17	4,013	(113,507)
		<hr/>	<hr/>
Increase/(Decrease) in cash for the year	18	30,816	(4,813)
		<hr/>	<hr/>

**Reconciliation of net cash flow to movement in net debt**  
*for the year ended 30 September 2013*

	<i>Note</i>	2013 £	2012 £
Increase/(Decrease) in cash for the year	18	30,816	(4,813)
Net cash (inflow)/outflow from in debt financing	18	(4,013)	113,507
		<hr/>	<hr/>
Change in net debt resulting from cash flows	18	26,803	108,694
New hire purchase agreements	18	(5,372)	(20,196)
		<hr/>	<hr/>
Movement in net debt in year		21,431	88,498
Net debt at beginning of year	18	(943,660)	(1,032 158)
		<hr/>	<hr/>
Net debt at end of year	18	(922,229)	(943,660)
		<hr/>	<hr/>

**Reconciliation of movements in shareholders' funds**  
*for the year ended 30 September 2013*

	2013 £	2012 £
Profit for the financial year	11,147	60 848
Net addition to shareholders' funds	11,147	60 848
Opening shareholders' funds	455,581	394,733
Closing shareholders' funds	466,728	455,581

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### *Basis of preparation*

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

The financial statements are prepared on a going concern basis. The company meets its day to day working capital requirements through agreed facilities which are repayable on demand. The company expects to operate within the facilities currently agreed for the next 12 months.

#### *Depreciation of tangible fixed assets*

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost of the tangible fixed assets over their estimated useful economic lives

Fixtures and fittings	-	10% - 33% straight line
Plant and machinery	-	10% - 33% straight line
Motor vehicles	-	33% straight line

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes a proportion of attributable production overheads.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Taxation*

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19

#### *Turnover*

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the period

#### *Pensions*

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting year.

### 2 Profit on ordinary activities before taxation

	2013 £	2012 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation		
Owned assets	49,732	55,889
Leased assets	91,755	115,245
Hire of plant and machinery - rentals payable under operating leases	23,445	23,736
Property - rentals payable under operating leases	164,373	164,373
<i>Amounts receivable by auditors in respect of</i>		
Audit of the financial statements	9,400	9,000
Other services relating to taxation	1,800	1,800
Other operating income	-	(110,367)
	<u>          </u>	<u>          </u>

The other operating income relates to the settlement for breach of contract, covering the outstanding trading balances, legal costs incurred and trading losses suffered as a result of the cessation in trading.

## Notes (continued)

### 3 Staff numbers and costs

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

	Number of employees	
	2013	2012
Production and technical	34	34
Sales and distribution	20	22
Administration	1	2
	<u>55</u>	<u>58</u>

The aggregate payroll costs of these persons were as follows

	2013	2012
	£	£
Wages and salaries	1,584,107	1,565,502
Social security costs	163,438	155,149
Other pension costs (see note 16)	57,846	58,011
Redundancy costs	24,240	17,281
	<u>1,829,631</u>	<u>1,795,943</u>

### 4 Remuneration of directors

	2013	2012
	£	£
Directors' emoluments	210,440	177,309
Pension contributions	22,056	22,027
Compensation for loss of office	48,059	-
	<u>280,555</u>	<u>199,336</u>

The emoluments of the highest paid director were £75,300 (2012 £76,801) The pension contributions of the highest paid director were £13,584 (2012 £13,584) There were three directors in the pension scheme during the year

## Notes (continued)

### 5 Interest payable and similar charges

	2013 £	2012 £
Bank loans	56,470	57,048
On other loans	1,142	1,177
Obligations under hire purchase contracts	5,628	7,633
	<u>63,240</u>	<u>65,858</u>

### 6 Taxation

#### Analysis of tax charge in period

	£	2013 £	£	2012 £
<i>UK Corporation tax</i>				
Current tax on income in the period	15,718		5,942	
Adjustment in respect of prior periods	(1,837)		7,675	
	<u></u>		<u></u>	
Total current tax		13,881		13,617
<i>Deferred tax</i>				
Origination/reversal of timing differences	(4,410)		17,624	
Prior year adjustment	1,741		(7,532)	
	<u></u>		<u></u>	
		(2,669)		10,092
		<u></u>		<u></u>
Tax on profit on ordinary activities		11,212		23,709

	2013 £	2012 £
<b>Current tax reconciliation</b>		
Profit on ordinary activities before tax	22,359	84,557
	<u></u>	<u></u>
Current tax at 20% (2012 20 %)	4,472	16,911
Effects of		
Expenses not deductible for tax purposes	6,836	6,655
Utilisation of brought forward losses	-	(29,444)
Depreciation in excess of capital allowances	4,410	11,720
Adjustment in respect of prior period	(1,837)	7,675
Others	-	100
	<u></u>	<u></u>
Total current tax charge	13,881	13,617

## Notes (continued)

### 7 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At beginning of year	2,488,612	298 113	6,830	2,793,555
Additions	59,437	-	-	59,437
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	2,548,049	298,113	6,830	2,852,992
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At beginning of year	2,139,564	251,977	6,830	2,398,371
Charge for year	128,064	13,423	-	141 487
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	2,267,628	265,400	6,830	2,539,858
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 30 September 2013	<b>280,421</b>	<b>32,713</b>	<b>-</b>	<b>313,134</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2012	349,048	46,136	-	395,184
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the total net book value of tangible fixed assets is £216,450 (2012 £306,125) in respect of assets held under finance leases and similar hire purchase contracts

Depreciation for the year on these assets was £95,047 (2012 £115,245)

### 8 Stocks

	2013 £	2012 £
Raw materials	50,011	40,215
Work in progress	177,140	115,663
	<hr/>	<hr/>
	<b>227,151</b>	<b>155 878</b>
	<hr/>	<hr/>

## Notes (continued)

### 9 Debtors

	2013 £	2012 £
<b>Amounts falling due within one year</b>		
Trade debtors	907,568	817,372
Prepayments and accrued income	76,857	73,599
Corporation tax	-	6,132
	<hr/> 984,425	<hr/> 897,103
<b>Amounts falling due after more than one year</b>		
Amounts due from group undertakings	420,687	420,687
Other debtors	40,000	40,000
	<hr/> 460,687	<hr/> 460,687
	<hr/> <b>1,445,112</b>	<hr/> <b>1,357,790</b>

Included within amounts due from group undertakings is an amount of £420,687 (2012 £420,687) due from Rivendell (Holdings) Limited

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

	2013 £	2012 £
Trade creditors	282,713	232,813
Hire purchase obligations	61,850	92,469
Corporation tax	15,718	6,235
Other taxes and social security	84,608	79,470
Other creditors	914,556	757,287
Accruals	186,804	179,359
	<hr/> 1,546,249	<hr/> 1,347,633

Included within other creditors is an amount of £849,423 (2012 £687,844) due to Bank of Scotland in respect of a confidential invoice discounting agreement. This liability is secured over certain book debts of the company. Also included within other creditors is an amount of £65,133 due to Mr J McAulay (2012 £69,443), who is a director of the company. Included within creditors payable after more than one year (note 11) is £nil (2012 £59,444) due to Mr J McAulay.



## Notes (continued)

### 11 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Hire purchase obligations	14,872	72,693
Other creditors	17,532	59,444
	<u>32,404</u>	<u>132,137</u>

	2013 £	2012 £
Analysis of debt		
Debt can be analysed as falling due		
In one year or less, or on demand	976,406	849,756
Between one and two years	32,404	132,137
	<u>1,008,810</u>	<u>981,893</u>

The maturity of obligations under finance leases and hire purchase contracts is as follows

	£	£
Within one year	61,850	92,469
In the second to fifth years	14,872	72,693
	<u>76,722</u>	<u>165,162</u>

### 12 Provisions for liabilities and charges

	Deferred taxation £
At beginning of year	11,734
Credit to the profit and loss for the year	(2,669)
	<u>9,065</u>
At end of year liability	<u>9,065</u>

The elements of deferred tax are as follows

	2013 £	2012 £
Difference between accumulated depreciation and capital allowances	9,065	11,834
Other timing differences	-	(100)
	<u>9,065</u>	<u>11,734</u>
Deferred tax liability	<u>9,065</u>	<u>11,734</u>

## Notes (continued)

### 13 Called up share capital

	2013 £	2012 £
<i>Authorised</i>		
Ordinary shares of £1 each	41,000	41,000
	<u>41,000</u>	<u>41,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	41,000	41,000
	<u>41,000</u>	<u>41,000</u>

### 14 Reserves

	Share premium account £	Capital reserve £	Profit and loss account £	Total £
At beginning of year	9,000	220,677	184,904	414,581
Profit for the year	-	-	11,147	11,147
	<u>9,000</u>	<u>220,677</u>	<u>196,051</u>	<u>425,728</u>
At end of year	<u>9,000</u>	<u>220,677</u>	<u>196,051</u>	<u>425,728</u>

### 15 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2013	2012
	Land and buildings £	Land and buildings £
	Other £	Other £
Operating lease which expire		
Within one year	-	8,803
In the second to fifth years inclusive	7,874	12,358
After five years	164,373	-
	<u>164,373</u>	<u>21,161</u>
	<u>164,373</u>	<u>21,161</u>

### 16 Pension scheme

The company contributes to employees' and directors' defined contribution pension schemes. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profit of £57,846 (2012 £58,011) represents the contributions payable to employees' and directors schemes in respect of the accounting period.

## Notes (continued)

### 17 Analysis of cash flows

	2013 £	2012 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		
Operating profit	85,599	150,415
Depreciation charge	141,487	171,134
(Increase)/decrease in stocks	(71,273)	24,431
Increase in debtors	(93,454)	(13,384)
Increase/(decrease) in creditors	80,015	(129,224)
	<u>142,374</u>	<u>203,372</u>
<b>Returns on investment and servicing of finance</b>		
Interest paid	(63,240)	(65,858)
	<u>(63,240)</u>	<u>(65,858)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(59,437)	(23,535)
	<u>(59,437)</u>	<u>(23,535)</u>
<b>Financing</b>		
Repayments of hire purchase obligations	(93,812)	(112,405)
Confidential Invoice Discounting	161,579	63,613
Repayment of directors loan	(63,754)	(64,715)
	<u>4,013</u>	<u>(113,507)</u>
<b>Net cash outflow from financing</b>		

## Notes (continued)

### 18 Analysis of net debt

	At beginning of year £	Cash flow £	Other non-cash changes £	At end of year £
Cash in hand	242	273	-	515
Cash at bank	37,991	30,543	-	68,534
	<u>38,233</u>	<u>30,816</u>	<u>-</u>	<u>69,049</u>
Debt due within one year	(687,844)	(161,579)	-	(849,423)
Hire purchase agreements	(165,162)	93,812	(5,372)	(76,722)
Loan	(128,887)	63,754	-	(65,133)
	<u>(981,893)</u>	<u>(4,013)</u>	<u>(5,372)</u>	<u>(991,278)</u>
<b>Total</b>	<u>(943,660)</u>	<u>26,803</u>	<u>(5,372)</u>	<u>(922,229)</u>

### 19 Related party note

Included within other creditors is an amount of £65,133 due to Mr J McAulay (2012 £69,443), who is a director of the company

Included within creditors payable after more than one year (note 11) is £nil (2012 £59,444) due to Mr J McAulay

### 20 Ultimate parent company

The company is a subsidiary undertaking of Rivendell (Holdings) Limited, a company incorporated in England. This company is also the ultimate parent company of the group.