

Registration number: 02233870

# A.D.S. Graphics Limited

Directors' Report and Abbreviated Financial Statements

for the Year Ended 31 May 2016

GW Kelly & Co  
Chartered Accountants and Statutory Auditor  
3 Stadium Court  
Plantation Road  
Bromborough  
Wirral  
CH62 3QG

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**A.D.S. Graphics Limited**  
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**A.D.S. Graphics Limited**  
**Company Information**

<b>Directors</b>	Mr R D Patterson Mr D H Patterson Mr C J Tindall Mrs B L Thatcher Ms T Williams Mr S W Preston
<b>Company secretary</b>	Mr D H Patterson
<b>Registered office</b>	3 - 4 Apex Court Bassendale Road Bromborough Wirral CH62 3RE
<b>Bankers</b>	National Westminster Bank plc Charing Cross Grange Road West Birkenhead Merseyside
<b>Auditors</b>	GW Kelly & Co Chartered Accountants and Statutory Auditor 3 Stadium Court Plantation Road Bromborough Wirral CH62 3QG

**A.D.S. Graphics Limited**  
**Strategic Report for the Year Ended 31 May 2016**

The directors present their strategic report for the year ended 31 May 2016.

**Business review**

***Fair review of the business***

The principal activity of the company is the design and manufacture of printed packaging and contract packing services to the Medical Device and Pharmaceutical Industries.

Turnover for the year grew by 16.5% with all parts of the business benefiting with increased demand from existing work and new business. This has followed on from prior year investment in the External Sales and Customer Service team and expansion of the facilities.

Gross profit percentage of 31.32%(2015- 31.27%) has remained in line with expectations and prior year results.

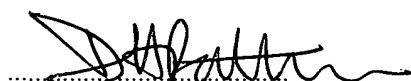
Operating profit margins of 5.62% (2015- 3.66%) have increased with overhead cost increases continuing to be controlled.

The company continues to invest in new and more efficient technologies in order to expand its service offering and ensure margins are protected where possible.

***Principal risks and uncertainties***

Competition for new business caused by low labour rates in economically developing countries continues to be seen as a key business risk. This risk is mitigated by the quality of the company's service and product offering.

Approved by the Board on 22 February 2017 and signed on its behalf by:



Mr D H Patterson  
Company secretary

**A.D.S. Graphics Limited**  
**Directors' Report for the Year Ended 31 May 2016**

The directors present their report and the abbreviated financial statements for the year ended 31 May 2016.

**Directors of the company**

The directors who held office during the year were as follows:

Mr R D Patterson

Mr D H Patterson

Mr C J Tindall (Resignation 31 January 2017)

Mrs B L Thatcher

Ms T Williams

The following director was appointed after the year end:

Mr S W Preston (appointed 1 February 2017)

**Financial instruments**

***Objectives and policies***

Please refer to the strategic report.

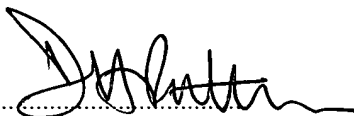
***Price risk, credit risk, liquidity risk and cash flow risk***

Please refer to the strategic report.

**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 22 February 2017 and signed on its behalf by:



Mr D H Patterson  
Company secretary

**Independent Auditor's Report to A.D.S. Graphics Limited**  
**Under section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 5 to 21 together with the financial statements of A.D.S. Graphics Limited for the year ended 31 May 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company 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, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

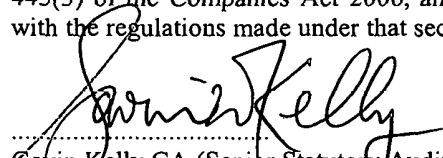
The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

  
Gavin Kelly CA (Senior Statutory Auditor)  
For and on behalf of GW Kelly & Co, Statutory Auditor

3 Stadium Court  
Plantation Road  
Bromborough  
Wirral  
CH62 3QG

22 February 2017

**A.D.S. Graphics Limited****Abbreviated Profit and Loss Account for the Year Ended 31 May 2016**

	Note	2016 £	2015 £
Turnover		<u>11,291,279</u>	<u>9,687,980</u>
Gross profit		3,577,766	3,106,261
Administrative expenses		<u>(2,943,102)</u>	<u>(2,751,546)</u>
Operating profit	2	634,664	354,715
Income from other fixed asset investments		1,333	1,387
Other interest receivable and similar income	5	-	19
Interest payable and similar charges	6	<u>(78,827)</u>	<u>(47,876)</u>
Profit on ordinary activities before taxation		557,170	308,245
Tax on profit on ordinary activities	7	<u>(126,057)</u>	<u>(69,992)</u>
Profit for the financial year	17	<u>431,113</u>	<u>238,253</u>

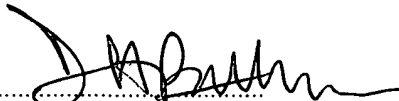
Turnover and operating profit derive wholly from continuing operations.

**A.D.S. Graphics Limited**  
**(Registration number: 02233870)**  
**Abbreviated Balance Sheet at 31 May 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible fixed assets	8	3,915,515	3,317,146
Investments	9	10,081	10,081
		<u>3,925,596</u>	<u>3,327,227</u>
<b>Current assets</b>			
Stocks	10	1,026,644	876,683
Debtors	11	3,130,060	2,361,136
Cash at bank and in hand		102,344	119,792
		<u>4,259,048</u>	<u>3,357,611</u>
Creditors: Amounts falling due within one year	12	(3,955,315)	(2,994,546)
Net current assets		<u>303,733</u>	<u>363,065</u>
Total assets less current liabilities		4,229,329	3,690,292
Creditors: Amounts falling due after more than one year	13	(1,199,023)	(994,402)
Provisions for liabilities	14	(216,508)	(162,539)
Net assets		<u>2,813,798</u>	<u>2,533,351</u>
<b>Capital and reserves</b>			
Called up share capital	15	18,400	18,400
Profit and loss account	17	2,795,398	2,514,951
Shareholders' funds	18	<u>2,813,798</u>	<u>2,533,351</u>

The abbreviated accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board on 22 February 2017 and signed on its behalf by:

  
.....  
Mr D H Patterson  
Director



**A.D.S. Graphics Limited**  
**Cash Flow Statement for the Year Ended 31 May 2016**

**Reconciliation of operating profit to net cash flow from operating activities**

	Note	2016 £	2015 £
Operating profit		634,664	354,715
Depreciation, amortisation and impairment charges		342,272	337,188
Loss on disposal of fixed assets		-	2,900
Increase in stocks		(149,961)	(10,087)
(Increase)/decrease in debtors		(768,924)	360,471
Increase/(decrease) in creditors		412,580	(229,426)
Receipt/release of government grants		(60,650)	172,467
Net cash inflow from operating activities		<u>409,981</u>	<u>988,228</u>

**Cash flow statement**

	Note	2016 £	2015 £
Net cash inflow from operating activities		<u>409,981</u>	<u>988,228</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		-	19
HP and finance lease interest		(16,174)	(6,646)
Interest paid		(62,653)	(41,230)
Dividends received		1,333	1,387
		<u>(77,494)</u>	<u>(46,470)</u>
Taxation paid		<u>(23,402)</u>	<u>(71,766)</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(489,906)	(1,522,243)
Sale of tangible fixed assets		-	2,852
Receipts of government grants		30,324	66,267
		<u>(459,582)</u>	<u>(1,453,124)</u>
Equity dividends paid		<u>(150,666)</u>	<u>(150,664)</u>
Net cash outflow before management of liquid resources and financing		<u>(301,163)</u>	<u>(733,796)</u>

The notes on pages 9 to 21 form an integral part of these financial statements.

**A.D.S. Graphics Limited**  
**Cash Flow Statement for the Year Ended 31 May 2016**

..... continued

**Financing**

Value of new loans obtained during the period		-	971,670
Repayment of loans and borrowings		(35,475)	(92,303)
Repayment of capital element of finance leases and HP contracts		(154,472)	(64,661)
		<u>(189,947)</u>	<u>814,706</u>
Decrease in cash	21	<u>(491,110)</u>	<u>80,910</u>

**Reconciliation of net cash flow to movement in net debt**

	Note	2016 £	2015 £
(Decrease)/increase in cash		(491,110)	80,910
Cash inflow from increase in loans		-	(971,670)
Cash outflow from repayment of loans		35,475	92,303
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		154,472	64,661
Change in net debt resulting from cash flows	21	(301,163)	(733,796)
New finance leases		(450,735)	(117,866)
Movement in net debt	21	(751,898)	(851,662)
Net debt at 1 June	21	(1,582,796)	(731,134)
Net debt at 31 May	21	<u>(2,334,694)</u>	<u>(1,582,796)</u>

The notes on pages 9 to 21 form an integral part of these financial statements.

## **A.D.S. Graphics Limited**

### **Notes to the Financial Statements for the Year Ended 31 May 2016**

#### **1 Accounting policies**

##### **Basis of preparation**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention.

##### **Departures from Companies Act requirements**

Although the Companies Act 2006 requires Group Accounts to be produced this has not been done as the subsidiaries are all dormant and have minimal assets, therefore the accounts show information about the company as an individual entity.

##### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

##### **Government grants**

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Revenue grants are credited to the profit and loss account so as to match them with the expenditure to which they relate.

##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold Property	2% Straight Line
Leasehold Property	12.5% to 20% Straight Line
Plant & Machinery	10% to 33.3% Straight Line
Fixtures & Fittings	10% Straight Line
Motor Vehicles	25% Straight Line
Office Equipment	15% Straight Line
Technology Sensitive Equipment	20% to 25% Straight Line

##### **Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

##### **Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

## **A.D.S. Graphics Limited**

### **Notes to the Financial Statements for the Year Ended 31 May 2016**

*..... continued*

#### **Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

#### **Foreign currency**

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.

#### **Hire purchase and leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

#### **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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### **Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

# **A.D.S. Graphics Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2016**

..... *continued*

### **2 Operating profit**

Operating profit is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Operating leases - plant and machinery	52,679	42,004
Operating leases - other assets	242,108	269,582
Auditor's remuneration - The audit of the company's annual accounts	12,214	12,000
Foreign currency losses/(gains)	90	(647)
Loss on sale of tangible fixed assets	-	2,900
Depreciation of owned assets	342,272	337,188
Government grants receivable	<u>(30,324)</u>	<u>(66,267)</u>

### **3 Particulars of employees**

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Administration and support	27	24
Production	105	94
Distribution	-	1
Other departments	<u>13</u>	<u>13</u>
	<u>145</u>	<u>132</u>

The aggregate payroll costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,081,899	3,537,657
Social security costs	319,934	282,504
Staff pensions	<u>74,519</u>	<u>82,728</u>
	<u>4,476,352</u>	<u>3,902,889</u>

### **4 Directors' remuneration**

The directors' remuneration for the year was as follows:

# **A.D.S. Graphics Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2016**

**..... continued**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Remuneration (including benefits in kind)	370,674	376,558
Company contributions paid to money purchase schemes	<u>13,246</u>	<u>16,053</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>4</u>

In respect of the highest paid director:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Remuneration	108,669	106,926
Company contributions to money purchase pension schemes	<u>5,882</u>	<u>6,000</u>

### **5 Other interest receivable and similar income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<u>-</u>	<u>19</u>

### **6 Interest payable and similar charges**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest on bank borrowings	62,653	41,230
Finance charges	<u>16,174</u>	<u>6,646</u>
	<u>78,827</u>	<u>47,876</u>

# **A.D.S. Graphics Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2016**

..... *continued*

### **7 Taxation**

#### **Tax on profit on ordinary activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Corporation tax charge	72,088	23,403
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>53,969</u>	<u>46,589</u>
Total tax on profit on ordinary activities	<u><u>126,057</u></u>	<u><u>69,992</u></u>

#### **Factors affecting current tax charge for the year**

Tax on profit on ordinary activities for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%).

The differences are reconciled below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>557,170</u>	<u>308,245</u>
Corporation tax at standard rate	111,434	61,649
Capital allowances in excess of depreciation	(40,148)	(42,365)
Short term timing difference	(479)	1,322
Expenses not deductible for tax purposes	1,547	3,073
Dividends from UK companies	<u>(267)</u>	<u>(276)</u>
Total current tax	<u><u>72,087</u></u>	<u><u>23,403</u></u>

**A.D.S. Graphics Limited**  
**Notes to the Financial Statements for the Year Ended 31 May 2016**

..... continued

**8 Tangible fixed assets**

	Freehold land and buildings £	Short leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 June 2015	2,450,777	236,864	5,619,950	324,381	13,706	144,422	8,790,100
Additions	204,457	38,196	574,693	106,493	-	16,802	940,641
At 31 May 2016	2,655,234	275,060	6,194,643	430,874	13,706	161,224	9,730,741
<b>Depreciation</b>							
At 1 June 2015	318,168	85,501	4,673,239	292,169	10,849	93,028	5,472,954
Charge for the year	54,166	32,928	212,231	16,354	2,855	23,738	342,272
At 31 May 2016	372,334	118,429	4,885,470	308,523	13,704	116,766	5,815,226
<b>Net book value</b>							
At 31 May 2016	2,282,900	156,631	1,309,173	122,351	2	44,458	3,915,515
At 31 May 2015	2,132,609	151,363	946,711	32,212	2,857	51,394	3,317,146

**Leased assets**

Included within the net book value of tangible fixed assets is £566,145 (2015 - £166,307) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £47,896 (2015 - £12,203).



# **A.D.S. Graphics Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2016**

**..... continued**

### **9 Investments held as fixed assets**

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Shares in group undertakings and participating interests	81	81
Other investments	10,000	10,000
	<u>10,081</u>	<u>10,081</u>

#### **Shares in group undertakings and participating interests**

	<b>Subsidiary undertakings</b> <b>£</b>	<b>Total</b> <b>£</b>
<b>Cost</b>		
At 1 June 2015	81	81
At 31 May 2016	81	81
<b>Net book value</b>		
At 31 May 2016	81	81
At 31 May 2015	81	81

#### **Other investments**

	<b>Listed investments</b> <b>£</b>	<b>Total</b> <b>£</b>
<b>Cost</b>		
At 1 June 2015	10,000	10,000
At 31 May 2016	10,000	10,000
<b>Net book value</b>		
At 31 May 2016	10,000	10,000
At 31 May 2015	10,000	10,000

The market value of the listed investments at 31 May 2016 was £38,214 (2015 - £30,666).

#### **Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

# **A.D.S. Graphics Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2016**

..... continued

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>
<b>Subsidiary undertakings</b>				
Flexprint(Wirral) Limited	Great Britain	Ordinary shares of £1	100%	The company is dormant
Chester Medical Solutions Limited	Great Britain	Ordinary shares of £1	100%	The company is dormant

The profit for the financial period of Flexprint(Wirral) Limited was £nil and the aggregate amount of capital and reserves at the end of the period was (£80).

The profit for the financial period of Chester Medical Solutions Limited was £nil and the aggregate amount of capital and reserves at the end of the period was (£1).

### **10 Stocks**

	<b>2016 £</b>	<b>2015 £</b>
Stocks	<u>1,026,644</u>	<u>876,683</u>

### **11 Debtors**

	<b>2016 £</b>	<b>2015 £</b>
Trade debtors	2,032,099	1,591,064
Amounts recoverable on long term contracts	867,485	565,439
Other debtors	21,996	20,563
Directors' current accounts	-	1,180
Prepayments and accrued income	208,480	182,890
	<u>3,130,060</u>	<u>2,361,136</u>

Trade debtors, bank loans and overdrafts as at 31 May 2016 include £827,886 (2015-£572,833) of invoices discounted with recourse.

# **A.D.S. Graphics Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2016**

**..... continued**

### **12 Creditors: Amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,873,036	1,585,254
Bank loans and overdrafts	1,104,430	656,184
Obligations under finance lease and hire purchase contracts	133,585	52,002
Corporation tax	72,088	23,402
Other taxes and social security	217,681	190,115
Other creditors	19,244	23,069
Directors' current accounts	131,164	109,232
Accruals and deferred income	404,087	355,288
	<u>3,955,315</u>	<u>2,994,546</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,104,430	656,184
Hire purchase contracts	133,585	52,002
	<u>1,238,015</u>	<u>708,186</u>

There is a first legal mortgage over the freehold property of the company and fixed and floating charges over the current and future assets of the company.

### **13 Creditors: Amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	871,422	881,481
Other loans	45,000	45,000
Obligations under finance lease and hire purchase contracts	282,601	67,921
	<u>1,199,023</u>	<u>994,402</u>

# **A.D.S. Graphics Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2016**

..... continued

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	2016 £	2015 £
Bank loans and overdrafts	871,422	881,481
Hire purchase contracts	282,601	67,921
	<u>1,154,023</u>	<u>949,402</u>

There is a first legal mortgage over the freehold property of the company and fixed and floating charges over the current and future assets of the company.

Included in the creditors are the following amounts due after more than five years:

	2016 £	2015 £
After more than five years by instalments	<u>676,327</u>	<u>680,340</u>

### **Obligations under finance leases and HP contracts**

#### **Amounts repayable:**

	2016 £	2015 £
In one year or less on demand	133,585	52,002
Between two and five years	282,601	67,921
	<u>416,186</u>	<u>119,923</u>

### **14 Provisions**

	Deferred tax £	Total £
At 1 June 2015	162,539	162,539
Charged to the profit and loss account	53,969	53,969
At 31 May 2016	<u>216,508</u>	<u>216,508</u>

# **A.D.S. Graphics Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2016**

**..... continued**

### **Analysis of deferred tax**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Difference between accumulated depreciation and amortisation and capital allowances	216,987	161,217
Other timing differences	(479)	1,322
	<u>216,508</u>	<u>162,539</u>

### **15 Share capital**

#### **Allotted, called up and fully paid shares**

	<b>2016</b>		<b>2015</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>18,400</u>	<u>18,400</u>	<u>18,400</u>	<u>18,400</u>

### **16 Dividends**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Dividends paid</b>		
Current year interim dividend paid	<u>150,666</u>	<u>150,664</u>

### **17 Reserves**

	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 June 2015	2,514,951	2,514,951
Profit for the year	431,113	431,113
Dividends	(150,666)	(150,666)
At 31 May 2016	<u>2,795,398</u>	<u>2,795,398</u>

# **A.D.S. Graphics Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2016**

..... continued

### **18 Reconciliation of movement in shareholders' funds**

	2016 £	2015 £
Profit attributable to the members of the company	431,113	238,253
Dividends	(150,666)	(150,664)
Net addition to shareholders' funds	280,447	87,589
Shareholders' funds at 1 June	2,533,351	2,445,762
Shareholders' funds at 31 May	2,813,798	2,533,351

### **19 Pension schemes**

#### **Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £74,519 (2015 - £82,728).

Contributions totalling £8,135 (2015 - £10,528) were payable to the scheme at the end of the year and are included in creditors.

### **20 Commitments**

#### **Operating lease commitments**

As at 31 May 2016 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2016 £	2015 £
<b>Land and buildings</b>		
Within one year	3,203	-
Within two and five years	-	12,813
Over five years	166,564	166,564
	169,767	179,377
<b>Other</b>		
Within one year	8,463	10,083
Within two and five years	84,722	63,123
Over five years	14,910	14,911
	108,095	88,117

# A.D.S. Graphics Limited

## Notes to the Financial Statements for the Year Ended 31 May 2016

..... continued

### 21 Analysis of net debt

	At 1 June 2015 £	Cash flow £	Other non-cash changes £	At 31 May 2016 £
Cash at bank and in hand	119,792	(17,448)	-	102,344
Bank overdraft	(587,299)	(473,662)	-	(1,060,961)
	<u>(467,507)</u>	<u>(491,110)</u>	<u>-</u>	<u>(958,617)</u>
Debt due within one year	(68,885)	25,416	-	(43,469)
Debt due after more than one year	(926,481)	10,059	-	(916,422)
Finance leases and hire purchase contracts	(119,923)	154,472	(450,735)	(416,186)
Net debt	<u>(1,582,796)</u>	<u>(301,163)</u>	<u>(450,735)</u>	<u>(2,334,694)</u>

### 22 Related party transactions

#### Directors' advances and credits

	2016 Advance/ Credit £	2016 Repaid £	2015 Advance/ Credit £	2015 Repaid £
Ms T Williams				
Interest free loan from company	-	1,180	1,180	1,820

#### Other related party transactions

During the year the company made the following related party transactions:

#### Quay Pharmaceuticals Limited

(Mr R D Patterson, Mr D H Patterson and Mr C J Tindall are investors in Quay Pharmaceuticals Limited, a company engaged in clinical research for the pharmaceutical industry. D H Patterson is also a director of the company.)

Quay Pharmaceuticals Limited trades from premises leased from the company at a commercial rent plus goods and services totalling £111,091 for the year. Services totalling £13,734 were purchased from Quay Pharmaceuticals Limited

At the balance sheet date the amount due from Quay Pharmaceuticals Limited was £54,100 (2015 - £105,293).

### 23 Control

The company is controlled by the directors who own 90% of the called up share capital.