

Registration number 01229842

Vinyl Graphics Limited
Abbreviated accounts
for the year ended 31 December 2011

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Vinyl Graphics Limited

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Vinyl Graphics Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the accounts for the year ended 31 December 2011

Principal activity and review of the business

The principal activity of the company continued to be that of the production & application of self adhesive vinyl and digital graphics

Results and dividends

The Profit for the year, after taxation, amounted to £187,723 Particulars of dividends paid and proposed are detailed in the notes to the financial statements

Financial risk management objectives and policies

The company's principal financial instruments comprise bank balances, trade creditors, trade debtors, loans to the company and finance lease agreements The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations

Due to the nature of the financial instruments used by the company there is no exposure to price risk The company's approach to managing other risks applicable to the financial instruments concerned is shown below

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest The company makes use of money market facilities when funds are available

In respect of the loan from the company's pension scheme the interest rate and the monthly repayments are fixed The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments

The company is a lessee in respect of finance-leased assets The liquidity risk in respect of these is managed in the same way as loans above

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

Future developments

The continuing investment in new technology and products should allow the company to maintain its ability to meet all demands placed on it both in terms of profitability and market share

Directors

The directors who served during the year are as stated below

E J Ayerst
S D Ayerst
M J Ayerst
R Dadd
M Elen

Vinyl Graphics Limited
Directors' report
for the year ended 31 December 2011

continued

Charitable Donations

During the year the company contributed £5,823 to charities

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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and 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.


In so far as the directors are aware

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Thickbroom Coventry are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006

This report was approved by the Board on 28 March 2012 and signed on its behalf by


G M Makepeace
Secretary

**Independent auditors' report to Vinyl Graphics Limited
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 4 to 19 together with the financial statements of Vinyl Graphics Limited for the year ended 31 December 2011 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 work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 the directors and the auditors

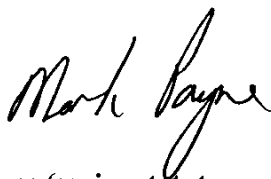
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated 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 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 to be delivered 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 that provision.



**Mark Payne (senior statutory auditor)
For and on behalf of Thickbroom Coventry
Chartered Accountants and
Statutory Auditors**

**147a High Street
Waltham Cross
Hertfordshire
EN8 7AP**

Vinyl Graphics Limited

**Abbreviated profit and loss account
for the year ended 31 December 2011**

		Continuing operations	
		2011	2010
		£	£
	Notes		
Turnover		10,770,744	9,351,131
Gross profit		4,186,261	3,771,876
Distribution costs		(976,375)	(931,284)
Administrative expenses		(2,899,094)	(2,559,308)
Operating profit	2	310,792	281,284
Other interest receivable and similar income	4	1,075	1,664
Interest payable and similar charges	5	(49,795)	(38,767)
Profit on ordinary activities before taxation		262,072	244,181
Tax on profit on ordinary activities	7	(74,349)	(82,519)
Profit for the year		187,723	161,662
Retained profit brought forward		2,202,211	2,110,549
Reserve Movements		(70,000)	(70,000)
Retained profit carried forward		2,319,934	2,202,211

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 7 to 19 form an integral part of these financial statements.

Vinyl Graphics Limited

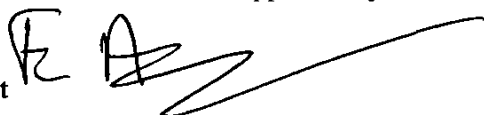
**Abbreviated balance sheet
as at 31 December 2011**

	Notes	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	8		3,098,060		2,672,226
Investments	9		29,740		33,688
			<u>3,127,800</u>		<u>2,705,914</u>
Current assets					
Stocks	10	223,853		141,650	
Debtors	11	1,905,715		1,684,113	
Cash at bank and in hand		326,810		226,010	
		<u>2,456,378</u>		<u>2,051,773</u>	
Creditors: amounts falling due within one year	12	<u>(2,071,179)</u>		<u>(1,504,243)</u>	
Net current assets			<u>385,199</u>		<u>547,530</u>
Total assets less current liabilities			3,512,999		3,253,444
Creditors: amounts falling due after more than one year	13		(942,966)		(808,150)
Provisions for liabilities	14		<u>(232,599)</u>		<u>(225,583)</u>
Net assets			<u>2,337,434</u>		<u>2,219,711</u>
Capital and reserves					
Called up share capital	16		17,500		17,500
Profit and loss account			2,319,934		2,202,211
Shareholders' funds	17		<u>2,337,434</u>		<u>2,219,711</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Section 445(3) of the Companies Act 2006 relating to medium-sized companies

The abbreviated accounts were approved by the Board on 28 March 2012 and signed on its behalf by

E J Ayerst
Director



Registration number 01229842

The notes on pages 7 to 19 form an integral part of these financial statements.

Vinyl Graphics Limited

**Cash flow statement
for the year ended 31 December 2011**

	Notes	2011 £	2010 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		310,792	281,284
Depreciation		665,160	508,171
(Increase) in stocks		(82,203)	(415)
(Increase) in debtors		(221,602)	(329,507)
Increase in creditors		338,390	(91,085)
Net cash inflow from operating activities		<u>1,010,537</u>	<u>368,448</u>
 Cash flow statement			
Net cash inflow from operating activities		1,010,537	368,448
Returns on investments and servicing of finance	21	(48,720)	(37,103)
Taxation	21	(17,436)	26,096
Capital expenditure	21	(533,366)	(261,400)
		411,015	96,041
Equity dividends paid		(70,000)	(70,000)
		341,015	26,041
Financing	21	(240,214)	(387,024)
Increase in cash in the year		<u>100,801</u>	<u>(360,983)</u>
 Reconciliation of net cash flow to movement in net debt (Note 22)			
Increase in cash in the year		100,801	(360,983)
Cash inflow from increase in debts and lease financing		240,214	387,024
Change in net funds resulting from cash flows		341,015	26,041
New finance leases and hire purchase contracts		(553,679)	(738,379)
Movement in net debt in the year		(212,664)	(712,338)
Net debt at 1 January 2011		<u>(1,161,438)</u>	<u>(449,100)</u>
Net debt at 31 December 2011		<u>(1,374,102)</u>	<u>(1,161,438)</u>

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

1.2. Turnover

Turnover represents the total value of work done during the year, excluding value added tax

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Plant and machinery	-	20% Reducing balance
Fixtures, fittings and equipment	-	15% Reducing balance
Motor vehicles	-	25% Reducing balance

1.4. 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 constant periodic rates of charge on the net obligations outstanding in each period

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

1.5. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

1.6. Stock

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

1.7. Pensions

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

continued

1.8. 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

Deferred tax assets are recognised only to the extent that the directors consider 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

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account

2. Operating profit

	2011	2010
	£	£
Depreciation and other amounts written off tangible assets	656,127	475,116
Loss on disposal of tangible fixed assets	9,033	33,055
Net foreign exchange loss	1,481	1,306
Operating lease rentals		
- Land and buildings	395,385	290,253
Auditors' remuneration (Note 3)	<u>11,000</u>	<u>10,500</u>

3. Auditors' remuneration

	2011	2010
	£	£
Auditors' remuneration - audit of the financial statements	<u>11,000</u>	<u>10,500</u>
Auditors' remuneration - other fees		
- taxation services	627	634
- Pension accounts	2,250	2,215
- Management accounts	3,250	3,560
- Other	<u>1,599</u>	<u>5,128</u>
	<u>7,726</u>	<u>11,537</u>

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

continued

4. Interest receivable and similar income	2011	2010
	£	£
Bank interest	1,075	1,443
Other interest	-	221
	<u>1,075</u>	<u>1,664</u>
5. Interest payable and similar charges	2011	2010
	£	£
Interest payable on loans < 1 yr	7,140	9,350
Hire purchase interest	42,655	29,417
	<u>49,795</u>	<u>38,767</u>
6. Employees		
Number of employees	2011	2010
The average monthly numbers of employees (including the directors) during the year were		
Administration	26	23
Sales	6	6
Production	56	50
	<u>88</u>	<u>79</u>
Employment costs	2011	2010
	£	£
Wages and salaries	2,744,940	2,453,463
Social security costs	312,857	280,015
Pension costs	194,097	179,165
	<u>3,251,894</u>	<u>2,912,643</u>

Vinyl Graphics Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2011

continued

6.1. Directors' remuneration	2011	2010
	£	£
Remuneration and other emoluments	694,219	713,559
Pension contributions	82,290	82,290
	<u>776,509</u>	<u>795,849</u>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	-	-
Highest paid director	£	£
Amounts included above		
Emoluments and other benefits	239,533	249,122
Pension contributions	28,800	28,800
	<u>268,333</u>	<u>277,922</u>

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

continued

7. Tax on profit on ordinary activities

Analysis of charge in period	2011	2010
	£	£
Current tax		
UK corporation tax	67,333	17,436
Total current tax charge	<u>67,333</u>	<u>17,436</u>
Deferred tax		
Timing differences, origination and reversal	7,016	65,083
Total deferred tax	<u>7,016</u>	<u>65,083</u>
Tax on profit on ordinary activities	<u><u>74,349</u></u>	<u><u>82,519</u></u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (26.00 per cent). The differences are explained below:

	2011	2010
	£	£
Profit on ordinary activities before taxation	<u>262,072</u>	<u>244,181</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.00% (31 December 2010: 21.00%)	68,139	51,278
Effects of:		
Expenses not deductible for tax purposes	24,658	17,699
Affect of lower rate bands	(18,448)	-
Adjustment in respect of Industrial Buildings Allowance	-	13,542
Current tax charge for period	<u><u>74,349</u></u>	<u><u>82,519</u></u>

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

continued

8. Tangible fixed assets	Short leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2011	99,701	5,367,280	558,199	356,065	6,381,245
Additions	-	838,694	127,086	148,546	1,114,326
Disposals	-	-	-	(101,794)	(101,794)
At 31 December 2011	<u>99,701</u>	<u>6,205,974</u>	<u>685,285</u>	<u>402,817</u>	<u>7,393,777</u>
Depreciation					
At 1 January 2011	99,701	3,053,348	357,890	198,080	3,709,019
On disposals	-	-	-	(65,480)	(65,480)
Charge for the year	-	567,511	34,650	50,017	652,178
At 31 December 2011	<u>99,701</u>	<u>3,620,859</u>	<u>392,540</u>	<u>182,617</u>	<u>4,295,717</u>
Net book values					
At 31 December 2011	<u>-</u>	<u>2,585,115</u>	<u>292,745</u>	<u>220,200</u>	<u>3,098,060</u>
At 31 December 2010	<u>-</u>	<u>2,313,932</u>	<u>200,309</u>	<u>157,985</u>	<u>2,672,226</u>

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

Asset description	2011		2010	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	1,746,199	357,799	1,544,418	198,386
Motor vehicles	-	-	10,716	3,572
	<u>1,746,199</u>	<u>357,799</u>	<u>1,555,134</u>	<u>201,958</u>

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

continued

9. Fixed asset investments	Subsidiary undertakings shares £	Other unlisted investments £	Total £
Cost			
At 1 January 2011			
At 31 December 2011	10,000	39,480	49,480
Provisions for diminution in value:			
At 1 January 2011	-	15,792	15,792
Movement	-	3,948	3,948
At 31 December 2011	-	19,740	19,740
Net book values			
At 31 December 2011	10,000	19,740	29,740
At 31 December 2010	10,000	23,688	33,688
9.1. Fixed asset investments		2011 £	2010 £
Directors' valuation of unlisted investments		19,740	23,688

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

continued

9.2. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Jadecal Signs Limited	England	Dormant company	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves £	Profit for the year £
Jadecal Signs Limited	10,000	-

The other unlisted investment is the company's holding of a 10 year licence with Wembley National Stadium Limited

10. Stocks	2011 £	2010 £
Raw materials and consumables	223,853	141,650
	<u>223,853</u>	<u>141,650</u>
11. Debtors	2011 £	2010 £
Trade debtors billed	1,735,600	1,513,365
Trade debtors unbilled	52,744	56,257
Other debtors	-	1,133
Prepayments and accrued income	117,371	113,358
	<u>1,905,715</u>	<u>1,684,113</u>

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

continued

12. Creditors: amounts falling due within one year	2011 £	2010 £
Bank loan	33,323	-
Pension scheme loans	204,000	204,000
Net obligations under finance leases and hire purchase contracts	520,624	375,298
Trade creditors	775,032	702,810
Amounts owed to participating interest	10,000	10,000
Corporation tax	67,333	17,436
Other taxes and social security costs	249,585	154,620
Accruals and deferred income	211,282	40,079
	<u>2,071,179</u>	<u>1,504,243</u>

Bank loans and overdrafts were secured by way of a debenture dated 17 April 1986 in favour of the National Westminster Bank Plc. During the year ended 31 December 1997 the company borrowed £204,000 from the company pension fund. This is an unsecured interest only loan at a rate of 3.00% per annum above base. The aggregate value of secured liabilities is £1,496,913 (2010 £1,183,448).

13. Creditors: amounts falling due after more than one year	2011 £	2010 £
Bank loan	163,344	-
Net obligations under finance leases and hire purchase contracts	779,622	808,150
	<u>942,966</u>	<u>808,150</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	520,624	375,298
Repayable between one and five years	779,622	808,150
	<u>1,300,246</u>	<u>1,183,448</u>

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

continued

14. Provisions for liabilities

	Deferred taxation (Note 15) £	Total £
At 1 January 2011	225,583	225,583
Movements in the year	7,016	7,016
At 31 December 2011	<u>232,599</u>	<u>232,599</u>

15. Provision for deferred taxation

	2011 £	2010 £
Accelerated capital allowances	232,599	225,583
Provision for deferred tax	<u>232,599</u>	<u>225,583</u>
Provision at 1 January 2011	225,583	
Deferred tax charge in profit and loss account	7,016	
Provision at 31 December 2011	<u>232,599</u>	

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

continued

16. Share capital	2011	2010
	£	£
Authorised		
17,500 Ordinary shares of £1 each	17,500	17,500
2,500 Preference shares of £1 each	2,500	2,500
	<u>20,000</u>	<u>20,000</u>
Allotted, called up and fully paid		
17,500 Ordinary shares of £1 each	17,500	17,500
- Preference shares of £1 each	-	-
	<u>17,500</u>	<u>17,500</u>
Equity Shares		
17,500 Ordinary shares of £1 each	<u>17,500</u>	<u>17,500</u>
 17. Reconciliation of movements in shareholders' funds	 2011	 2010
	£	£
Profit for the year	187,723	161,662
Dividends	(70,000)	(70,000)
	<u>117,723</u>	<u>91,662</u>
Opening shareholders' funds	2,219,711	2,128,049
Closing shareholders' funds	<u>2,337,434</u>	<u>2,219,711</u>
 18. Financial commitments		
At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows		
	Land and buildings	
	2011	2010
	£	£
Expiry date:		
Between one and five years	<u>405,886</u>	<u>405,858</u>

Vinyl Graphics Limited

Notes to the abbreviated financial statements for the year ended 31 December 2011

continued

20. Related party transactions

During the year under review the company paid rent of £153,881 (2010. £153,881) in respect of the use of the premises from which it operates. The rent was paid to a trust the sole beneficiary of which is EJ Ayerst, a director of the company. The company also paid rent for an additional factory of £175,725 (2010 43,924) to the Vinyl Graphics Pension Scheme.

A loan totalling £204,000 (2010 £204,000) from Vinyl Graphics Limited Pension Scheme was outstanding at the year end. Interest of £7,140 (2010 £9,350) was paid in respect of this loan.

21. Gross cash flows

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	1,075	1,664
Interest paid	(49,795)	(38,767)
	<u>(48,720)</u>	<u>(37,103)</u>
Taxation		
Corporation tax paid	(17,436)	-
Corporation tax repaid	-	26,096
	<u>(17,436)</u>	<u>26,096</u>
Capital expenditure		
Payments to acquire tangible assets	(560,647)	(339,800)
Receipts from sales of tangible assets	27,281	78,400
	<u>(533,366)</u>	<u>(261,400)</u>
Financing		
New long term bank loan	200,000	-
Repayment of short term bank loan	(3,333)	-
Capital element of finance leases and hire purchase contracts	(436,881)	(387,024)
	<u>(240,214)</u>	<u>(387,024)</u>

Vinyl Graphics Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

continued

22. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	226,010	100,800		326,810
Debt due within one year	(204,000)	3,333	(36,656)	(237,323)
Debt due after one year	-	(200,000)	36,656	(163,344)
Finance leases and hire purchase contracts	(1,183,448)	436,881	(553,679)	(1,300,246)
	<u>(1,387,448)</u>	<u>240,214</u>	<u>(553,679)</u>	<u>(1,700,913)</u>
Net funds	<u><u>(1,161,438)</u></u>	<u><u>341,014</u></u>	<u><u>(553,679)</u></u>	<u><u>(1,374,103)</u></u>