

Drawlin Limited

Financial statements
For the year ended 30 June 2010

TUESDAY



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22/02/2011
COMPANIES HOUSE

Company No. 5824941

Company information

Company registration number :	5824941
Registered office :	Unit B2 Brookside Business Park Greengate Middleton Manchester M24 1GS
Directors :	B Dunn D J Metcalfe
Secretary :	C Dunn
Bankers :	Royal Bank of Scotland Bolton Group Branch 46-48 Deansgate Bolton BL1 1BH
Solicitors :	HBJ Gateley Wareing LLP Ship Canal House 98 King Street Manchester M2 4WU
Auditors :	Grant Thornton UK LLP Registered Auditors Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB

Index to the financial statements

Report of the directors	3 – 4
Auditor's Report	5 - 6
Principal accounting policies	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 13

Report of the directors

The directors present their report together with the audited financial statements of the Company for the year ended 30 June 2010

Principal activity

The Company trades as “Archive Solutions” and provides services throughout the UK

The principal activity of the Company continued to be the provision of records management services, offering solutions for all document and data storage and destruction requirements, including

- Physical storage of boxes and files
- Digital Scanning
- Records Management Systems, providing customers with an on-line database of items in storage with the ability to view digitally scanned images
- Certified Confidential Destruction of physical and digital data

Business review and future outlook

The directors are pleased with the development of the business during the year both in trading results and ability to service customers well. The Company’s ethos is to focus on strong customer service, tailoring service offerings to suit individual customer requirements

During the year, the Company has continued to invest in new technologies to provide added value to customers such as increased scanning capacity and on-line review and access of archive storage

The directors believe that the Company is well placed to take advantage of growth opportunities in the marketplace and has won a number of new contracts since the year end. The directors expect a period of growth and enhanced profitability as the Company converts the full potential of new customer business

The principal Key Performance Indicators (“KPIs”) that are monitored by the directors include rate of growth, profitability and cashflow derived from operating activities. Other KPIs include the monitoring of service levels to customers and staff efficiency

Results and dividends

The company reported an EBITDA before exceptional items for the year of £287,997 (2009 £150,721). Exceptional items of £54,791 (2009 £78,089) related to one-off retrieval charges payable at the start of new contracts and one-off staff costs

The profit for the year after taxation amounted to £165,076 (2009 £21,294) and has been transferred to reserves. The directors did not recommend payment of any dividends (2009 £nil) during the year

Directors

The directors of the Company are listed below. All served on the Board throughout the year, unless otherwise indicated

Brian Dunn
David Metcalfe

Report of the directors (continued)

Financial risk management objectives and policies

The entity is exempt from disclosing financial risk management objectives and policies on the basis it meets the size criteria for a small company

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 to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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
- 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 disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Grant Thornton UK LLP were appointed by the board of directors and offer themselves for reappointment as auditors in accordance with Section 485(4) of the Companies Act 2006.

BY ORDER OF THE BOARD



C Dunn
Company Secretary
17 February 2011



Independent auditor's report to the members of Drawlin Limited

We have audited the financial statements of Drawlin Limited for the year ended 30 June 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 statement of directors' responsibilities set out on page 4, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

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 June 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, 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 Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent auditor's report to the members of Drawlin 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime

Grant Thornton UK LLP

John Shinnick
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

17 February 2011

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The Company is entitled to exemptions from disclosure under the Financial Reporting Standard for Smaller Entities (effective April 2008) but has provided additional information in these accounts by way of voluntary disclosure.

Exemption has been taken from preparing a cash flow statement on the grounds that the Company qualifies as a small company.

The directors have reviewed the accounting policies in accordance with FRS 18 and consider them to be the most appropriate to the Company's circumstances.

Turnover

Turnover is the total amount receivable by the Company for goods supplied and services provided, excluding VAT and trade discounts. Revenue from services provided is recognised when the Company has performed its obligations and in exchange obtained the right to consideration.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	–	5 years
Computer equipment	–	3 years
Fixtures and fittings	–	3 years

Stocks

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Intangible assets

Intangible assets are included at cost less amounts written off and represent the original cost of purchase of the business which is being amortised over 10 years.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

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.

Profit and loss account

	Note	Year Ended 30 June 2010 £	Year ended 30 June 2009 £
Turnover – continuing operations	1	868,157	606,166
Cost of sales		<u>(450,440)</u>	<u>(352,926)</u>
Gross profit		417,717	253,240
Administrative expenses		<u>(235,513)</u>	<u>(220,790)</u>
Operating profit – continuing operations		182,204	32,450
Bank Interest payable		<u>(6,026)</u>	<u>(5,832)</u>
Profit on ordinary activities before taxation	1	176,178	26,618
Tax on profit on ordinary activities	3	(11,102)	(5,324)
Profit transferred to reserves	11	<u>165,076</u>	<u>21,294</u>
Adjusted EBITDA		<u>287,997</u>	<u>150,721</u>

There were no recognised gains or losses other than the profit for the financial year

Balance sheet

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	4	170,758	116,380
Intangible assets	5	145,685	166,970
		<u>316,443</u>	<u>283,351</u>
Current assets			
Stocks	6	2,277	1,000
Debtors	7	212,630	158,346
Cash at bank		44,195	-
		<u>259,102</u>	<u>159,346</u>
Creditors: amounts falling due within one year	8	<u>(202,670)</u>	<u>(253,622)</u>
Net current assets / (liabilities)		<u>56,432</u>	<u>(94,276)</u>
Total assets less current liabilities		372,875	189,075
Creditors: amounts falling due after more than one year	9	<u>(76,262)</u>	<u>(57,538)</u>
Net assets		<u><u>296,613</u></u>	<u><u>131,537</u></u>
Capital and reserves			
Called up share capital	10	3	3
Share premium account	11	97,999	97,999
Profit and loss account	11	198,611	33,535
Shareholders' funds	12	<u><u>296,613</u></u>	<u><u>131,537</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 17 February 2011 and signed on their behalf by



D J Metcalfe, Director
Drawlin Limited
Company number 5824941

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

Turnover is attributable to the Company's principal activity. The profit on ordinary activities is stated after charging:

	Year ended 30 June 2010 £	Year ended 30 June 2009 £
Amortisation of intangible assets	21,285	20,223
Depreciation of owned fixed assets	29,717	19,959
Exceptional items	54,791	78,089
Auditors' remuneration - audit of the company	5,000	-
Auditors' remuneration - tax fees	3,000	-
Operating lease rentals		
– vehicles	20,059	15,516
– land and buildings	119,895	93,513

Exceptional items relate to one-off retrieval charges payable at the start of new contracts and one-off staff costs.

2 Directors and staff costs

	Year ended 30 June 2010 £	Year ended 30 June 2009 £
Staff costs during the year were as follows		
Wages and salaries	218,969	192,673
Social security costs	19,762	15,859
	<u>238,731</u>	<u>208,532</u>

The average number of employees during the year was

	Number	Number
Management and sales	2	1
Operations	11	8
	<u>13</u>	<u>9</u>

The directors received no remuneration for their services to the company.

3 Tax on profit on ordinary activities

The tax charge is made up as follows

	Year ended 30 June 2010 £	Year ended 30 June 2009 £
Current tax		
UK Corporation tax	26,387	5,324
Adjustments in respect of prior years	(15,285)	-
Total corporation tax charge	<u>11,102</u>	<u>5,324</u>

Notes to the financial statements (continued)

4 Tangible fixed assets

	Fixtures and Fittings £	Computer equipment £	Motor Vehicles £	Plant and machinery £	Total £
Cost					
At 1 July 2009	126,571	21,729	-	1,012	149,312
Additions	64,780	18,315	1,000	-	84,095
At 30 June 2010	<u>191,351</u>	<u>40,044</u>	<u>1,000</u>	<u>1,012</u>	<u>233,407</u>
Depreciation					
At 1 July 2009	22,694	9,838	-	400	32,932
Provided in the year	19,475	9,790	194	258	29,717
At 30 June 2010	<u>42,169</u>	<u>19,628</u>	<u>194</u>	<u>658</u>	<u>62,649</u>
Net book amount					
At 30 June 2010	<u>149,182</u>	<u>20,416</u>	<u>806</u>	<u>354</u>	<u>170,758</u>
At 30 June 2009	<u>103,877</u>	<u>11,891</u>	<u>-</u>	<u>612</u>	<u>116,380</u>

There are no assets held under finance lease or hire purchase contracts

5 Intangible assets

	Total £
Cost	
At 1 July 2009 and 30 June 2010	<u>210,341</u>
Depreciation	
At 1 July 2009	43,371
Provided in the year	<u>21,285</u>
At 30 June 2010	<u>64,656</u>
Net book amount	
At 30 June 2010	<u>145,685</u>
At 30 June 2009	<u>166,970</u>

Intangible assets relate to the purchase of the business

6 Stocks

	2010 £	2009 £
Boxes, labels and barcodes	<u>2,277</u>	<u>1,000</u>
	<u>2,277</u>	<u>1,000</u>

Notes to the financial statements (continued)

7 Debtors

	2010 £	2009 £
Trade debtors	186,547	133,708
Other debtors	21,096	17,724
Prepayments	4,987	6,914
	<u>212,630</u>	<u>158,346</u>

8 Creditors : amounts falling due within one year

	2010 £	2009 £
Trade creditors	39,831	68,207
Other taxation and social security	25,310	8,761
Bank overdraft	-	126,124
Corporation tax	26,387	15,285
Other creditors and accruals	85,223	19,972
Deferred income	25,919	15,273
	<u>202,670</u>	<u>253,622</u>

9 Creditors : amounts falling after more than one year

	2010 £	2009 £
Deferred income	22,876	23,609
Bank loan	53,386	33,929
	<u>76,262</u>	<u>57,538</u>

10 Share capital

	2010 £	2009 £
Authorised 3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>
Allotted, called up and fully paid 3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>

11 Reserves

	Share premium account £	Profit and loss account £
At 1 July 2009	97,999	33,535
Profit for the year	-	165,076
At 30 June 2010	<u>97,999</u>	<u>198,611</u>

Notes to the financial statements (continued)

12 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	165,076	21,294
Shareholders' funds at 1 July	131,537	110,243
Shareholders' funds at 30 June	296,613	131,537

13 Leasing commitments

At 30 June 2010, the Company had aggregate annual commitments under non-cancellable operating leases as set out below

	Land and buildings		Other	
	2010 £	2009 £	2010 £	2009 £
Operating leases which expire				
– within one year	6,877	5,431	-	-
– within two to five years	38,400	44,844	14,940	18,708
	45,277	50,275	14,940	18,708

14 Capital Commitments

There were no capital commitments at 30 June 2010 or 30 June 2009

15 Ultimate controlling party

The Company is owned by three private individuals and as such has no controlling party