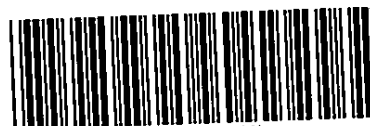


Graphic Inline Limited

Report and Financial Statements

31 March 2010

WEDNESDAY



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01/09/2010
COMPANIES HOUSE

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Directors

R Welch
P Thomas
N A Smith

Secretary

N A Smith

Auditors

Ernst & Young LLP
City Gate West
Toll House Hill
Nottingham NG1 5FY

Bankers

National Westminster Bank Plc
PO Box 160
7th Floor
St John's House
East Street
Leicester LE1 9GW

Solicitors

M&S Solicitors Limited
Home Farm
5 Newton Road
Heather
Leicester LE67 2RD

Registered Office

147 Scudamore Road
Leicester LE3 1UQ

Directors' report

The directors present their report and financial statements for the year ended 31 March 2010

Results and dividends

The loss for the year after taxation amounted to £3,000 (2009 – profit of £29,000) The directors have not recommended the payment of a dividend (2009 – £nil)

Principal activity and review of the business

The principal activity of the company during the year is as a holding company The company delivered a zero profit before tax for the year mainly because of the cancellation of inter company charges

On 31 March 2010, the company disposed of its investment in GI Solutions Group Limited to GI Solutions Holdings Limited as part of a group reorganisation

Future developments

The company is expected to be dormant in the future

Principal risks and uncertainties

The directors consider that the principal risk within this company is the repayment of the intercompany debtor but consider that the requirement to repay intercompany balances is a factor that has to be managed with reference to the group as a whole The directors do not consider there to be any other significant risks

Directors

The directors who served the company during the year were as follows

R Welch
P Thomas
N A Smith

The company has indemnified its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Such qualifying third party indemnity provision is in force at the date of approving the directors' report

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

In accordance with s 485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board



N A Smith
Secretary

25 August 2010

Statement of 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 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 proper 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Graphic Inline Limited

We have audited the financial statements of Graphic Inline Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 12. 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 on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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.

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 March 2010 and of its loss 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.

Independent auditors' report

to the members of Graphic Inline 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

Ernst & Young LLP

Steven Bagworth (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Nottingham

26 August 2010

Profit and loss account

for the year ended 31 March 2010

	<i>Note</i>	<i>2010</i> <i>£000</i>	<i>2009</i> <i>£000</i>
Other operating income		-	14
Operating profit	2	-	14
Profit on ordinary activities before taxation		-	14
Tax on profit on ordinary activities	4	(3)	15
(Loss)/profit for the financial year		(3)	29

All of the activities of the company are classed as continuing

Statement of total recognised gains and losses

for the year ended 31 March 2010

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £3,000 in the year ended 31 March 2010 (2009— profit of £29,000)

Balance sheet

at 31 March 2010

	Note	2010 £000	2009 £000
Fixed assets			
Investments	5	-	3,627
Current assets			
Debtors	6	3,653	45
Creditors: amounts falling due within one year	7	(413)	(429)
Net current assets		3,240	(384)
Net assets		3,240	3,243
Capital and reserves			
Share capital	8	2,597	2,597
Capital redemption reserve	9	622	622
Profit and loss account	9	21	24
Shareholders' funds	9	3,240	3,243

Approved by the Board


L. Welch
Director

25 August 2010

Notes to the financial statements

at 31 March 2010

1. Accounting policies

Basis of preparation

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

The directors have prepared projected cash flow information for the period ending 12 months from the date of signing of these financial statements. On the basis of this cash flow information, the directors consider that the company will continue to generate positive cash flow through its investment in other group companies and therefore feel it is appropriate to prepare the financial statements on a going concern basis

Group financial statements

The company is exempt from preparing and delivering group financial statements under section 400 of the Companies Act 2006. The financial statements present information about the company as an individual undertaking and not part of the group as a whole

Statement of cash flows

The directors have taken advantage of the exemption in FRS 1 (revised) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Investments

Investments are initially recorded at cost. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

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 exception

- 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

Pension costs

The company does not operate its own pension scheme, but contributes to certain individual pension personal pension plans on behalf of certain directors. The assets of the schemes are held separately from those of the company in independently administered plans. The amounts charged against profits represent the contributions payable to the plan in respect of the accounting period

Notes to the financial statements

at 31 March 2010

2. Operating profit

This is stated after charging

	2010 £000	2009 £000
Auditors' remuneration – audit services	-	1
– taxation services	-	-
	<u>-</u>	<u>-</u>

The auditors' remuneration charge for 2010 has been incurred by another group company

3. Staff costs and directors' emoluments

	2010 £000	2009 £000
Emoluments	-	378
Pension contributions	-	12
	<u>-</u>	<u>390</u>
Highest paid director	-	124
	<u>-</u>	<u>124</u>

The company had no employees in 2010 or 2009

4. Tax

(a) Tax on profit on ordinary activities

The tax charge/(credit) is made up as follows

	2010 £000	2009 £000
<i>Current tax</i>		
UK corporation tax	-	-
Tax under/(over) provided in previous years	3	(15)
Total current tax (note 4(b))	<u>3</u>	<u>(15)</u>

Notes to the financial statements

at 31 March 2010

4. Tax (continued)

(b) Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 – 28%) The differences are reconciled below

	2010 £000	2009 £000
Profit on ordinary activities before tax	-	14
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 – 28%)	-	4
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	19
Group relief surrendered for nil payments	-	(23)
Adjustments in respect of previous periods	3	(915)
Current tax for the year (note 4(a))	3	(15)

There is no provided or unprovided deferred tax as at 31 March 2010 (2009 – £nil)

(c) Factors affecting future tax charges

There are no material factors affecting future tax charges

5. Investments

	<i>Fixed asset investment £000</i>
Cost at 1 April 2009	3,627
Disposals	(3,627)
Cost at 31 March 2010	-

The company transferred at book value its entire holding of the ordinary shares of GI Solutions Group Limited to GI Solutions Holdings Limited on 31 March 2010. The consideration was settled through intercompany balances.

6. Debtors

	2010 £000	2009 £000
Amounts owed by group undertakings	3,653	29
Corporation tax	-	16
	3,653	45

Notes to the financial statements

at 31 March 2010

7. Creditors: amounts falling due within one year

	2010 £000	2009 £000
Bank overdraft (unsecured)	-	4
Amounts owed to group undertakings	406	418
Accruals and deferred income	7	7
	<u>413</u>	<u>429</u>

8 Share capital

	No	2010 £000	No	2009 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	2,597,198	2,597	2,597,198	2,597

9. Reconciliation of shareholders' funds and movements on reserves

	-Share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total share holders' funds £000
At 31 March 2008	2,597	622	(5)	3,214
Profit for the year	-	-	29	29
At 31 March 2009	2,597	622	24	3,243
Loss for the year	-	-	(3)	(3)
At 31 March 2010	2,597	622	21	3,240

10. Pensions

The company does not operate its own pension scheme, but contributes to certain individual personal pension plans on behalf of certain directors. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no unpaid contributions at the year end (2009 – £nil)

The profit and loss account includes pension contributions of £nil (2009 – £12,000)

Notes to the financial statements

at 31 March 2010

11 Related party transactions

The company has taken advantage of the exemption in FRS 8 (amended) from disclosing transactions with wholly owned subsidiaries

12. Ultimate parent undertaking and controlling party

The company's immediate parent is Hamsard 2822 Limited

The company's ultimate parent undertaking is Grove Industries Limited, a company registered in England and Wales. The ultimate controlling party is D Grove by virtue of his controlling interest in Grove Industries Limited

The largest and smallest group in which the company is included within the group financial statements for the year is that of Grove Industries Limited, copies of which are available from its registered office: 5 The Courtyard, Timothy's Bridge Road, Stratford upon Avon, Warwickshire, CV37 9NP