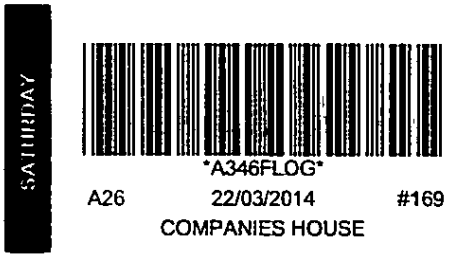
MOSAIC PRINT MANAGEMENT LIMITED

Annual Report & Financial Statements 2013

Company Registration Number 4724321



Brown Butler
Chartered Accountants
Leeds

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Directors	S K Smith A S Gill J Gill
Secretary	K A Perrins
Registered Office	Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Company Registration Number	4724321
Statutory Auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	National Westminster Bank plc 8 Park Row Leeds LS1 1QS

The directors present their annual report and the audited financial statements for the year ended 31 July 2013

1 Activities and review of the business

The principal activity of the company and its subsidiaries is that of print management and design

The directors are pleased with the results for the year and whilst they acknowledge the continuing uncertainty in the economy in general they are optimistic about the forthcoming year

In May 2012 the company acquired the entire issued share capital of Direct Marketing Strategies Limited The directors believe that this acquisition has further enhanced the group's marketing services

The directors are pleased with the key performance indicators of turnover and operating profit which are in accordance with the group's business plan

2 Results

The results for the year ended 31 July 2013 are shown in the profit and loss account on page 7 The profit for the year after taxation was £1,623,311

3 Fixed assets

Changes in fixed assets are summarised in the notes to the financial statements

4 Directors' responsibilities

The directors are responsible for preparing the annual 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 those financial statements, the directors are required to -

(a) Select suitable accounting policies and apply them consistently,

(b) Make judgements and estimates that are reasonable and prudent,

(c) 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 which 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

5 Directors

The present composition of the board is set out on page 2 and the directors who held office during the year are as set out below -

S K Smith
A S Gill
D S Marrison (resigned 12 June 2013)
J Gill

6 Audit enquiries

So far as the directors are aware, there is no information relevant to the audit of which the company's and the group's auditors are unaware The directors have taken the necessary steps to ensure they themselves are aware of all relevant audit information and made sure that the company's and the group's auditors are also aware of that information

On behalf of the Board

A S Gill
Director

11 March 2014

We have audited the financial statements of the group and the parent company for the year ended 31 July 2013 which comprise the Consolidated Profit and Loss Account, the Group and Parent Company Balance Sheets, the Consolidated Cash Flow Statement 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)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, 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 Ethical Standards for Auditors

Scope of the audit

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 polices 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 the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit 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 2013 and of the profit of the group 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Continued on page 6

Continued from page 5

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 parent company's 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



Denis Cross (Senior Statutory Auditor)
For and on behalf of Brown Butler
Chartered Accountants and Statutory Auditor

Leigh House
28-32 St Paul's Street
Leeds LS1 2JT

11 March 2014

Mosaic Print Management Limited

Consolidated Profit and Loss Account
Year ended 31 July 2013

	Note	2013 £	2012 £
Turnover		29,820,622	20,024,788
Cost of sales		24,769,491	17,809,308
Gross profit		5,051,131	2,215,480
Administrative and selling expenses		3,567,907	1,572,116
Other operating income		9,000	-
Group operating profit		1,492,224	643,364
Share of operating profit in joint ventures		580,405	419,595
Total operating profit group and share of joint ventures		2,072,629	1,062,959
Interest receivable	2	62,486	20,202
Interest payable		216	-
Profit on ordinary activities before taxation	4	2,134,899	1,083,161
Tax on profit on ordinary activities	5	474,777	237,466
Profit on ordinary activities after taxation		1,660,122	845,695
Equity minority interests		36,811	-
Profit for the financial year	18	1,623,311	845,695

The group had no recognised gains or losses other than the profit for the year, and the above results derive from continuing operations

The notes on pages 11 to 21 form part of these financial statements

Mosaic Print Management Limited
Company Registration Number 4724321

Consolidated Balance Sheet
Year ended 31 July 2013

	Note	2013 £		2012 £	
Fixed assets					
Intangible assets	6		528,302		663,384
Tangible assets	7		187,121		132,502
Interests in joint ventures	9				
Share of gross assets		930,089		567,162	
Share of gross liabilities		(168,119)		(116,775)	
			761,970		450,387
			1,477,393		1,246,273
Current assets					
Stock	10	35,092		58,652	
Debtors	11	5,763,883		4,073,976	
Cash at bank and in hand		3,059,630		2,489,008	
		8,858,605		6,621,636	
Creditors amounts falling due within one year	12	7,636,938		6,422,498	
Net current assets			1,221,667		199,138
Total assets less current liabilities			2,699,060		1,445,411
Provisions for liabilities and charges	13		8,250		4,723
			2,690,810		1,440,688
Capital and reserves					
Called up share capital	14		10,000		10,000
Share premium account	15		44,235		44,235
Capital redemption reserve	16		1,765		1,765
Profit and loss account	17		2,597,999		1,384,688
Shareholders' funds	18		2,653,999		1,440,688
Minority interests			36,811		-
Capital employed			2,690,810		1,440,688

These financial statements were approved and authorised for issue by the board on 11 March 2014 and signed on its behalf by

A S Gill Director

The notes on pages 11 to 21 form part of these financial statements

Mosaic Print Management Limited
Company Registration Number 4724321

Company Balance Sheet
31 July 2013

	Note	2013 £		2012 £	
Fixed assets					
Tangible assets	7		74,059		49,557
Investments	8		411,087		411,087
Interests in joint ventures	9		100		100
			485,246		460,744
Current assets					
Stock	10	35,092		58,652	
Debtors	11	4,577,437		2,878,075	
Cash at bank and in hand		2,606,806		2,200,660	
		7,219,335		5,137,387	
Creditors amounts falling due within one year	12	5,941,089		4,403,510	
Net current assets			1,278,246		733,877
Total assets less current liabilities			1,763,492		1,194,621
Provisions for liabilities	13		8,250		4,723
			1,755,242		1,189,898
Capital and reserves					
Called up share capital	14		10,000		10,000
Share premium account	15		44,235		44,235
Capital redemption reserve	16		1,765		1,765
Profit and loss account	17		1,699,242		1,133,898
Shareholders' funds	18		1,755,242		1,189,898

These financial statements were approved and authorised for issue by the board on 11 March 2014 and signed on its behalf by

A S Gill Director

The notes on pages 11 to 21 form part of these financial statements

Mosaic Print Management Limited

Consolidated Cash Flow Statement
Year ended 31 July 2013

	Note	2013 £		2012 £	
Net cash inflow from operating activities	23a		1,205,383		2,267,505
Returns on investments and servicing of finance					
Interest received		62,486		20,202	
Interest paid		(216)		-	
Dividends received from joint venture company		125,250		42,250	
Net cash inflow from returns on investments and servicing of finance			187,520		62,452
Taxation					
Corporation tax paid			(284,208)		(274,212)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(125,743)		(16,029)	
Net cash outflow from capital expenditure and financial investment			(125,743)		(16,029)
Acquisitions and disposals					
Purchase of shares in subsidiary undertaking		-		(381,357)	
Net cash balances acquired with subsidiaries		-		86,024	
Net cash outflow from acquisitions and disposals			-		(295,333)
Dividends paid			(410,000)		(152,705)
Financing					
Increase in director's loan		-		10,033	
Repayment of director's loan		(2,330)		-	
Net cash (outflow)/inflow from financing			(2,330)		10,033
Increase in cash	23b		570,622		1,601,711

The notes on pages 11 to 21 form part of these financial statements

1 Accounting policies

(a) Accounting convention

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

(b) Consolidation

The consolidated financial statements incorporate the financial statements of Mosaic Print Management Limited and its subsidiary companies and include the company's share of the profits or losses of its interests in joint ventures in the consolidated profit and loss account and its share of their net assets within 'interests in Joint Ventures' in the consolidated balance sheet

A profit and loss account is not presented for the company as permitted by Section 408 of the Companies Act 2006

(c) Turnover

Turnover represents the amounts receivable for goods and services net of VAT

(d) Goodwill

Goodwill on the acquisition of subsidiary undertakings is included in the consolidated balance sheet and is being amortised by equal instalments over five years The directors consider this period does not exceed its useful economic life

(e) Depreciation

Depreciation of tangible fixed assets is provided on cost over their estimated useful lives The annual rates and methods of depreciation are as follows -

Plant and computer equipment	33% straight line basis
Fixtures and fittings	15% reducing balance basis

(f) Stock

Stock is stated at the lower of cost and net realisable value

(g) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date Deferred tax is not recognised when assets are revalued unless, by the balance sheet date, the company has entered into a binding agreement to sell the assets and recognised the gains or losses expected to arise on sale

(h) Foreign currency translation

Transactions in foreign currency are translated at the ruling rate at the date of the transaction

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date or the contracted rate if applicable

All exchange differences are taken to the profit and loss account

2 Interest receivable

	2013 £	2012 £
Bank interest receivable	3,022	2,075
Other interest receivable	59,464	18,127
	62,486	20,202

3 Staff costs

Employee costs, including directors, during the year -

	2013 £	2012 £
Wages and salaries	2,162,500	941,181
Social security costs	212,004	89,968
Other pension costs	79,072	17,688
	2,453,576	1,048,837

The average number of employees, including directors, during the year -

	£	£
Sales and administration	59	30

Directors' remuneration -

	£	£
Aggregate remuneration – salaries	14,960	14,000

4 Profit on ordinary activities before taxation

The profit is after charging -

	2013 £	2012 £
Depreciation of owned assets	71,124	43,915
Amortisation of goodwill	135,082	12,026
Operating lease charges – land and buildings	46,281	54,362
Exchange losses	361	1,951
Auditor's remuneration	16,393	11,760

5 Tax on profit on ordinary activities

	2013 £	2012 £
Corporation tax		
Current year	404,168	172,725
Adjustments for prior year	(76,489)	(32,114)
Share of corporation tax of joint ventures	143,571	100,983
Current tax charge	471,250	241,594
Transfer in respect of deferred tax	3,527	(4,128)
	474,777	237,466

The standard rate of corporation tax is the full rate of United Kingdom corporation tax applicable for the year

A reconciliation of the current tax charge for the year to the charge that would result from applying the standard rate of tax to the profit on ordinary activities before tax is set out below -

	2013 £	2012 £
Profit on ordinary activities before tax	2,134,899	1,083,161
Profit on ordinary activities multiplied by the standard rate of corporation tax of 23 67% (2012 25 33%)	505,331	274,365
Effects of -		
Expenses not deductible for tax purposes	51,561	(4,785)
Depreciation in excess of capital allowances	(139)	4,128
Adjustment in respect of marginal relief	(4,148)	-
Adjustments in respect of prior periods	(76,489)	(32,114)
Utilisation of losses brought forward	(4,866)	
Current tax charge	471,250	241,594

The transfer in respect of deferred tax is made up as follows -

	2013 £	2012 £
Origination and reversal of timing differences	3,527	(4,128)
	3,527	(4,128)

6 Intangible assets

Group	Purchased goodwill £	Total £
Cost		
At 1 August 2012 and 31 July 2013	691,155	691,155
Amortisation		
At 1 August 2012	27,771	27,771
Charge for the year	135,082	135,082
At 31 July 2013	162,853	162,853
Net book value		
At 31 July 2012	663,384	663,384
At 31 July 2013	528,302	528,302

7 Tangible assets

Group	Plant and computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 August 2012	229,468	97,252	326,720
Additions	73,840	51,903	125,743
At 31 July 2013	303,308	149,155	452,463
Depreciation			
At 1 August 2012	181,397	12,821	194,218
Charge for the year	51,148	19,976	71,124
At 31 July 2013	232,545	32,797	265,342
Net book value			
At 31 July 2012	48,071	84,431	132,502
At 31 July 2013	70,763	116,358	187,121
Company			
Cost			
At 1 August 2012	202,420	36,281	238,701
Additions	17,075	35,900	52,975
At 31 July 2013	219,495	72,181	291,676
Depreciation			
At 1 August 2012	177,449	11,695	189,144
Charge for the year	21,611	6,862	28,473
At 31 July 2013	199,060	18,557	217,617
Net book value			
At 31 July 2012	24,971	24,586	49,557
At 31 July 2013	20,435	53,624	74,059

8 Investments

Company

Shares in subsidiary undertakings at cost -	£
At 1 August 2012 and 31 July 2013	411,087

The subsidiary undertakings are as follows -

	Description and proportion of shares held		Main activity
	Shares	%	
Mosaic Document Management Limited	Ordinary	67	Dormant
Mosaic Print Management (York) Limited	Ordinary	100	Print management
G8 Communications Limited	Ordinary	75	Print management
Direct Marketing Strategies Limited	Ordinary	100	Direct marketing

9 Interests in joint ventures

Group

	£
At 1 August 2012 – net assets	450,387
Share of retained profits for the year	311,583
At 31 July 2013 – net assets	761,970

Company

Shares in joint ventures at cost	£
At 1 August 2012 and 31 July 2013	100

Untangled Print Solutions Limited is incorporated in England and its principal activity is that of print management and design

Mosaic Plus Limited is incorporated in England and its principal activity is that of print management and design

9 Interests in joint ventures - continued

The aggregate share of Mosaic Print Management Limited in the turnover and assets and liabilities of the joint ventures as at 31 July 2013 of which Untangled Print Solutions Limited represents the greater share, is as follows -

	2013 £		2012 £	
Turnover		4,128,794		4,035,803
Gross assets				
Fixed assets	875		980	
Current assets	929,214		566,182	
		930,089		567,162
Gross liabilities				
Liabilities due within one year		168,119		116,775

10 Stock

Group and company	2013 £	2012 £
Goods for resale	35,092	58,652

11 Debtors

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	3,571,115	2,992,722	2,746,170	2,232,859
Amounts recoverable on contracts	371,066	480,639	-	-
Amounts owed by subsidiary undertakings	-	-	138,353	175,060
Other debtors	1,306,265	359,761	1,256,856	278,674
Corporation tax	4,831	36,949	-	32,115
Prepayments	510,606	203,905	436,058	159,367
	5,763,883	4,073,976	4,577,437	2,878,075

12 Creditors

Amounts falling due within one year -

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	5,306,923	4,675,880	3,661,384	2,984,465
Amounts owed to subsidiary undertakings	-	-	165,280	-
Amounts owed to joint ventures	1,823,878	1,093,210	1,823,878	1,093,210
Corporation tax	270,167	258,812	132,826	122,084
Social security and other taxes	84,264	80,659	30,615	13,481
Director's loan	14,866	17,196	14,866	17,196
Other creditors	-	925	-	341
Accruals and deferred income	136,840	295,816	112,240	172,733
	7,636,938	6,422,498	5,941,089	4,403,510

13 Provisions for liabilities

Deferred tax is analysed over the following timing differences -

Group and company

	2013	2012
	£	£
Capital allowances in excess of depreciation	8,250	4,723

Movements on the provision for deferred tax are as follows -

	£	£
At 1 August 2012	4,723	8,851
Charge/(credit) in profit and loss account	3,527	(4,128)
At 31 July 2013	8,250	4,723

14 Called up share capital

Company

	2013	2012
	£	£
Allotted, called up and fully paid		
5,000 'A' Ordinary shares of £1 each	5,000	5,000
5,000 'B' Ordinary shares of £1 each	5,000	5,000
	10,000	10,000

The 'A' and 'B' ordinary shares of £1 each rank pari passu in all respects except that no shareholder is entitled to any dividend or distribution declared on any other class of shares

15 Share premium account

Group and company	2013 £	2012 £
At 1 August 2012 and 31 July 2013	44,235	44,235

16 Capital redemption reserve

Group and company	2013 £	2012 £
At 1 July 2012 and 31 August 2013	1,765	1,765

17 Profit and loss account

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
At 1 August 2012	1,384,688	691,698	1,133,898	508,150
Profit for the financial year	1,623,311	845,695	975,344	778,453
Dividends paid	(410,000)	(152,705)	(410,000)	(152,705)
At 31 July 2013	2,597,999	1,384,688	1,699,242	1,133,898

18 Reconciliation of movements in shareholders' funds

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Profit for the financial year	1,623,311	845,695	975,344	778,453
Dividends paid	(410,000)	(152,705)	(410,000)	(152,705)
Net addition to shareholders' funds	1,213,311	692,990	565,344	625,748
Opening shareholders' funds	1,440,688	747,698	1,189,898	564,150
Closing shareholders' funds	2,653,999	1,440,688	1,755,242	1,189,898

19 Leasing commitments

At 31 July 2013 the group and the company had operating lease commitments for the following year as set out below -

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire -		
Within one year	14,366	-
Within two and five years	12,805	14,366
Over five years	154,992	39,996
	182,163	54,362

20 Share based payments

At 31 July 2013 and 31 July 2012 no share options had been granted by the company

21 Related party transactions

During the year the company paid dividends of £105,000 each to Mr A S Gill, Mrs J Gill and Mr S K Smith

22 Controlling party

Mr S K Smith, Mr A S Gill and Mrs J Gill, the directors, are together the controlling party of the company by virtue of their directorships and their interests, and close family member interests, in the entire issued share capital of the company

23 Cash flow statement

a) Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating profit	1,492,224	643,364
Depreciation of tangible assets	71,124	43,915
Amortisation of intangible assets	135,082	12,026
Decrease/(increase) in stocks	23,560	(12,118)
(Increase)/decrease in debtors	(1,722,022)	1,786,649
Increase/(decrease) in creditors	1,205,415	(206,331)
Net cash inflow from operating activities	1,205,383	2,267,505

b) Reconciliation of net cash flow to movement in net funds

	2013 £	2012 £
Increase in cash	570,622	1,601,711
Cash to repay director's loan	2,330	-
Cash inflow from new director's loan	-	(10,033)
Movements in net funds in the year	572,952	1,591,678
Net funds at beginning of year	2,471,812	880,134
Net funds at end of year	3,044,764	2,471,812

c) Analysis of changes in net debt

	At 01 08 12 £	Cash flows £	At 31 07 13 £
Cash at bank	2,489,008	570,622	3,059,630
Increase in cash		570,622	
Debts due within one year	(17,196)	2,330	(14,866)
Total	2,471,812	572,952	3,044,764