

COMPANY REGISTRATION NUMBER 3443003

SANDHURST AUTOPRINT LIMITED
FINANCIAL STATEMENTS
31 JULY 2011



STEWART & CO
Chartered Accountants & Statutory Auditor
Knoll House, Knoll Road
Camberley, Surrey
GU15 3SY

SANDHURST AUTOPRINT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

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SANDHURST AUTOPRINT LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director	T M Sanders
Company secretary	J A Sanders
Registered office	Knoll House Knoll Road Camberley Surrey GU15 3SY
Auditor	Stewart & Co Chartered Accountants & Statutory Auditor Knoll House, Knoll Road Camberley, Surrey GU15 3SY

SANDHURST AUTOPRINT LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 JULY 2011

The director has pleasure in presenting his report and the financial statements of the group for the year ended 31 July 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group during the year was the supply of materials for, and the manufacture of, vehicle registration plates and the leasing of equipment for the manufacture thereof

The development and performance of the business of the company during the financial year and the position of the company at the end of the financial year are considered satisfactory by the director. This is supported by the company's financial key performance indicators which are detailed in the attached financial statements. The director believes that no further indicators are required in this report to gain an overall understanding of the business.

The global credit crisis and resultant downturn, both in the UK economy as a whole and the sector in which the company operates, means that the uncertainty of the trading conditions over the coming years is the principle risk faced. The company has entered this period in a strong financial position and, while the continuation of the historic growth will be difficult to achieve, the steps that have already been taken to improve the profitability of the company will ensure that this strong position can be maintained.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £427,877. Particulars of dividends paid are detailed in note 10 to the financial statements.

FINANCIAL INSTRUMENTS

The company does not use any financial instruments to hedge its risks associated with price, credit, liquidity or cash flow.

DIRECTOR

The director who served the company during the year was as follows:

T M Sanders

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 year.

In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,

SANDHURST AUTOPRINT LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 JULY 2011

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the director is aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

DONATIONS

During the year the company contributed £3,975 to charities. This figure is the total of several donations made in sponsorship of several fundraising activities.

AUDITOR

Stewart & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office
Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

Signed by order of the director



J A Sanders
Company Secretary

Approved by the director on 7 March 2012

SANDHURST AUTOPRINT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SANDHURST AUTOPRINT LIMITED
YEAR ENDED 31 JULY 2011

We have audited the group and parent company financial statements ("the financial statements") of Sandhurst Autoprint Limited for the year ended 31 July 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement set out on pages 2 to 3, the director is 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by , and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 July 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

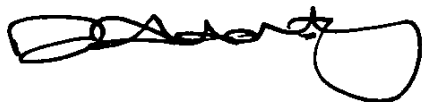
SANDHURST AUTOPRINT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SANDHURST AUTOPRINT LIMITED *(continued)*

YEAR ENDED 31 JULY 2011

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Hartley (Senior Statutory Auditor)
For and on behalf of Stewart & Co
Chartered Accountants & Statutory Auditor

7 March 2012

Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

SANDHURST AUTOPRINT LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2011

	Note	2011 £	2010 £
GROUP TURNOVER	2	7,581,592	7,311,911
Cost of sales		<u>5,187,190</u>	<u>4,893,668</u>
GROSS PROFIT		2,394,402	2,418,243
Distribution costs		780,093	809,171
Administrative expenses		1,144,682	1,099,602
Other operating income	3	<u>(153,469)</u>	<u>(148,634)</u>
OPERATING PROFIT	4	623,096	658,104
Interest payable and similar charges	7	21,138	23,256
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>601,958</u>	<u>634,848</u>
Tax on profit on ordinary activities	8	174,081	175,375
PROFIT FOR THE FINANCIAL YEAR	9	<u>427,877</u>	<u>459,473</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 10 to 25 form part of these financial statements.

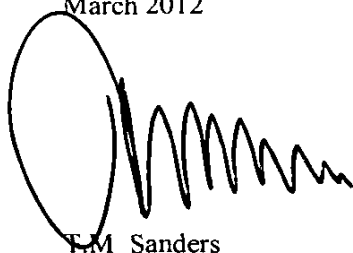
SANDHURST AUTOPRINT LIMITED

GROUP BALANCE SHEET

31 JULY 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Intangible assets	11	359,007	383,305
Tangible assets	12	780,114	902,516
Investments	13	175,000	175,000
		<u>1,314,121</u>	<u>1,460,821</u>
CURRENT ASSETS			
Stocks	14	760,871	692,407
Debtors	15	1,650,518	1,398,320
Cash at bank		411,009	488,354
		<u>2,822,398</u>	<u>2,579,081</u>
CREDITORS: Amounts falling due within one year	17	<u>1,774,750</u>	<u>1,822,521</u>
NET CURRENT ASSETS		<u>1,047,648</u>	<u>756,560</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,361,769</u>	<u>2,217,381</u>
CREDITORS: Amounts falling due after more than one year	18	273,567	397,056
PROVISIONS FOR LIABILITIES			
Other provisions	20	59,925	59,925
		<u>2,028,277</u>	<u>1,760,400</u>
CAPITAL AND RESERVES			
Called-up equity share capital	23	50,000	50,000
Profit and loss account	24	1,978,277	1,710,400
SHAREHOLDERS' FUNDS	25	<u>2,028,277</u>	<u>1,760,400</u>

These financial statements were approved and signed by the director and authorised for issue on 7 March 2012



T.M. Sanders

The notes on pages 10 to 25 form part of these financial statements

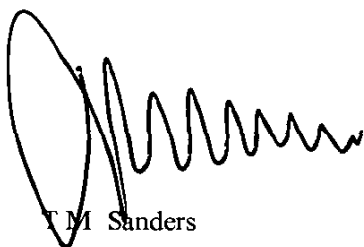
SANDHURST AUTOPRINT LIMITED

BALANCE SHEET

31 JULY 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Intangible assets	11	—	502
Tangible assets	12	708,711	805,420
Investments	13	736,238	736,238
		<u>1,444,949</u>	<u>1,542,160</u>
CURRENT ASSETS			
Stocks	14	441,207	502,152
Debtors	15	1,168,411	1,216,793
Cash at bank		258,802	392,207
		<u>1,868,420</u>	<u>2,111,152</u>
CREDITORS: Amounts falling due within one year	17	<u>1,163,755</u>	<u>1,526,893</u>
NET CURRENT ASSETS		<u>704,665</u>	<u>584,259</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,149,614</u>	<u>2,126,419</u>
CREDITORS: Amounts falling due after more than one year	18	273,567	378,329
PROVISIONS FOR LIABILITIES			
Other provisions	20	59,925	59,925
		<u>1,816,122</u>	<u>1,688,165</u>
CAPITAL AND RESERVES			
Called-up equity share capital	23	50,000	50,000
Profit and loss account	24	1,766,122	1,638,165
SHAREHOLDERS' FUNDS		<u>1,816,122</u>	<u>1,688,165</u>

These financial statements were approved and signed by the director and authorised for issue on 7 March 2012



T M Sanders

Company Registration Number 3443003

The notes on pages 10 to 25 form part of these financial statements

SANDHURST AUTOPRINT LIMITED
GROUP CASH FLOW CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2011

	Note	2011 £	2010 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	26	581,820	962,724
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	26	(21,138)	(23,256)
TAXATION	26	(169,998)	(145,884)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	26	(73,346)	(381,452)
EQUITY DIVIDENDS PAID		(160,000)	(90,000)
CASH INFLOW BEFORE FINANCING		157,338	322,132
FINANCING	26	(234,683)	(50,658)
(DECREASE)/INCREASE IN CASH	26	(77,345)	271,474

The notes on pages 10 to 25 form part of these financial statements

SANDHURST AUTOPRINT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over 20 years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Group turnover

The turnover shown in the profit and loss account represents amounts earned during the year, exclusive of Value Added Tax.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation 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:

Goodwill	- Over 2 or 20 years
Patents	- Over 4 years

Fixed assets

All fixed assets are initially recorded at cost.

SANDHURST AUTOPRINT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

1. ACCOUNTING POLICIES *(continued)*

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 Property	-	Straight line over the life of the lease
Plant & Machinery	-	25% reducing balance
Fixtures & Fittings	-	10% reducing balance
Motor Vehicles	-	Straight line over 3 years
Leasing equipment	-	33% reducing balance

Investment properties

In accordance with the provisions of SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the result for the financial year would have been reduced by depreciation. However, the depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount, which might otherwise have been shown, cannot separately be identified or quantified.

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

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 in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

SANDHURST AUTOPRINT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

Investments are stated at cost less provision for permanent diminution in value.

SANDHURST AUTOPRINT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

1. ACCOUNTING POLICIES *(continued)*

Leasing income

Rentals receivable under operating leases are taken as income on a straight line basis over the life of the lease

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group
An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>7,581,592</u>	<u>7,311,911</u>

3. OTHER OPERATING INCOME

	2011 £	2010 £
Rent receivable	<u>153,469</u>	<u>148,634</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation of intangible assets	24,298	24,298
Depreciation of owned fixed assets	144,785	157,015
Depreciation of assets held under hire purchase agreements	46,803	63,734
Loss/(Profit) on disposal of fixed assets	4,160	(4,977)
Auditor's remuneration		
- as auditor	21,500	20,500
Operating lease costs		
- Other	193,020	197,220
Net loss/(profit) on foreign currency translation	<u>460</u>	<u>(2,796)</u>

SANDHURST AUTOPRINT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2011	2010
	No	No
Number of production staff	9	14
Number of distribution staff	22	13
Number of administrative staff	14	11
	<u>45</u>	<u>38</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	969,599	978,450
Social security costs	102,253	104,582
Other pension costs	134,420	105,803
	<u>1,206,272</u>	<u>1,188,835</u>

6. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Remuneration receivable	56,796	56,740
Value of company pension contributions to money purchase schemes	30,000	30,000
	<u>86,796</u>	<u>86,740</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2011	2010
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Interest payable on bank borrowing	63	95
Finance charges	6,682	10,728
Other similar charges payable	14,393	12,433
	<u>21,138</u>	<u>23,256</u>

SANDHURST AUTOPRINT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

8. TAX ON PROFIT FROM ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2010 - 28%)	173,868	169,998
Total current tax	173,868	169,998
Deferred tax		
Origination and reversal of timing differences (note 16)		
Capital allowances	213	5,377
Tax on profit on ordinary activities	174,081	175,375

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2010 - 28%)

	2011	2010
	£	£
Profit on ordinary activities before taxation	601,958	634,848
Profit on ordinary activities by rate of tax	156,509	177,757
Expenses not deductible for tax purposes	7,390	4,148
Capital allowances for period in excess of depreciation	6,936	2,799
Tax chargeable at lower rates	3,034	(14,706)
Rounding on tax charge	(1)	-
Total current tax (note 8(a))	173,868	169,998

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £287,957 (2010 - £490,869)

10. DIVIDENDS

Equity dividends

	2011	2010
	£	£
Paid during the year		
Dividends on equity shares	160,000	90,000

SANDHURST AUTOPRINT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

11. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Patents £	Total £
COST			
At 1 August 2010 and 31 July 2011	<u>476,004</u>	<u>2,008</u>	<u>478,012</u>
AMORTISATION			
At 1 August 2010	93,201	1,506	94,707
Charge for the year	23,796	502	24,298
At 31 July 2011	<u>116,997</u>	<u>2,008</u>	<u>119,005</u>
NET BOOK VALUE			
At 31 July 2011	<u>359,007</u>	<u>—</u>	<u>359,007</u>
At 31 July 2010	<u>382,803</u>	<u>502</u>	<u>383,305</u>
Company			Patents £
COST			
At 1 August 2010 and 31 July 2011			<u>2,008</u>
AMORTISATION			
At 1 August 2010			1,506
Charge for the year			502
At 31 July 2011			<u>2,008</u>
NET BOOK VALUE			
At 31 July 2011			<u>—</u>
At 31 July 2010			<u>502</u>

SANDHURST AUTOPRINT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

12. TANGIBLE FIXED ASSETS

Group	Freehold Property £	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Other Assets £	Total £
COST						
At 1 Aug 2010	253,973	40,373	525,325	59,440	844,056	1,723,167
Additions	—	—	19,724	22,000	31,622	73,346
Disposals	—	—	(2,979)	—	(72,374)	(75,353)
At 31 Jul 2011	253,973	40,373	542,070	81,440	803,304	1,721,160
DEPRECIATION						
At 1 Aug 2010	—	7,951	235,767	17,780	559,153	820,651
Charge for the year	—	4,000	69,753	4,533	113,302	191,588
On disposals	—	—	(2,259)	—	(68,934)	(71,193)
At 31 Jul 2011	—	11,951	303,261	22,313	603,521	941,046
NET BOOK VALUE						
At 31 Jul 2011	253,973	28,422	238,809	59,127	199,783	780,114
At 31 Jul 2010	253,973	32,422	289,558	41,660	284,903	902,516

The freehold property was revalued at the year end by the director who believed that the value in the accounts represented the market value of the property

Hire purchase agreements

Included within the net book value of £780,114 is £140,825 (2010 - £156,439) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £46,803 (2010 - £63,734)

SANDHURST AUTOPRINT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

12. TANGIBLE FIXED ASSETS *(continued)*

Company	Freehold Property £	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Other Assets £	Total £
COST						
At 1 Aug 2010	253,973	40,373	387,308	53,708	826,197	1,561,559
Additions	—	—	18,638	22,000	31,622	72,260
Disposals	—	—	(2,979)	—	(72,374)	(75,353)
At 31 Jul 2011	253,973	40,373	402,967	75,708	785,445	1,558,466
DEPRECIATION						
At 1 Aug 2010	—	7,951	186,974	15,950	545,264	756,139
Charge for the year	—	4,000	47,334	4,143	109,332	164,809
On disposals	—	—	(2,259)	—	(68,934)	(71,193)
At 31 Jul 2011	—	11,951	232,049	20,093	585,662	849,755
NET BOOK VALUE						
At 31 Jul 2011	253,973	28,422	170,918	55,615	199,783	708,711
At 31 Jul 2010	253,973	32,422	200,334	37,758	280,933	805,420

Hire purchase agreements

Included within the net book value of £708,711 is £85,589 (2010 - £78,821) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £24,421 (2010 - £33,232).

13. INVESTMENTS

Group	Total £
COST	
At 1 August 2010 and 31 July 2011	175,000
NET BOOK VALUE	
At 31 July 2011 and 31 July 2010	175,000

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Company	Group companies £	Associated undertakings £	Total £
COST			
At 1 August 2010 and 31 July 2011	<u>561,238</u>	<u>175,000</u>	<u>736,238</u>
NET BOOK VALUE			
At 31 July 2011 and 31 July 2010	<u>561,238</u>	<u>175,000</u>	<u>736,238</u>

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company				
Freight Products (U K) Limited	England	Ordinary shares	100%	Manufacture and distribution
Europlate Limited	England	Ordinary shares	100%	Dormant

The company owns 100% of the issued share capital of the companies listed below,

Aggregate capital and reserves

	2011 £	2010 £
Freight Products (U K) Limited	414,286	250,570
Europlate Limited	100	100

Profit and (loss) for the year

Freight Products (U K) Limited	163,716	112,400
Europlate Limited	—	—

It must be emphasised that the value of the investment in the subsidiary undertaking, Freight Products (U K) Limited, is disproportionate to the current asset value by £147,252. The subsidiary is held for the long term and is expected to provide a meaningful return on the capital employed. Furthermore, the current asset value of the subsidiary undertaking does not include internally generated goodwill. Accordingly, no impairment has been made.

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14. STOCKS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Raw materials	<u>760,871</u>	<u>692,407</u>	<u>441,207</u>	<u>502,152</u>

15. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	1,586,585	1,294,860	1,109,782	1,022,198
Amounts owed by group undertakings	—	—	553	120,000
Other debtors	3,991	13,991	3,991	13,191
Deferred taxation (Note 16)	448	661	2,929	4,969
Prepayments and accrued income	59,494	88,808	51,156	56,435
	<u>1,650,518</u>	<u>1,398,320</u>	<u>1,168,411</u>	<u>1,216,793</u>

16. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Asset brought forward	661	6,038	4,969	13,283
Decrease in asset	(213)	(5,377)	(2,040)	(8,314)
Asset carried forward	<u>448</u>	<u>661</u>	<u>2,929</u>	<u>4,969</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	<u>448</u>	<u>—</u>	<u>661</u>	<u>—</u>

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of

Company	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	<u>2,929</u>	<u>—</u>	<u>4,969</u>	<u>—</u>

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17. CREDITORS: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	90,107	150,505	90,107	150,505
Trade creditors	1,112,434	911,424	633,120	732,405
Amounts owed to group undertakings	—	—	100	100
Hire purchase agreements	35,025	85,821	16,371	53,784
Other creditors including taxation				
Corporation tax	173,868	169,998	113,593	134,758
VAT	172,835	147,024	146,697	132,833
Other creditors	1,014	1,134	784	1,134
Accruals and deferred income	189,467	356,615	162,983	321,374
	<u>1,774,750</u>	<u>1,822,521</u>	<u>1,163,755</u>	<u>1,526,893</u>

The company has a bank overdraft facility and a bank loan secured by a debenture over its assets, an unlimited guarantee and a letter of set-off. The obligations under finance leases and hire purchase contracts are secured on the specific fixed assets to which they relate.

18. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	243,311	336,856	243,311	336,856
Hire purchase agreements	11,863	47,198	11,863	28,471
Accruals and deferred income	18,393	13,002	18,393	13,002
	<u>273,567</u>	<u>397,056</u>	<u>273,567</u>	<u>378,329</u>

19. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts payable within 1 year	35,025	85,821	16,371	53,784
Amounts payable between 2 to 5 years	11,863	47,198	11,863	28,471
	<u>46,888</u>	<u>133,019</u>	<u>28,234</u>	<u>82,255</u>

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20. OTHER PROVISIONS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Other provisions	<u>59,925</u>	<u>59,925</u>	<u>59,925</u>	<u>59,925</u>

The company had a brought forward provision in respect of dilapidations. No movement has been made on the provision and hence the carried forward balance represents the provision in respect of dilapidations

21. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
After more than 5 years	<u>152,020</u>	<u>152,020</u>

At 31 July 2011 the company had annual commitments under non-cancellable operating leases as set out below

Company	Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
After more than 5 years	<u>108,020</u>	<u>108,020</u>

22. RELATED PARTY TRANSACTIONS

The group was under the control of T M Sanders throughout the current and previous year T M Sanders is the sole director and majority shareholder During the year the group paid T M Sanders £3,000 (2010 - £7,200) in respect of rent During the year T M Sanders received dividends of £160,000 (2010 - £90,000) from the group

Hambridge Limited, formerly Hambridge Investments (Newbury) Limited, is owned by close family members of T M Sanders During the year the group was invoiced £143,242 (2010 - £10,055 for repairs) by Hambridge Limited for repairs to leasehold properties and rent on properties on normal commercial terms At the year end £38,004 (2010 - £7,912) was owed to Hambridge Limited

Sandhurst Partition Blocks Limited was a wholly owned subsidiary of Hambridge Limited During the year the group rented properties on normal commercial terms from Sandhurst Partition Blocks Limited at a cost of £56,646 (2010 - £217,218) At the year end £nil (2010 - £44,620) was owed to Sandhurst Partition Blocks Limited

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23. SHARE CAPITAL

Authorised share capital:

	2011 £	2010 £
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

Allotted, called up and fully paid:

	2011 No	£	2010 No	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

24. RESERVES

Group

	Profit and loss account £
Balance brought forward	1,710,400
Profit for the year	427,877
Equity dividends	(160,000)
Balance carried forward	<u>1,978,277</u>

Company

	Profit and loss account £
Balance brought forward	1,638,165
Profit for the year	287,957
Equity dividends	(160,000)
Balance carried forward	<u>1,766,122</u>

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	427,877	459,473
New equity share capital subscribed	—	23,030
Less capitalised from reserves	—	(23,030)
Equity dividends	(160,000)	(90,000)
Net addition to shareholders' funds	<u>267,877</u>	<u>369,473</u>
Opening shareholders' funds	<u>1,760,400</u>	<u>1,390,927</u>
Closing shareholders' funds	<u>2,028,277</u>	<u>1,760,400</u>

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26. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit	623,096	658,104
Amortisation	24,298	24,298
Depreciation	191,588	220,749
Loss/(Profit) on disposal of fixed assets	4,160	(4,977)
Increase in stocks	(68,464)	(135,087)
(Increase)/decrease in debtors	(252,411)	22,025
Increase in creditors	59,553	267,687
Decrease in provisions	–	(90,075)
Net cash inflow from operating activities	<u>581,820</u>	<u>962,724</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011	2010
	£	£
Interest paid	(14,456)	(12,528)
Interest element of hire purchase	(6,682)	(10,728)
Net cash outflow from returns on investments and servicing of finance	<u>(21,138)</u>	<u>(23,256)</u>

TAXATION

	2011	2010
	£	£
Taxation	<u>(169,998)</u>	<u>(145,884)</u>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2011	2010
	£	£
Payments to acquire tangible fixed assets	(73,346)	(216,952)
Receipts from sale of fixed assets	–	10,500
Acquisition of fixed asset investments	–	(175,000)
Net cash outflow for capital expenditure and financial investment	<u>(73,346)</u>	<u>(381,452)</u>

SANDHURST AUTOPRINT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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26. NOTES TO THE CASH FLOW STATEMENT *(continued)*

FINANCING

	2011 £	2010 £
Repayment of bank loans	(153,943)	(28,811)
Capital element of hire purchase	(86,131)	(25,842)
Net inflow from long-term accruals	<u>5,391</u>	<u>3,995</u>
Net cash outflow from financing	<u>(234,683)</u>	<u>(50,658)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011 £	2010 £
(Decrease)/increase in cash in the period	(77,345)	271,474
Net cash outflow from bank loans	153,943	28,811
Cash outflow in respect of hire purchase	86,131	25,842
Net (inflow) from long-term accruals	<u>(5,391)</u>	<u>(3,995)</u>
	<u>157,338</u>	<u>322,132</u>
Change in net funds	157,338	322,132
Net debt at 1 August 2010	(145,028)	(467,160)
Net funds at 31 July 2011	<u>12,310</u>	<u>(145,028)</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Aug 2010 £	Cash flows £	At 31 Jul 2011 £
Net cash			
Cash in hand and at bank	<u>488,354</u>	<u>(77,345)</u>	<u>411,009</u>
Debt			
Debt due within 1 year	(150,505)	60,398	(90,107)
Debt due after 1 year	(349,858)	88,154	(261,704)
Hire purchase agreements	<u>(133,019)</u>	<u>86,131</u>	<u>(46,888)</u>
	<u>(633,382)</u>	<u>234,683</u>	<u>(398,699)</u>
Net funds	<u>(145,028)</u>	<u>157,338</u>	<u>12,310</u>