

# Norprint Group Limited

Registered number 06301686

## Directors' report and financial statements

For the period ended 30 June 2010

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# **NORPRINT GROUP LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	R H Colclough P R Johnson (appointed 16 April 2010) A Laidlaw (appointed 16 April 2010)
<b>Company secretary</b>	D Champion
<b>Company number</b>	06301686
<b>Registered office</b>	Horncastle Road Boston Lincolnshire PE21 9HZ
<b>Auditors</b>	Mazars LLP Chartered Accountants & Statutory Auditors Cartwright House Tottle Road Nottingham NG2 1RT

# **NORPRINT GROUP LIMITED**

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# **NORPRINT GROUP LIMITED**

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2010**

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The directors present their report and the financial statements for the period ended 30 June 2010

### **Statement of directors' responsibilities**

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 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 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.

### **Principal activities**

The principal activities of the group are, the manufacture of accountable revenue collection tracking documents (magnetic and RFID) for ground, air and other related mass transit systems, the production of tags, tickets and self-adhesive labels for use within commercial, security and food industries, and the distribution of printers, thermal transfer ribbons and software systems.

### **Business review**

On 16 April 2010, Norprint Group Limited purchased the entire share capital of Magnadata Group Limited in exchange for shares in Norprint Group Limited.

The group has traded profitably during the year and it is the intention that its principal activities will continue for the foreseeable future.

The group balance sheet, on page 8 of the financial statements, shows the group has total assets less current liabilities at 30 June 2010 of £1,931,045.

**Post balance sheet event** The group has been awarded a £25m rail ticket contract with ATOC to cover 5 years up to 2015.

Whilst the current economic conditions are uncertain, the Board is optimistic about the future prospects of the business.

# **NORPRINT GROUP LIMITED**

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2010**

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The directors believe that the group has adequate resources to continue in operational existence for the foreseeable future. The directors have no reason to believe that turnover during 2010/11 will be less than the level for 2009/10. For this reason, they continue to adopt the going concern basis in producing accounts. A statement of the responsibilities of the directors in relation to the financial statements appears above.

The key risks faced by the group are

- Increases in cost of raw materials,
- Economic conditions in the world economy leading to lower consumer spend, and
- Exposure to fluctuations in currency rates

### **Results and dividends**

The profit for the period, after taxation, amounted to £742,229 (2009 - £417,748)

There have been no dividends paid during the year

### **Directors**

The directors who served during the period were

R H Colclough

P R Johnson (appointed 16 April 2010)

A Laidlaw (appointed 16 April 2010)

### **Financial instruments**

The group's exposure to liquidity risk and interest rate risk is managed through the group's funding arrangements. Various financial instruments such as trade debt and trade payables arise from the group's operational activities.

#### **Liquidity risk**

The group manages the borrowing requirements of both the UK and USA companies centrally to minimise interest expense whilst ensuring sufficient liquid resources exist to meet the operating needs of the group. The borrowing requirement of Magnadata Pty Limited is reviewed centrally but managed locally, whilst hedged against assets based in Australia.

#### **Interest rate risk**

The group is exposed to fair value interest rate risk on fixed rate borrowings and cash flow interest rate risk on floating rate bank loans and other loans.

#### **Credit risk**

Investments of cash surpluses and borrowings are made through banks which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

### **Group's policy for payment of creditors**

The group's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the group's contractual and other legal obligations

# **NORPRINT GROUP LIMITED**

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2010**

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### **Employee involvement**

It is the group's policy to encourage full and fair consideration of disabled persons pertaining to employment, training, career development and promotion opportunities

The directors support the participation of the employees in the activities of the group, encourage employees to become involved in the pursuit of safety, efficiency and high performance, and provide employees with regular communication on the group's plans, performance and programmes

### **Disabled employees**

The group's policy is to give full and fair consideration to applicants for employment made by disabled persons, having regard to their particular aptitudes and abilities

### **Qualifying third party indemnity provisions**

The group has made qualifying third party indemnity provisions for the benefit of its directors during the year which remain in force at the date of this report

### **Provision of information to auditors**

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 auditors are 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 information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

### **Auditors**

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on **7 OCTOBER 2010** and signed on its behalf

  
**R H Colclough**  
Director

# **NORPRINT GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NORPRINT GROUP LIMITED**

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We have audited the financial statements of Norprint Group Limited for the period ended 30 June 2010, which comprise the group Profit and Loss Account, the group and company Balance Sheets, the group Cash Flow Statement, the group Statement of Total Recognised Gains and Losses and the related notes. 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, 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. 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 Auditors' 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.

### **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](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on the 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 June 2010 and of the group's profit for the period 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 the other matter prescribed by the Companies Act 2006**

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

## NORPRINT GROUP LIMITED


### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NORPRINT GROUP LIMITED

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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



Mazars LLP, Chartered Accountants (Statutory Auditors)

Martin Rogers (Senior Statutory Auditor)

Cartwright House  
Tottle Road  
Nottingham  
NG2 1RT

Date 4 October 2010



# NORPRINT GROUP LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2010

	Note	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
<b>Turnover</b>	<b>1,2</b>	30,340,814	29,584,890
Cost of sales		(24,744,604)	(23,883,438)
<b>Gross profit</b>		5,596,210	5,701,452
Selling and distribution costs		(2,127,575)	(2,716,607)
Administrative expenses		(2,126,799)	(1,475,630)
Exceptional administrative expenses		(38,795)	(542,736)
Total administrative expenses		(2,165,594)	(2,018,366)
Other operating income	<b>3</b>	-	27,896
<b>Operating profit</b>	<b>4</b>	1,303,041	994,375
Interest receivable		8,724	24,904
Interest payable	<b>8</b>	(776,668)	(897,708)
Other finance income	<b>9</b>	279,000	382,000
<b>Profit on ordinary activities before taxation</b>		814,097	503,571
Tax on profit on ordinary activities	<b>10</b>	(71,868)	(85,823)
<b>Profit for the financial period</b>		742,229	417,748

All amounts relate to continuing operations

The notes on pages 12 to 30 form part of these financial statements

## NORPRINT GROUP LIMITED

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 30 JUNE 2010

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		11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
	<b>Note</b>		
<b>Profit for the financial period</b>		742,229	417,748
Actuarial gain / (loss) related to pension scheme	<b>28</b>	170,000	(969,000)
Deferred tax attributable to actuarial gain / (loss)	<b>28</b>	(132,280)	234,920
		<hr/>	<hr/>
<b>Total recognised gains and losses relating to the period</b>		<b>779,949</b>	<b>(316,332)</b>
		<hr/>	<hr/>

The notes on pages 12 to 30 form part of these financial statements

**NORPRINT GROUP LIMITED**

Registered number 06301686

**CONSOLIDATED BALANCE SHEET  
AS AT 30 JUNE 2010**

			30 June 2010 £	31 July 2009 £
	Note	£		
<b>Fixed assets</b>				
Intangible fixed assets	11		513,227	614,554
Tangible fixed assets	12		2,171,969	2,766,339
			<u>2,685,196</u>	<u>3,380,893</u>
<b>Current assets</b>				
Stocks	14	2,508,249		2,744,123
Debtors amounts falling due after more than one year	15	745,720		1,118,806
Debtors amounts falling due within one year	15	6,977,802		8,396,397
Cash at bank and in hand		185,888		68,116
		<u>10,417,659</u>		<u>12,327,442</u>
<b>Creditors</b> amounts falling due within one year	16	(11,171,810)		(13,285,338)
<b>Net current liabilities</b>			<u>(754,151)</u>	<u>(957,896)</u>
<b>Total assets less current liabilities</b>			<u>1,931,045</u>	<u>2,422,997</u>
<b>Creditors</b> amounts falling due after more than one year	17		89,062	863,355
<b>Provisions for liabilities</b>				
Other provisions	19		-	313,608
Defined benefit pension scheme liability	28		2,019,000	2,203,000
<b>Capital and reserves</b>				
Called up share capital	20	214,500		214,500
Other reserves	21	1,143,747		1,143,747
Profit and loss account	21	(1,535,264)		(2,315,213)
	22		<u>(177,017)</u>	<u>(956,966)</u>
			<u>1,931,045</u>	<u>2,422,997</u>

## NORPRINT GROUP LIMITED

### CONSOLIDATED BALANCE SHEET (continued) AS AT 30 JUNE 2010

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

7 OCTOBER 2010



**R H Colclough**  
Director

The notes on pages 12 to 30 form part of these financial statements

**NORPRINT GROUP LIMITED**

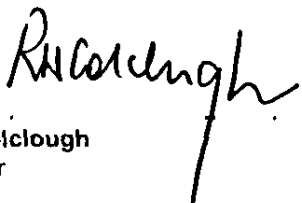
Registered number 06301686

**COMPANY BALANCE SHEET  
AS AT 30 JUNE 2010**

	Note	30 June 2010 £	31 July 2009 £
<b>Fixed assets</b>			
Fixed asset investments	13	680,499	680,499
<b>Current assets</b>			
Debtors	15	1	1
<b>Total assets less current liabilities</b>		<u>680,500</u>	<u>680,500</u>
<b>Creditors</b> amounts falling due after more than one year	17	466,000	466,000
<b>Capital and reserves</b>			
Called up share capital	20	<u>214,500</u>	<u>214,500</u>
		<u>680,500</u>	<u>680,500</u>

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

7 OCTOBER 2010

  
R H Colclough  
Director

The notes on pages 12 to 30 form part of these financial statements

# NORPRINT GROUP LIMITED

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2010

	Note	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Net cash flow from operating activities	24	2,480,682	828,487
Returns on investments and servicing of finance	25	(347,944)	(466,804)
Taxation		(43,741)	24,433
Capital expenditure and financial investment	25	(53,146)	(231,161)
<b>Cash inflow before financing</b>		<b>2,035,851</b>	<b>154,955</b>
Financing	25	(1,918,079)	(203,367)
<b>Increase/(Decrease) in cash in the period</b>		<b>117,772</b>	<b>(48,412)</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE PERIOD ENDED 30 JUNE 2010

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Increase/(Decrease) in cash in the period	117,772	(48,412)
Cash outflow from decrease in debt and lease financing	1,918,079	203,367
<b>Movement in net debt in the period</b>	<b>2,035,851</b>	<b>154,955</b>
Net debt at 1 August 2009	(7,253,430)	(7,408,385)
<b>Net debt at 30 June 2010</b>	<b>(5,217,579)</b>	<b>(7,253,430)</b>

The notes on pages 12 to 30 form part of these financial statements

# **NORPRINT GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010**

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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

#### **1.2 Basis of consolidation**

The financial statements consolidate the accounts of Norprint Group Limited and all of its subsidiary undertakings ('subsidiaries')

In respect of Magnadata Group Limited and its subsidiary undertakings, the group financial statements have been prepared in accordance with the principles of merger accounting. The profits of Magnadata Group Limited and its subsidiary undertakings have been included in the financial statements for the whole of the year. Comparative figures have been presented as if the companies had been combined throughout the previous period and at the previous balance sheet date

#### **1.3 Turnover**

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

#### **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	-	5-33%	straight line
Motor vehicles	-	25%	straight line
Office equipment	-	5-25%	straight line

#### **1.6 Investments**

Investments in subsidiaries are valued at cost less provision for impairment

#### **1.7 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

# **NORPRINT GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010**

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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

#### **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

#### **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 development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related development is written off to the Profit and Loss Account

Research costs are written off to the Profit and Loss Account as incurred



# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

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### 1 Accounting Policies (continued)

#### 1.13 Pensions

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

The group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 June 2009

### 2 Turnover

Due to the niche market served by the Group, the directors consider that segmental information is too commercially sensitive to warrant disclosing in the financial statements

### 3 Other operating income

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Net rents receivable	-	27,896

### 4 Operating profit

The operating profit is stated after charging/(crediting)

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Amortisation - intangible fixed assets	27,373	26,641
Depreciation of tangible fixed assets		
- owned by the group	538,419	512,281
- held under finance leases	141,616	140,712
Operating lease rentals		
- plant and machinery	53,822	72,051
Difference on foreign exchange	(664,125)	(738,386)
Amortisation of deferred development expenditure	84,000	84,000
Exceptional administrative expenses	38,795	542,736
Operating lease rentals land and buildings	525,322	525,321

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 5 Auditors' remuneration

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Fees payable to the group's auditor for the audit of the company's annual accounts	55,000	64,000
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	24,224	27,000
	<u>79,224</u>	<u>91,000</u>

### 6 Staff costs

Staff costs, including directors' remuneration, were as follows

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Wages and salaries	5,819,801	5,748,305
Social security costs	579,261	606,453
Other pension costs (Note 28)	273,068	295,983
	<u>6,672,130</u>	<u>6,650,741</u>

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

	11 months ended 30 June 2010 No	12 months ended 31 July 2009 No
Production	192	194
Administration	19	21
Sales Administration	39	40
	<u>250</u>	<u>255</u>

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 7 Directors' remuneration

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Emoluments	542,437	391,985
Company pension contributions to money purchase pension schemes	11,240	25,769

During the period retirement benefits were accruing to 5 directors (2009 - 4) in respect of money purchase pension schemes

The highest paid director received remuneration of £109,734 (2009 - £99,829)

The value of the group's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £2,435 (2009 - £3,304)

### 8 Interest payable

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
On bank loans and overdrafts	17,850	15,140
On other loans	314,678	436,895
On finance leases and hire purchase contracts	23,897	39,373
Interest on pension scheme liabilities	420,000	406,000
Other interest payable	243	300
	776,668	897,708

### 9 Other finance income

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Expected return on pension scheme assets	279,000	382,000

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 10. Taxation

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
<b>Analysis of tax (credit)/charge in the period/year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the period/year	4,391	29,438
Adjustments in respect of prior periods	(29,668)	-
	(25,277)	29,438
Foreign tax on income for the period/year	40,584	42,501
Foreign tax adjustments in respect of prior periods	(137,756)	-
<b>Total current tax</b>	(122,449)	71,939
<b>Deferred tax</b>		
Origination and reversal of timing differences - UK	348,621	(272,498)
Origination and reversal of timing differences - Overseas	(22,024)	51,462
Pension deficit	(132,280)	234,920
<b>Total deferred tax</b> (see note 18)	194,317	13,884
<b>Tax on profit on ordinary activities</b>	71,868	85,823

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 10 Taxation (continued)

#### Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2009 - lower than) the standard rate of corporation tax in the UK (28%) The differences are explained below

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Profit on ordinary activities before tax	814,097	503,571
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	227,947	141,000
<b>Effects of</b>		
Expenses not deductible for tax purposes	65,012	26,269
Capital allowances for period/year in excess of depreciation	28,065	15,622
Utilisation of tax losses	(230,722)	(173,820)
Unrelieved tax losses	-	37,593
Other adjustments	(48,949)	(8,608)
Adjustments to tax charge in respect of prior periods	(167,425)	-
Group relief	11,492	33,883
Effect of small companies rate	(7,869)	-
<b>Current tax (credit)/charge for the period/year (see note above)</b>	<b>(122,449)</b>	<b>71,939</b>

#### Factors that may affect future tax charges

Legislation is being introduced which will bring in a phased decrease in the rate of corporation tax commencing with a reduction to 27% on 1 April 2011 and further reducing by 1% per annum until it reaches 24% on 1 April 2014

The year end deferred taxation position has been calculated based on the rate that is expected to apply when the asset is realised or the liability is settled

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 11 Intangible fixed assets

Group	Development £	Goodwill £	Total £
<b>Cost</b>			
At 1 August 2009	538,516	535,277	1,073,793
Foreign exchange movement	-	15,169	15,169
At 30 June 2010	538,516	550,446	1,088,962
<b>Amortisation</b>			
At 1 August 2009	352,096	107,143	459,239
Charge for the period	84,000	27,373	111,373
Foreign exchange movement	-	5,123	5,123
At 30 June 2010	436,096	139,639	575,735
<b>Net book value</b>			
At 30 June 2010	102,420	410,807	513,227
At 31 July 2009	186,420	428,134	614,554

### 12. Tangible fixed assets

Group	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
<b>Cost</b>				
At 1 August 2009	7,662,516	10,094	37,924	7,710,534
Additions	80,146	-	-	80,146
Disposals	(61,118)	-	-	(61,118)
Foreign exchange movement	60,669	-	-	60,669
At 30 June 2010	7,742,213	10,094	37,924	7,790,231
<b>Depreciation</b>				
At 1 August 2009	4,898,790	10,094	35,311	4,944,195
Charge for the period	678,005	-	2,030	680,035
On disposals	(44,009)	-	-	(44,009)
Foreign exchange movement	38,041	-	-	38,041
At 30 June 2010	5,570,827	10,094	37,341	5,618,262
<b>Net book value</b>				
At 30 June 2010	2,171,386	-	583	2,171,969
At 31 July 2009	2,763,726	-	2,613	2,766,339

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 12. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	30 June 2010 £	31 July 2009 £
<b>Group</b>		
Plant and machinery	719,536	861,153

### 13. Fixed asset investments

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>	
At 1 August 2009 and 30 June 2010	680,499

Details of the principal subsidiaries can be found under note number 31

### 14. Stocks

	<b>Group</b>		<b>Company</b>	
	30 June 2010 £	31 July 2009 £	30 June 2010 £	31 July 2009 £
Raw materials	1,717,020	1,565,838	-	-
Work in progress	131,273	213,748	-	-
Finished goods and goods for resale	659,956	964,537	-	-
	2,508,249	2,744,123	-	-

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 15 Debtors

	<u>Group</u>		<u>Company</u>	
	30 June 2010 £	31 July 2009 £	30 June 2010 £	31 July 2009 £
<b>Due after more than one year</b>				
Other debtors	-	46,489	-	-
	745,720	1,072,317	-	-
	<u>745,720</u>	<u>1,118,806</u>	<u>-</u>	<u>-</u>
	<u>Group</u>		<u>Company</u>	
	30 June 2010 £	31 July 2009 £	30 June 2010 £	31 July 2009 £
<b>Due within one year</b>				
Trade debtors	6,214,892	7,269,157	-	-
Other debtors	251,680	612,539	1	1
Prepayments and accrued income	511,230	514,701	-	-
	<u>6,977,802</u>	<u>8,396,397</u>	<u>1</u>	<u>1</u>

### 16. Creditors Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	30 June 2010 £	31 July 2009 £	30 June 2010 £	31 July 2009 £
Bank loans and overdrafts	5,254,891	6,250,127	-	-
Net obligations under finance leases and hire purchase contracts	59,513	208,064	-	-
Trade creditors	4,251,896	4,412,403	-	-
Corporation tax	64,240	230,431	-	-
Social security and other taxes	410,669	945,032	-	-
Other creditors	339,957	302,438	-	-
Accruals and deferred income	790,644	936,843	-	-
	<u>11,171,810</u>	<u>13,285,338</u>	<u>-</u>	<u>-</u>

See note 17 for details of security



# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 17 Creditors Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	<u>30 June</u>	<u>31 July</u>	<u>30 June</u>	<u>31 July</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
Bank loans	39,658	765,800	-	-
Net obligations under finance leases and hire purchase contracts	49,404	97,555	-	-
Amounts owed to group undertakings	-	-	466,000	466,000
	<u>89,062</u>	<u>863,355</u>	<u>466,000</u>	<u>466,000</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	<u>Group</u>		<u>Company</u>	
	<u>30 June</u>	<u>31 July</u>	<u>30 June</u>	<u>31 July</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
Between one and five years	49,404	97,555	-	-

The bank loans bear interest at rates ranging between 1.75% to 3.75% above base rate

Bank loans and overdrafts are secured by a fixed and floating charge over all property and assets

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate

A mortgage debenture limited to £1,200,000 is in place which incorporates a fixed and floating charge over all the assets of Magnadata International Limited, subsidiary within the group

### 18 Deferred taxation

	<u>Group</u>		<u>Company</u>	
	<u>30 June</u>	<u>31 July</u>	<u>30 June</u>	<u>31 July</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
At beginning of period/year	1,072,317	748,357	-	-
(Charge for)/released during the period	(326,597)	323,960	-	-
At end of period/year	<u>745,720</u>	<u>1,072,317</u>	<u>-</u>	<u>-</u>

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 18 Deferred taxation (continued)

The deferred taxation balance is made up as follows

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2010 £</b>	<b>31 July 2009 £</b>	<b>30 June 2010 £</b>	<b>31 July 2009 £</b>
Accelerated capital allowances	(18,603)	(86,422)	-	-
On pension liability	484,560	616,840	-	-
Pension accrual	6,369	5,195	-	-
Tax losses	120,394	222,757	-	-
Loan debits	144,137	168,090	-	-
Other short term timing differences	8,863	145,857	-	-
	<u>745,720</u>	<u>1,072,317</u>	<u>-</u>	<u>-</u>

### 19 Provisions

<b>Group</b>	<b>£</b>
At 1 August 2009	313,608
Amounts reversed	(313,608)
	<u>-</u>
At 30 June 2010	<u>-</u>

The above provision was in relation to an onerous lease

The Company has no provisions

### 20. Share capital

	<b>30 June 2010 £</b>	<b>31 July 2009 £</b>
<b>Allotted, called up and fully paid</b>		
214,500 Ordinary shares of £1 each	<u>214,500</u>	<u>214,500</u>

On 16 April 2010 214,499 ordinary shares of £1 each were issued in exchange for the shares in Magnadata Group Limited, subsidiary company

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 21. Reserves

Group	Other reserves £	Profit and loss account £
At 1 August 2009	1,143,747	(2,315,213)
Profit for the period	-	742,229
Pension reserve movement	-	37,720
At 30 June 2010	<u>1,143,747</u>	<u>(1,535,264)</u>

Other reserves have arisen as a result of the acquisition of shares in Magnadata Group Limited which has been accounted for using Group Reconstruction Relief

### 22. Reconciliation of movement in shareholders' deficit

Group	30 June 2010 £	31 July 2009 £
Opening shareholders' deficit	(956,966)	(174,634)
Profit for the period/year	742,229	417,748
Other recognised gains and losses during the period/year	37,720	(734,080)
Other movements in profit and loss reserve	-	(466,000)
Closing shareholders' deficit	<u>(177,017)</u>	<u>(956,966)</u>

Company	30 June 2010 £	31 July 2009 £
Shareholders' funds at 1 August 2009 and 30 June 2010	<u>214,500</u>	<u>214,500</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 period/year dealt with in the accounts of the company was £NIL (2009 - £NIL)

### 23 Dividends

No dividend has been paid or proposed for the year ended 30 June 2010

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 24 Net cash flow from operating activities

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Operating profit	1,303,041	994,375
Amortisation of intangible fixed assets	111,373	110,641
Depreciation of tangible fixed assets	680,035	652,993
Impairments of fixed assets	(32,674)	-
Profit on disposal of tangible fixed assets	(9,891)	-
Decrease/(increase) in stocks	235,873	(416,747)
Decrease/(increase) in debtors	1,465,083	(732,915)
(Decrease)/increase in creditors	(803,550)	213,415
(Decrease)/increase in provisions	(313,608)	160,725
Decrease in net pension assets/liabilities	(155,000)	(154,000)
<b>Net cash inflow from operating activities</b>	<b>2,480,682</b>	<b>828,487</b>

### 25. Analysis of cash flows for headings netted in cash flow statement

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	8,724	24,904
Interest paid	(332,771)	(452,335)
Hire purchase interest	(23,897)	(39,373)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(347,944)</b>	<b>(466,804)</b>
	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(80,146)	(231,161)
Sale of tangible fixed assets	27,000	-
<b>Net cash outflow from capital expenditure</b>	<b>(53,146)</b>	<b>(231,161)</b>

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 25. Analysis of cash flows for headings netted in cash flow statement (continued)

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
<b>Financing</b>		
New secured loans	-	32,464
Repayment of loans	(1,721,378)	-
Repayment of finance leases	(196,701)	(235,831)
<b>Net cash outflow from financing</b>	<b>(1,918,079)</b>	<b>(203,367)</b>

### 26. Analysis of changes in net debt

	1 August 2009 £	Cash flow £	Other non-cash changes £	30 June 2010 £
Cash at bank and in hand	68,116	117,772	-	185,888
<b>Debt</b>				
Finance leases	(305,619)	196,701	-	(108,918)
Debts due within one year	(6,250,127)	995,236	-	(5,254,891)
Debts falling due after more than one year	(765,800)	726,142	-	(39,658)
<b>Net debt</b>	<b>(7,253,430)</b>	<b>2,035,851</b>	<b>-</b>	<b>(5,217,579)</b>

### 27. Contingent liabilities

Bank cross company guarantees exist between Norprint Group Limited, Magnadata Group Limited, Magnadata International Limited, Magnadata Tags Limited and Norprint Limited

### 28. Pension commitments

#### Defined Contribution Pension Scheme

Up until 30 June 2002, Magnadata International Limited operated a pension plan, the Magnadata International Pension Plan. There were two sections to the Plan, a contracted-out defined benefits section and a defined contribution section. Both sections have been closed to future contributions, being replaced by a group personal pension plan.

The pension cost charge relating to the group pension plan represents contributions payable by the Group and amounted to £273,068 (2009 £295,983). As at 30 June 2010 contributions amounting to £35,568 (2009 £45,428) were payable and are included in Other Creditors.

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 28 Pension commitments (continued)

The group operates a Defined Benefit Pension Scheme

As mentioned above, Magnadata International Limited has a final salary defined benefit pension scheme. No benefits have accrued since 31 July 2002. Pension benefits for deferred members are based on the members' final pensionable salaries and service at the date accrual ceased (or date of leaving if earlier).

The overall expected return on assets assumption of 5.3% as at 30 June 2010 has been derived by calculating the weighted average of the expected rate of return for each asset class. The following approach has been used to determine the expected rate of return for each asset class:

- fixed interest securities: current market yields,
- equities: allowance for a return of 3.25% more than gilts, and
- cash: current Bank of England base rate

The amounts recognised in the Balance Sheet are as follows:

	<b>11 months ended 30 June 2010 £</b>	<b>12 months ended 31 July 2009 £</b>
Fair value of scheme assets	5,421,000	4,641,000
Present value of unfunded obligations	(7,440,000)	(6,844,000)
Net liability	<u>(2,019,000)</u>	<u>(2,203,000)</u>

The amounts recognised in profit or loss are as follows:

	<b>11 months ended 30 June 2010 £</b>	<b>12 months ended 31 July 2009 £</b>
Expected return on scheme assets	279,000	382,000
Interest on obligation	(420,000)	(406,000)
Total	<u>(141,000)</u>	<u>(24,000)</u>

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 28 Pension commitments (continued)

Changes in the present value of the defined benefit obligation are as follows

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Opening defined benefit obligation	6,844,000	6,587,000
Actuarial Losses	342,000	140,000
Interest cost	420,000	406,000
Benefits paid	(166,000)	(289,000)
Closing defined benefit obligation	7,440,000	6,844,000

Changes in the fair value of scheme assets are as follows

	11 months ended 30 June 2010 £	12 months ended 31 July 2009 £
Opening fair value of scheme assets	4,641,000	5,223,000
Expected return	279,000	382,000
Actuarial gains and (losses)	512,000	(829,000)
Contributions by employer	155,000	154,000
Benefits paid	(166,000)	(289,000)
	5,421,000	4,641,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £37,720 (2009 - £(734,080))

The group expects to contribute £80,000 to its Defined Benefit Pension Scheme in 2011

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2010	2009
European equities	7 15 %	7 35 %
European bonds (Corporates)	5 30 %	6 20 %
European bonds (Gilts)	3 90 %	4 10 %
Cash	0 50 %	0 50 %

# NORPRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

### 28. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages)

	2010	2009
Inflation	3.20 %	3.50 %
Discount rate	5.50 %	6.20 %
Pension increases - current pensioners	2.60 %	2.80 %
Pension increases - future pensioners	2.80 %	2.80 %
Rate of interest for deferred pensioners	3.20 %	3.50 %
Expected return on assets	5.30 %	6.00 %

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2010 £	2009 £	2008 £	2007 £	2006 £
Defined benefit obligation	(7,440,000)	(6,844,000)	(6,587,000)	(6,601,000)	(7,308,000)
Scheme assets	5,421,000	4,641,000	5,223,000	5,669,000	5,482,000
Deficit	<u>(2,019,000)</u>	<u>(2,203,000)</u>	<u>(1,364,000)</u>	<u>(932,000)</u>	<u>(1,826,000)</u>
Experience adjustments on scheme liabilities	(342,000)	(140,000)	180,000	550,000	(264,000)
Experience adjustments on scheme assets	<u>512,000</u>	<u>(829,000)</u>	<u>(753,000)</u>	<u>293,000</u>	<u>372,000</u>

### 29. Operating lease commitments

At 30 June 2010 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	30 June 2010 £	31 July 2009 £	30 June 2010 £	31 July 2009 £
Group				
Expiry date				
Within 1 year	-	-	59,321	123,184
Between 2 and 5 years	-	-	158,099	274,312
After more than 5 years	<u>525,322</u>	<u>525,322</u>	<u>-</u>	<u>-</u>

### 30 Related party transactions

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies 100% owned whose voting rights are controlled within the group



## NORPRINT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

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#### 31. Principal subsidiaries

Company name	Country	Shareholding	Description
Magnadata Group Limited	England and Wales	100% Ordinary Shares	Dormant
Magnadata International Limited	England and Wales	100% Ordinary Shares	Marketing, selling, manufacture and distribution of accountable revenue collection and tracking documents, in the form of tickets and tags
Magnadata USA Inc	USA	100% Ordinary Shares	Marketing, selling and distribution to the ground and air mass transit markets within the USA
Norprint Limited	England and Wales	100% Ordinary Shares	Self-adhesive label producer
Magnadata PTY Limited	Australia	100% Ordinary Shares	Marketing, selling, manufacture and distribution to the ground and air mass transit markets in Australia
Magnadata Tags Limited	England and Wales	100% Ordinary Shares	Dormant

#### 32. Group reconstruction

On 16 April 2010 214,499 ordinary shares in Norprint Group Limited were issued in respect of 100% of the ordinary shares in Magnadata Group Limited. This has been accounted for using Group Reconstruction Relief.