

STEPHEN AUSTIN & SONS LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

Rothmans Audit LLP
Statutory Auditors
Chartered Accountants
Fryern House
125 Winchester Road
Chandlers Ford
Hampshire
SO53 2DR

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STEPHEN AUSTIN & SONS LIMITED
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FOR THE YEAR ENDED 30 SEPTEMBER 2015

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STEPHEN AUSTIN & SONS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2015

DIRECTORS: P G Fowler
R J Fowler
M Chitson

SECRETARY: I M Angus

REGISTERED OFFICE: Caxton Hill
Ware Road
Hertford
Hertfordshire
SG13 7LU

REGISTERED NUMBER: 04381773

AUDITORS: Rothmans Audit LLP
Statutory Auditors
Chartered Accountants
Fryern House
125 Winchester Road
Chandlers Ford
Hampshire
SO53 2DR

BANKERS: HSBC Bank plc
36 Fore Street
Hertford
Hertfordshire
SG14 1BS

STEPHEN AUSTIN & SONS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

The directors present their strategic report for the year ended 30 September 2015.

REVIEW OF BUSINESS

The key financial highlights are as follows:

	2015	2014	2013	2012	2011
	£k	£k	£k	£k	£k
Turnover	16,207	15,948	15,901	14,370	13,804
Gross profit margin	39.0%	40.0%	36.5%	35.8%	36.4%

The gross profit margin has been maintained at an adequate level despite the need to maintain competitive prices.

The company has also kept a close control over costs.

The directors consider the profit on ordinary activities before taxation and the state of the company's affairs to be satisfactory.

RISKS AND UNCERTAINTIES

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

The company's principal financial instruments comprise trade debtors, trade creditors, bank balances, bank loans and hire purchase agreements. The risks applicable to the financial instruments are managed by the company.

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. In respect of bank loans the company manages its liquidity risk by ensuring there are sufficient funds to meet the payments as they fall due.

The company's hire purchase debt is managed in the same way as loans above.

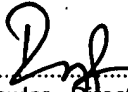
Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and regular monitoring of both amounts outstanding and credit limits.

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

FUTURE DEVELOPMENTS

The directors will continue to look for opportunities to develop the company's business of confidential and general printing.

ON BEHALF OF THE BOARD:


.....
R J Fowler - Director

Date: 28/06/16

STEPHEN AUSTIN & SONS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

The directors present their report with the financial statements of the company for the year ended 30 September 2015.

DIVIDENDS

The total distribution of dividends for the year ended 30 September 2015 will be £180,000.

RESEARCH AND DEVELOPMENT

The company's research and development activities are focused on design and development of new processes.

DIRECTORS

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

P G Fowler
R J Fowler
M J Chitson

DONATIONS

TBC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Rothmans Audit LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
R J Fowler - Director

Date: 28/06/16

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
STEPHEN AUSTIN & SONS LIMITED**

We have audited the financial statements of Stephen Austin & Sons Limited for the year ended 30 September 2015 on pages five to eighteen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 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.

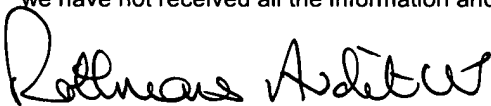
Opinion on other matter prescribed by the Companies Act 2006

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

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.



Robin Lloyd (Senior Statutory Auditor)
for and on behalf of Rothmans Audit LLP
Statutory Auditors
Chartered Accountants
Fryern House
125 Winchester Road
Chandlers Ford
Hampshire
SO53 2DR

Date: 28/06/16

STEPHEN AUSTIN & SONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

		2015		2014	
	Notes	£'000	£'000	£'000	£'000
TURNOVER	2		16,207		15,948
Cost of sales			<u>9,893</u>		<u>9,622</u>
GROSS PROFIT			6,314		6,326
Administrative expenses			<u>6,281</u>		<u>5,732</u>
			33		594
Other operating income			<u>32</u>		<u>10</u>
OPERATING PROFIT	5		65		604
Interest receivable and similar income		80		75	
Other finance income	21	<u>87</u>		<u>66</u>	
			167		141
			232		745
Interest payable and similar charges	6		<u>123</u>		<u>137</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			109		608
Tax on profit on ordinary activities	7		<u>(15)</u>		<u>147</u>
PROFIT FOR THE FINANCIAL YEAR			124		461

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

STEPHEN AUSTIN & SONS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	2015	2014
	£'000	£'000
PROFIT FOR THE FINANCIAL YEAR	124	461
Actuarial losses on pension scheme	(264)	(291)
Movement on deferred tax relating to pension asset/(liability)	24	39
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(116)	209
	<hr/>	<hr/>


The notes form part of these financial statements

STEPHEN AUSTIN & SONS LIMITED (REGISTERED NUMBER: 04381773)

**BALANCE SHEET
30 SEPTEMBER 2015**

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Intangible assets	9	357	412
Tangible assets	10	2,341	2,630
Investments	11	100	100
		<u>2,798</u>	<u>3,142</u>
CURRENT ASSETS			
Stocks	12	417	254
Debtors: amounts falling due within one year	13	6,407	6,337
Debtors: amounts falling due after more than one year	13	3,572	3,000
Cash at bank and in hand		326	499
		<u>10,722</u>	<u>10,090</u>
CREDITORS			
Amounts falling due within one year	14	5,999	5,123
NET CURRENT ASSETS		<u>4,723</u>	<u>4,967</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,521</u>	<u>8,109</u>
CREDITORS			
Amounts falling due after more than one year	15	(2,844)	(3,241)
PROVISIONS FOR LIABILITIES	18	(91)	(71)
PENSION (LIABILITY)/ASSET	21	(79)	6
NET ASSETS		<u>4,507</u>	<u>4,803</u>
CAPITAL AND RESERVES			
Called up share capital	19	3,001	3,001
Profit and loss account	20	1,506	1,802
SHAREHOLDERS' FUNDS	25	<u>4,507</u>	<u>4,803</u>

The financial statements were approved by the Board of Directors on 28/06/16 and were signed on its behalf by:


 R J Fowler - Director

The notes form part of these financial statements

STEPHEN AUSTIN & SONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES

Basis of accounting

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

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Exemption from preparing consolidated financial statements

The financial statements contain information about Stephen Austin & Sons Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Stephen Austin (Holdings) Limited, a company registered in England and Wales.

Turnover

Turnover represents net sales during the year (excluding Value Added Tax) adjusted for accrued and deferred income where applicable.

The analysis of turnover and profits between classes of business and geographical markets has not been disclosed as in the opinion of the directors it would be prejudicial to the interests of the business.

Goodwill

Purchased goodwill is amortised through the profit and loss account on a straight line basis at a rate sufficient to write it down over its anticipated useful life. The directors estimate this amortisation period to be 20 years.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Improvements to property	10% straight line
Plant and machinery	6-25% straight line
Fixtures and fittings	20-25% straight line
Motor vehicles	25% on reducing balance

Fixed assets

All fixed assets are initially recorded at cost.

Stock and work in progress

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Work in progress is valued on the basis of direct costs plus attributable overheads based upon normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Payments on account are deducted where necessary.

Deferred tax

Deferred taxation is provided in full at the anticipated tax rates on timing differences arising from the different treatment of items for accounting and taxation purposes. The company has elected not to discount the deferred tax assets and liabilities.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

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 transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES - continued**Hire purchase and leasing commitments**

Assets held under hire purchase agreements are capitalised in the balance sheet and are depreciated over their estimated useful lives. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company participates in a defined benefit pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees working lives with the company. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

In addition, the company makes pension contributions to a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions to this scheme are charged to the profit and loss account as they become payable.

2. TURNOVER

The analysis of turnover and profits between classes of business and geographical markets has not been disclosed as in the opinion of the directors it would be prejudicial to the interests of the business.

3. STAFF COSTS

	2015	2014
	£'000	£'000
Wages and salaries	4,117	4,046
Social security costs	398	403
Other pension costs	198	152
	<u>4,713</u>	<u>4,601</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Management staff	2	2
Production staff	100	109
Administration staff	39	34
	<u>141</u>	<u>145</u>

4. DIRECTORS' EMOLUMENTS

	2015	2014
	£'000	£'000
Directors' remuneration	171	173

Included in the amount above is £23k (2014 : £31k) payable to a money purchase pension scheme.

The number of directors to whom retirement benefits were accruing were as follows:

Defined benefit schemes	<u>1</u>	<u>1</u>
Money purchase schemes	<u>1</u>	<u>1</u>

STEPHEN AUSTIN & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015	2014
	£'000	£'000
Depreciation - owned assets	193	147
Depreciation - assets on hire purchase contracts	396	429
Loss/(profit) on disposal of fixed assets	4	(27)
Goodwill amortisation	55	55
Auditors' remuneration	13	13
Foreign exchange differences	(19)	3
Operating lease costs - land and buildings	495	495
Operating lease costs - other operating leases	2	-
Pension costs	197	152
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£'000	£'000
Interest payable	89	88
Hire purchase and finance lease charges	34	49
	<u> </u>	<u> </u>
	123	137
	<u> </u>	<u> </u>

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£'000	£'000
Current tax:		
UK corporation tax	10	166
Over/under provision in prior year	(45)	(26)
	<u> </u>	<u> </u>
Total current tax	(35)	140
Deferred tax	20	7
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	(15)	147
	<u> </u>	<u> </u>

STEPHEN AUSTIN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

7. TAXATION - continued

Factors affecting the tax (credit)/charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	109	608
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.500% (2014 - 22%)	22	134
Effects of:		
Expenses not deductible for tax purposes	12	17
Depreciation in excess of capital allowances	4	29
Adjustments to tax charge in respect of previous periods	(45)	(26)
Capital gains	-	13
Difference between pension charge and cash contributions	(30)	(27)
Other	2	-
Current tax (credit)/charge	(35)	140

8. DIVIDENDS

	2015 £'000	2014 £'000
Preference shares of £1 each Interim	180	180

9. INTANGIBLE FIXED ASSETS

	Goodwill £'000
COST	
At 1 October 2014 and 30 September 2015	1,100
AMORTISATION	
At 1 October 2014	688
Amortisation for year	55
At 30 September 2015	743
NET BOOK VALUE	
At 30 September 2015	357
At 30 September 2014	412

STEPHEN AUSTIN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

10. TANGIBLE FIXED ASSETS

	Improvements to property £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST					
At 1 October 2014	531	5,931	703	143	7,308
Additions	-	252	32	35	319
Disposals	-	-	-	(69)	(69)
At 30 September 2015	531	6,183	735	109	7,558
DEPRECIATION					
At 1 October 2014	162	3,804	642	70	4,678
Charge for year	54	476	36	23	589
Eliminated on disposal	-	-	-	(50)	(50)
At 30 September 2015	216	4,280	678	43	5,217
NET BOOK VALUE					
At 30 September 2015	315	1,903	57	66	2,341
At 30 September 2014	369	2,127	61	73	2,630

Included within the net book value is £1,508k (2014: £1,676k) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £396k (2014: £429k).

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 October 2014 and 30 September 2015	100
NET BOOK VALUE	
At 30 September 2015	100
At 30 September 2014	100

The company's investments at the balance sheet date in the share capital of companies comprise the following:

Company	Nature of Business	Class of Shares	Holding
Eyre & Spottiswoode Limited	Laws publishing and printing	Ordinary	100.00%

Eyre & Spottiswoode Limited did not trade during the year.

12. STOCKS

	2015 £'000	2014 £'000
Raw materials	337	327
Work-in-progress	1,116	1,083
Payments on account	(1,036)	(1,156)
	417	254

STEPHEN AUSTIN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

13. DEBTORS

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Trade debtors	4,253	3,879
Amounts owed by group undertakings	1,751	2,086
Other debtors	123	201
VAT	174	72
Prepayments and accrued income	106	99
	<u>6,407</u>	<u>6,337</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	3,572	-
Amounts owed by associates	-	3,000
	<u>3,572</u>	<u>3,000</u>
Aggregate amounts	<u>9,979</u>	<u>9,337</u>

Included in amounts owed by group undertakings in the prior year is an amount of £60k which was recoverable in more than one year.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Bank loans and overdrafts (see note 16)	507	-
Hire purchase contracts (see note 17)	439	540
Trade creditors	1,516	2,051
Amounts owed to group undertakings	111	100
Amounts owed to associates	3,078	1,966
Corporation tax	(3)	115
Social security and other taxes	104	108
Other creditors	60	88
Accruals and deferred income	187	155
	<u>5,999</u>	<u>5,123</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £'000	2014 £'000
Other loans (see note 16)	2,500	2,500
Hire purchase contracts (see note 17)	344	741
	<u>2,844</u>	<u>3,241</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2015 £'000	2014 £'000
Amounts falling due within one year or on demand:		
Bank overdrafts	507	-

Amounts falling due in more than five years:

STEPHEN AUSTIN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

16. **LOANS - continued**

	2015 £'000	2014 £'000
Amounts falling due in more than five years:		
Repayable by instalments		
Other loans	<u>2,500</u>	<u>2,500</u>

The other loans consist of loan notes of £2,500k are repayable by equal instalments between 30 September 2023 and 30 September 2027. Interest is payable at 3% above the HSBC Bank Plc base rate.

17. **OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

The finance leases and hire purchase arrangements are secured over the assets to which they relate.

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Expiring:				
Within one year	41	41	-	-
Between one and five years	-	-	3	-
	<u>41</u>	<u>41</u>	<u>3</u>	<u>-</u>

18. **PROVISIONS FOR LIABILITIES**

	2015 £'000	2014 £'000
Deferred tax	<u>91</u>	<u>71</u>
		Deferred tax
		£'000
Balance at 1 October 2014		71
Provided during year		<u>20</u>
Balance at 30 September 2015		<u>91</u>

The deferred tax balance relates to accelerated capital allowances.

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2015 £'000	2014 £'000
Number:	Class:	Nominal value:		
1,000	Ordinary	£1	1	1
3,000,000	Preference	£1	<u>3,000</u>	<u>3,000</u>
			<u>3,001</u>	<u>3,001</u>

STEPHEN AUSTIN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

20. RESERVES

	Profit and loss account £'000
At 1 October 2014	1,802
Profit for the year	124
Dividends	(180)
Other recognised gains and losses relating to the period (net)	(240)
At 30 September 2015	1,506
Profit and loss account excluding pension liability	1,585
Pension deficit	(79)
Profit and loss account	1,506

21. EMPLOYEE BENEFIT OBLIGATIONS

This is a funded defined benefit scheme providing benefits to the members based on final pensionable pay. The scheme was closed to new members and further accrual in May 2011.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions evenly over employees' working lives with the group.

The assets of the scheme are held separately from those of the company, being invested in managed funds.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015 £'000	2014 £'000
Present value of funded obligations	(5,226)	(5,143)
Fair value of plan assets	5,123	5,151
	(103)	8
Present value of unfunded obligations	-	-
(Deficit)/Surplus	(103)	8
Deferred tax asset/(liability)	24	(2)
Net (liability)/asset	(79)	6

STEPHEN AUSTIN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Current service cost	-	-
Interest cost	206	219
Expected return	(292)	(285)
Past service cost	-	-
	<u>(86)</u>	<u>(66)</u>
Actual return on plan assets	<u>138</u>	<u>420</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Opening defined benefit obligation	5,137	4,718
Interest cost	206	219
Actuarial losses/(gains)	110	426
Benefits paid	(227)	(220)
	<u>5,226</u>	<u>5,143</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Opening fair value of scheme assets	5,151	4,891
Contributions by employer	61	60
Expected return	292	285
Actuarial gains/(losses)	(154)	135
Benefits paid	(227)	(220)
	<u>5,123</u>	<u>5,151</u>

The amounts recognised in the statement of recognised gains and losses are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Actuarial gains/(losses)	<u>(264)</u>	<u>(291)</u>
	<u>(264)</u>	<u>(291)</u>
Cumulative amount of actuarial gains/(losses)	<u>(270)</u>	<u>(6)</u>

STEPHEN AUSTIN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Equities	2,536	3,044
Bonds	1,993	2,060
Property	543	-
Cash	51	31
Annuities	-	15
	<u>5,123</u>	<u>5,150</u>

No amounts are invested within the issued share capital of the sponsoring company and no assets are used/occupied by the sponsoring company.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Rate of increase in salaries	2.20%	2.40%
Rate of increase in pensions in payment	3.20%	3.40%
Discount rate for scheme liabilities	3.80%	4.10%
Inflation assumption	2.20%	2.40%
Long-term expected rates of return on assets	3.80%	5.80%
Assumed cash withdrawal on retirement	75.00%	75.00%

The expected return on assets is determined by considering the forecasted future returns on assets held at the valuation date.

The mortality assumptions used in the valuation of the scheme are summarised in the table below. These have been based on the mortality tables known as "S2PA tables, CMI 2013, with a 1% per annum long term rate of improvement".

	2015 Years	2014 Years
Expected future lifetime for a member retiring at 65		
Male	22.2	21.0
Female	24.1	23.5
Expected post-retirement lifetime for a member currently 45 retiring at 65		
Male	23.5	22.4
Female	25.6	22.8

Amounts for the current and previous four periods are as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit pension plans					
Defined benefit obligation	(5,226)	(5,143)	(4,718)	(5,260)	(4,659)
Fair value of scheme assets	5,123	5,151	4,891	5,103	4,650
(Deficit)/surplus	(103)	8	173	(157)	(9)
Experience adjustments on scheme liabilities	33	(86)	140	(242)	(38)
Experience adjustments on scheme assets	(149)	74	217	308	(197)

STEPHEN AUSTIN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

22. ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Stephen Austin (Holdings) Limited and its ultimate parent undertaking is S A Printing Group Limited, a company incorporated in England and Wales. The ultimate control of that company is exercised by P G Fowler.

The smallest group in which the results of the company are consolidated is that headed up by Stephen Austin (Holdings) Limited. The largest group in which the results of the company are consolidated is that headed by S A Printing Group Limited. Both of these group accounts are available to the public and may be obtained from the Registrar of Companies.

23. CONTINGENT LIABILITIES

The company has provided a cross-guarantee to HSBC Bank Plc in respect of bank borrowings by Stephen Austin (Holdings) Limited and Eyre & Spottiswoode Limited.

There were no other material contingent liabilities at the year end (2014: £Nil).

24. RELATED PARTY DISCLOSURES

Advantage has been taken of the exemptions conferred by FRS8.3 in respect of related party transactions on the grounds that the company is a wholly owned subsidiary.

Grademaker Limited is a subsidiary of Stephen Austin (Holdings) Limited. During the year £15k (2014: £10k) was received from Grademaker Limited in respect of management charges. At the year end £571k (2014: £350k) was due from Grademaker Limited. Interest of £5k was charged on this loan during the year (2014: £Nil). Grademaker Limited also charged Stephen Austin & Sons Limited £33k during the period for consultancy services.

S A Printing Group Limited is the ultimate parent company. During the year, the company loaned S A Printing Group Limited £3,000k (2014: £Nil). This amount was outstanding at the year end.

P G Fowler is a director and shareholder of Jacob & Johnson Limited. During the year £2,454k (2014: £2,205k) was charged by Jacob & Johnson Limited in respect of management services. At the year end £3,078k (2014: £1,963k) was due to Jacob & Johnson Limited. In addition, at the year end £Nil (2014: £3,000k) was due from Jacob & Johnson Limited. Interest of £75k (2014: £75k) was received from Jacob & Johnson Limited during the year in respect of this loan.

P G Fowler is a director and shareholder, and R J Fowler a director, of Peter Press Limited. During the year £57k (2014: £54k) was charged by Peter Press Limited in respect of management services. In addition, at the year end £2,500k (2014: £2,500k) was due in respect of loan notes due to Peter Press Limited. These are repayable in equal instalments between 30 September 2023 and 30 September 2027. Interest of £88k (2014: £88k) was paid to Peter Press Limited during the year in respect of these loan notes.

R J Fowler is a director of and shareholder in R&D Creative Design Limited. During the year £17k (2014: £Nil) was charged to R&D Creative Design Limited by the company for management services. There is no balance outstanding at the year end (2014: £Nil).

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £'000	2014 £'000
Profit for the financial year	124	461
Dividends	(180)	(180)
	(56)	281
Other recognised gains and losses relating to the year (net)	(240)	(252)
Net (reduction)/addition to shareholders' funds	(296)	29
Opening shareholders' funds	4,803	4,774
Closing shareholders' funds	4,507	4,803