

Company Registration No. SC024552 (Scotland)

GILMOUR & DEAN LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

WEDNESDAY



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GILMOUR & DEAN LIMITED

COMPANY INFORMATION

Directors	Giovanni Paolo Di Vita Gianfranco Cillario Gianmario Cillario Giuseppe Cillario Luciano Cillario
Secretary	Lycidas Secretaries Limited
Company number	SC024552
Registered office	24 Clydeholm Road Clydeside Industrial Estate Glasgow G14 0AU
Auditors	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND

GILMOUR & DEAN LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 17

GILMOUR & DEAN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012.

Principal activities and review of the business

The principal activity of the company is the printing of high quality labels.

The period ended December 2012 was the first full financial year under Eurostampa UK's ownership and it proved to be another highly successful period in the development of the business.

Sales rose during the period to £7,874k (12 months), a significant increase of 22.7% from the previous year's £6,418k (13 months).

Another major milestone in the development of the business was the commencement of Pressure Sensitive label production during January 2012. This new development was widely welcomed by the customer base which now has a major local presence which can support them in the supply of both their wet glue and pressure sensitive labelling requirements.

It was this new initiative that led primarily to the substantial sales increase in the year which was comprised of new business opportunities in addition to business transferred from Italy with our first Gallus PSL Press. It is clear that Pressure Sensitive Labels will be the main growth area for the business in the years ahead and also the focus of ongoing substantial investment.

The Wet Glue label operation however also saw significant investment during the period with the acquisition of a further Heidelberg 6 Colour Press at a cost of £640k. This was an important investment affording the business greater flexibility, efficiency and UV capacity. Wet Glue Label sales remained stable during the financial year at the previous year's levels.

Net Profit Before Tax was £49.4k for the year, a marginal improvement on 2011 (£43.9k). The financial period experienced high costs of a one-off nature associated with the transfer of business from Italy and also ongoing refurbishment costs. Taking all these issues into account and given that the business is generating substantially higher sales and label volumes management is satisfied with the financial performance for the period.

The business continues to build a strong platform for growth and profitability in future years.

In support of this a further £1.3m Capital Investment in the Glasgow facility is committed for 2013 and Eurostampa intend to transfer further equipment and business from Italy during the year. In addition to internal investment in equipment and capacity there will also be substantial sums spent on improving the external environs of the plant.

The Scotch Whisky Industry also continues to see substantial investment at home and growth internationally for its products. This augurs well for the long term development of the Gilmour & Dean business in Scotland and justifies our investment and expansion plans for the business.

The company recognises the importance of key financial performance indicators and constantly monitors various ratios. Amongst these are:

Turnover/employee - £115.8k (2011: £95.8k)

Stock turnover - 4.9 times (2011: 5.5 times)

Average trade debt ratio - 52 days (2011: 51 days)

Current ratio - 0.99 (2011: 1.05)

GILMOUR & DEAN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2012:

Giovanni Paolo Di Vita

Gianfranco Cillario

Gianmario Cillario

Giuseppe Cillario

Luciano Cillario

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

GIOVANNI PAOLO DI VITA


17 May 2013

GILMOUR & DEAN LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GILMOUR & DEAN LIMITED

We have audited the financial statements of Gilmour & Dean Limited for the year ended 31 December 2012 set out on pages 5 to 17. 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, set out within the Directors' Report on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 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. 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 company's affairs as at 31 December 2012 and of its 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 matter prescribed by the Companies Act 2006

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

GILMOUR & DEAN LIMITED

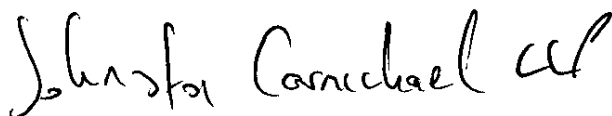
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF GILMOUR & DEAN LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Gavin Young (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

12 May 2013

Chartered Accountants
Statutory Auditor

227 West George Street
Glasgow
G2 2ND

GILMOUR & DEAN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

		Year ended 31 December 2012 £	13 Month Period ended 31 December 2011 £
	Notes		
Turnover	2	7,874,436	6,418,041
Cost of sales		(6,486,356)	(4,964,283)
Gross profit		1,388,080	1,453,758
Administrative expenses		(1,293,619)	(1,339,744)
Operating profit	3	94,461	114,014
Profit on sale of tangible assets		33,940	-
Profit on ordinary activities before interest		128,401	114,014
Interest payable and similar charges	4	(79,014)	(70,074)
Profit on ordinary activities before taxation		49,387	43,940
Tax on profit on ordinary activities	5	(1,326)	(23,355)
Profit for the year	14	48,061	20,585

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GILMOUR & DEAN LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	6		1,980,052		1,214,321
Current assets					
Stocks	7	1,310,857		910,194	
Debtors	8	2,555,025		1,909,163	
Cash at bank and in hand		99,473		1,079	
		<u>3,965,355</u>		<u>2,820,436</u>	
Creditors: amounts falling due within one year	9	<u>(4,014,757)</u>		<u>(2,686,790)</u>	
Net current (liabilities)/assets			<u>(49,402)</u>		<u>133,646</u>
Total assets less current liabilities			1,930,650		1,347,967
Creditors: amounts falling due after more than one year	10		(745,121)		(211,825)
Provisions for liabilities	11		<u>(21,201)</u>		<u>(19,875)</u>
			<u>1,164,328</u>		<u>1,116,267</u>
Capital and reserves					
Called up share capital	13		100,000		100,000
Profit and loss account	14		<u>1,064,328</u>		<u>1,016,267</u>
Shareholders' funds	15		<u>1,164,328</u>		<u>1,116,267</u>

Approved by the Board and authorised for issue on 17 May 2013

GIOVANNI PAOLO DI VITA

Director

Company Registration No. SC024552

GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Research and development

Research expenditure is written off to the profit and loss account in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 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 less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	4 to 10 years
Other equipment	4 to 10 years
Motor vehicles	4 to 10 years

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the company, cost is taken as production cost which includes an appropriate proportion of attributable overheads. The cost of raw materials and consumables is determined on a 'first in, first out' basis.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

(continued)

1.8 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

Geographical market

	Turnover	
	2012	2011
	£	£
United Kingdom	7,069,382	6,180,034
EU	805,054	238,007
	<u>7,874,436</u>	<u>6,418,041</u>

3 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	276,649	224,505
Loss on foreign exchange transactions	1,185	24
Operating lease rentals		
- Plant and machinery	36,613	82,318
- Other assets	40,014	47,503
Auditors' remuneration (including expenses)	<u>8,000</u>	<u>6,800</u>

GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

4	Interest payable	2012 £	2011 £
	On amounts payable to group companies	15,860	-
	On bank loans and overdrafts	51,398	47,738
	Hire purchase interest	11,756	20,526
	Other interest	-	1,810
		79,014	70,074

GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

5	Taxation	2012 £	2011 £
	Domestic current year tax		
	Adjustment for prior years	-	(1,056)
	Total current tax	-	(1,056)
	Deferred tax		
	Deferred tax charge	3,002	24,411
	Adjustment resulting from changes in tax rates	(1,590)	-
	Adjustment for prior years	(86)	-
		1,326	24,411
		1,326	23,355
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	49,387	43,940
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.50% (2011 - 26.61%)	12,100	11,692
	Effects of:		
	Non-deductible expenses	3,381	2,401
	Capital allowances in excess of depreciation	(21,214)	(2,618)
	Tax losses	4,520	(11,475)
	Adjustments to previous periods	-	(1,056)
	Other short term timing differences	1,213	-
		(12,100)	(12,748)
	Current tax charge for the period	-	(1,056)

The company has estimated losses of £ 597,641 (2011 - £ 522,877) available for carry forward against future trading profits.

GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

6 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 January 2012	3,215,818	23,485	3,239,303
Additions	1,070,440	28,750	1,099,190
Disposals	(344,401)	-	(344,401)
	<u>3,941,857</u>	<u>52,235</u>	<u>3,994,092</u>
Depreciation			
At 1 January 2012	2,001,497	23,485	2,024,982
On disposals	(287,591)	-	(287,591)
Charge for the year	269,461	7,188	276,649
	<u>1,983,367</u>	<u>30,673</u>	<u>2,014,040</u>
Net book value			
At 31 December 2012	<u>1,958,490</u>	<u>21,562</u>	<u>1,980,052</u>
At 31 December 2011	<u>1,214,321</u>	<u>-</u>	<u>1,214,321</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 December 2012	<u>1,398,540</u>
At 31 December 2011	<u>867,880</u>
Depreciation charge for the year	
At 31 December 2012	<u>163,194</u>
At 31 December 2011	<u>176,357</u>

GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

7	Stocks and work in progress	2012	2011
		£	£
	Raw materials and consumables	366,223	208,081
	Work in progress	234,244	85,763
	Finished goods and goods for resale	710,390	616,350
		<u>1,310,857</u>	<u>910,194</u>
8	Debtors	2012	2011
		£	£
	Trade debtors	1,397,509	917,688
	Amounts owed by parent and fellow subsidiary undertakings	910,841	839,928
	Corporation tax	-	1,056
	Other debtors	1,958	2,171
	Prepayments and accrued income	244,717	148,320
		<u>2,555,025</u>	<u>1,909,163</u>
9	Creditors: amounts falling due within one year	2012	2011
		£	£
	Bank loans and overdrafts	1,412,380	1,190,095
	Net obligations under hire purchase contracts	323,050	185,362
	Trade creditors	1,494,897	929,899
	Amounts owed to group undertakings	433,322	-
	Taxes and social security costs	264,328	193,623
	Other creditors	2,434	151,904
	Accruals and deferred income	84,346	35,907
		<u>4,014,757</u>	<u>2,686,790</u>

Bank loans and overdrafts of £332,305 (2011: £647,865) are secured by a Bond and Floating Charge over the assets of the company and those of its immediate parent undertaking. Bank overdrafts of £1,080,075 (2011: £542,230) are secured on trade debtors.

Amounts due under hire purchase contracts are secured on the assets to which they relate.

GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

10 Creditors: amounts falling due after more than one year	2012 £	2011 £
Net obligations under hire purchase contracts	395,121	211,825
Amounts owed to group undertakings	350,000	-
	<u>745,121</u>	<u>211,825</u>
Analysis of loans		
Wholly repayable within five years	783,322	-
	<u>783,322</u>	<u>-</u>
Included in current liabilities	(433,322)	-
	<u>350,000</u>	<u>-</u>
Loan maturity analysis		
In more than one year but not more than two years	100,000	-
In more than two years but not more than five years	250,000	-
	<u>100,000</u>	<u>-</u>
Net obligations under hire purchase contracts		
Repayable within one year	323,050	185,362
Repayable between one and five years	395,121	211,825
	<u>718,171</u>	<u>397,187</u>
Included in liabilities falling due within one year	(323,050)	(185,362)
	<u>395,121</u>	<u>211,825</u>

Amounts due under hire purchase contracts are secured on the assets to which they relate.

GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2012	19,875
Profit and loss account	1,326
	<u>21,201</u>
Balance at 31 December 2012	<u>21,201</u>

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	161,301	152,149
Other timing differences	(2,643)	(1,555)
Tax losses available	(137,457)	(130,719)
	<u>21,201</u>	<u>19,875</u>

12 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2012 £	2011 £
Contributions payable by the company for the year	<u>46,506</u>	<u>49,372</u>

13 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2012	1,016,267
Profit for the period	48,061
	<u>1,064,328</u>
Balance at 31 December 2012	<u>1,064,328</u>

15 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	48,061	20,585
Opening shareholders' funds	<u>1,116,267</u>	<u>1,095,682</u>
Closing shareholders' funds	<u>1,164,328</u>	<u>1,116,267</u>

16 Contingent liabilities

Letters of guarantee exist between Gilmour & Dean Limited and its holding company Unicorn Graphics Limited in respect of bank and other borrowings of £3,895 (2011: £29,041).

17 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013:

	Other 2012 £	2011 £
Operating leases which expire:		
Within one year	12,841	32,464
Between two and five years	<u>15,066</u>	<u>18,898</u>
	<u>27,907</u>	<u>51,362</u>

GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

18 Capital commitments	2012	2011
	£	£

At 31 December 2012 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	206,129	310,860
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19 Directors' remuneration	2012	2011
	£	£

Remuneration for qualifying services	-	55,733
Company pension contributions to defined contribution schemes	-	3,459

	-	59,192
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20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2012	2011
	Number	Number
Direct factory staff	47	45
Other administrative staff	21	22
	68	67

Employment costs	2012	2011
	£	£

Wages and salaries	2,035,998	1,929,732
Social security costs	210,148	207,400
Other pension costs	46,506	49,372

	2,292,652	2,186,504
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GILMOUR & DEAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

21 Control

The immediate parent undertaking is Unicorn Graphics Limited, a company registered in Scotland and of the same address as Gilmour & Dean Limited.

The ultimate parent undertaking at the balance sheet date was Eurostampa S.p.A., a company registered in Italy.

Eurostampa S.p.A. is the largest group and Unicorn Graphics Limited is the smallest group for which group accounts are prepared. Copies of group accounts can be obtained by writing to the registered offices.

22 Related party relationships and transactions

Group transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with intermediate group companies on the grounds that consolidated financial statements are prepared by a parent company.

Related party transactions

During the year, the company sold goods amounting to £341,624 (2011: £46,053) to and purchased goods amounting to £1,138,378 (2011: £174,192) from Eurostampa S.p.A., the company's ultimate parent undertaking. A further loan of £350,000 was advanced from Eurostampa S.p.A during the year and £50,000 was repaid, along with interest of £15,860.

At the balance sheet date, the company owed £783,322 (2011: £224,421) to Eurostampa S.p.A.