Financial Statements The TALL Group of Companies Limited

For the year ended 31 December 2014

Company No. 6548791

Company information

Company registration number :	6548791
Registered office :	Unit 2 Pembroke Court Manor Park Runcorn Cheshire WA7 1TJ
Directors :	P G Andrew W S D Lamb P D Long M J Ruda
Secretary :	W S D Lamb
Auditor :	Grant Thornton UK LLP Statutory Auditor Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB

Index to the financial statements

Report of the Directors

The directors present their report together with the audited financial statements for the year ended 31 December 2014.

Principal activity

The Group's principal activity is the provision of secure print, and electronic payment solutions.

The principal activity of the company is that of a holding company.

Financial overview

Revenue reduced in 2014 to £8,105,571 (2013: £8,406,212). The gross profit fell to £4,251,060 (2013: £4,518,595). Operating costs of £3,986,396 in 2014 compared with £4,175,237 in 2013. The profit before tax in 2014 amounted to £232,965 compared to £300,449 in 2013.

Cash management

Close attention to credit control and supply chain management ensures optimum cash flows across the group.

Capital expenditure

The directors constantly monitor the requirements to invest in, upgrade or replace machinery and equipment in order to maintain efficient production operations across the Group.

Accreditations, training and development

The Group maintained accreditations to ISO 27001, ISO 9001, ISO 14001 and the Investors in People standard and ensures all its people review performance and participate in relevant training and development activities.

Future prospects

The directors continue to have a positive outlook for the prospects of the Group.

Results and dividends

The profit for the year, after exceptional costs, interest and taxation amounted to £236,533 (2013: £249,913).

A dividend of £75,000 (2013: £100,000) was recommended by the directors.

Report of the Directors

Directors

The membership of the board during the year is set out below. All directors served throughout the year.

P G Andrew
W S D Lamb
P D Long
M J Ruda

Financial risk management objectives and policies

The Group uses financial instruments, which include a bank overdraft, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

Liquidity risk

The Group seeks to manage financial risk by ensuring liquidity is available to meet foreseeable needs and to invest cash safely and profitably. Short term flexibility is achieved by an overdraft facility.

Interest rate risk

The Group finances its operations through a mixture of retained profits and a bank overdraft. The interest rate exposure of the financial assets and liabilities of the company as at 31 December 2014 is shown below. The table includes trade debtors and creditors as these do not attract interest and are therefore subject to fair value interest rate risk.

		Interest rate		
	Fixed	Floating	Zero	Total
		£	£	£
Financial Assets				
Cash	-	641,441	-	641,441
Trade debtors	-	-	1,318,238	1,318,238
	-	641,441	1,318,238	**1,959,679**
Financial liabilities				
Finance leases and hire purchase contracts	305,574	-	-	305,574
Trade creditors	-	-	689,581	689,581
Bank loan and overdraft	-	610,056	-	610,056
	305,574	610,056	689,581	**1,605,211**

Credit risk

The Group's principal financial assets are cash deposits, cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk, the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Report of the Directors

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law required 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 laws). 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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 each of the directors is aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Grant Thornton UK LLP are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

BY ORDER OF THE BOARD

W S D Lamb
Secretary
The TALL Group of Companies Limited
Company No. 6548791
30/04/2015

Strategic Report

For the year ended 31 December 2014

The directors consider the overall performance of the Group to be satisfactory, given the prevailing market conditions, particularly in the UK.

The profit for the year, after taxation, amounted to £236,533 (2013: £249,913).

Sales revenues reduced by 3.6% to £8,105,571 (2013: £8,406,212) largely reflecting the changing market in the UK for cheques and credits. The advent of truncation in cheque clearing, a technology shift which has already occurred in a number of overseas markets, will provide new and different opportunities for the Group in the years to come.

International markets continue to present significant prospects for revenue growth.

Cash management across the businesses is constantly monitored, and this enables the Group to take advantage of positive net balances where required.

The strength of the Group's longstanding relationships with its major customers, including many financial institutions and large corporates, remains the cornerstone of the business, and the directors look forward to the evolution of these relationships with confidence.

M J Ruda
Managing Director
The TALL Group of Companies Limited
Company No. 6548791
2015

Grant Thornton

Independent auditor's report to the members of The TALL Group of Companies Limited

We have audited the financial statements of The TALL Group of Companies Limited for the year ended 31 December 2014 which comprise the consolidated profit and loss account, the consolidated balance sheet and company balance sheets, the consolidated cash flow statements and the related notes. 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 Statement of directors' responsibilities set out on page 5, 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
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2014 and of the group's 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.

Grant Thornton

Independent auditor's report to the members of The TALL Group of Companies Limited

Opinion on other matters prescribed by the Companies Act 2006

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

Grant Thornton UK LLP

Emma Stoddart
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
30 April 2015

Principal accounting policies

Basis of preparation
The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards (United Generally Accepted Accounting Practice).

The directors have reviewed the accounting policies in accordance with FRS 18 and consider them to be the most appropriate to the circumstances of the group.

Going concern
The financial statements have been prepared on the going concern basis which the directors believe is appropriate for the reasons detailed below.

The group currently meets its day to day working capital requirements through its cash balances, a bank overdraft and a bank loan.

The directors have prepared and reviewed cash flow forecasts for the period ending 12 months from the date of approval of these financial statements, which they consider to be achievable given the current levels of trading. These forecasts indicate (taking into account reasonable possible changes in trading performance) that the group should be able to operate within the level of its existing facilities.

On the basis of their assessment of the group's financial position, the directors have a reasonable expectation that the group will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the company and all subsidiary undertakings. Acquisitions are accounted for under the acquisition method.

Turnover
Turnover is the total amount receivable by the group for goods supplied and services provided, exclusive of Value Added Tax and trade discounts.

Turnover on the sale of goods is recognised on despatch. Turnover on service sales is recognised at the point that services are delivered with any difference between the date of delivery and invoicing being accounted for as accrued or deferred income at the period end.

Tangible fixed assets and depreciation
Depreciation is calculated to write down the cost less the estimated residual value of all tangible fixed assets, except freehold land, by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Freehold property	2% per annum
Plant and machinery	10% - 50% per annum
Fixtures and fitting	10% per annum
Motor vehicles	20% per annum

Principal accounting policies

Intangible fixed assets and amortisation
Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to profit and loss account across its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	20% per annum

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

Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion.

Investments
Investments are stated at cost less provision for permanent diminution in value.

Defined contribution pension scheme
The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

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

Deferred taxation
Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Principal accounting policies

Leased assets

Assets held under finance leases are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Consolidated profit and loss account

	Note	2014 £	2013 £
Turnover	1	**8,105,571**	8,406,212
Cost of sales		**(3,854,511)**	(3,887,617)
Gross profit		**4,251,060**	4,518,595
Net operating costs - continuing operations before group management expenses	2	**(3,400,095)**	(3,559,730)
- group management expenses	2	**(586,301)**	(615,507)
	2	**(3,986,396)**	(4,175,237)
Operating profit		**264,664**	343,358
Net interest	3	**(31,699)**	(42,909)
Profit on ordinary activities before taxation	1	**232,965**	300,449
Tax on profit on ordinary activities	5	**3,568**	(50,536)
Profit for the financial year	17	**236,533**	249,913

The group has no recognised gains or losses other than the results for the year as set out above.

All activities are continuing.

Consolidated balance sheet

	Note	2014 £	2013 £
Fixed assets			
Intangible assets	8	**56,908**	71,176
Tangible assets	9	**1,106,759**	937,930
		1,163,667	1,009,106
Current assets			
Stocks	11	**761,527**	724,077
Debtors	12	**1,464,778**	1,558,272
Cash at bank and in hand		**641,441**	411,130
		2,867,746	2,693,479
Creditors : amounts falling due within one year	13	**(2,084,870)**	(1,998,767)
Net current assets		**782,876**	694,712
Total assets less current liabilities		**1,946,543**	1,703,818
Creditors : amounts falling due after more than one year	14	**(523,268)**	(438,508)
Provisions for liabilities	15	**(9,129)**	(12,697)
Net assets		**1,414,146**	1,252,613
Capital and reserves			
Called up share capital	16	**194,924**	194,924
Capital redemption reserve	17	**85,076**	85,076
Merger reserve	17	**(1,310,530)**	(1,310,530)
Profit and loss account	17	**2,444,676**	2,283,143
Shareholders' funds	18	**1,414,146**	1,252,613

The financial statements were authorised for issue and approved by the Board of Directors on 30/04/2015.

W S D Lamb

W S D Lamb Director

Company balance sheet

	Note	2014 £	2013 £
Fixed assets			
Investments	10	**1,650,408**	1,650,408
Creditors : amounts falling due within one year	13	**(1,370,408)**	(1,370,408)
Total assets less current liabilities		**280,000**	280,000
Capital and reserves			
Called up share capital	16	**194,924**	194,924
Capital redemption reserve	17	**85,076**	85,076
Profit and loss account	17	**-**	-
Shareholders' funds	18	**280,000**	280,000

The financial statements were authorised for issue and approved by the Board of Directors on 30/04/ 2015.

W S D Lamb

W S D Lamb Director

Consolidated cash flow statement

	Note	2014 £	2013 £
Net cash inflow from operating activities	19	**496,740**	588,429
Returns on investments and servicing of finance			
Interest paid		**(31,699)**	(42,909)
Net cash outflow on investments and servicing of finance		**(31,699)**	(42,909)
Taxation			
Tax paid		**(45,818)**	(58,979)
Capital expenditure and financial investment			
Purchase of intangible fixed assets		**-**	(37,500)
Purchase of tangible fixed assets		**(314,802)**	(53,062)
Sale of tangible fixed assets		**68,000**	500
Net cash outflow for capital expenditure and financial investment		**(246,802)**	(96,479)
Net cash inflow before financing		**172,421**	395,979
Financing			
Dividends paid	7	**(75,000)**	(100,000)
Net decrease in bank loans	21	**(6,571)**	(19,145)
Net increase in finance leases	21	**170,906**	(80,766)
Net cash inflow/(outflow) from financing		**89,335**	(199,911)
Increase in cash in the year	21	**261,756**	196,068

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit before taxation is attributable to the principal activities of the Group. 8.2% of the Group's turnover (2013: 10.6%) attributable to geographical markets outside the United Kingdom.

The profit on ordinary activities before taxation is stated after charging :

	2014 £	2013 £
Amortisation of intangible assets	**14,268**	144
Auditor's remuneration:		
– Audit services	**19,500**	19,000
– Non-audit services	**5,800**	4,800
Depreciation:		
– Owned assets	**98,729**	80,904
– Assets held under finance leases	**46,654**	58,240
(Profit)/loss on disposal of fixed assets	**(67,409)**	820
Operating lease rentals – plant and equipment	**38,205**	30,362
– other	**142,475**	150,309
Pension costs	**76,517**	78,142

2 Net operating costs

	2014 £	2013 £
Distribution costs	**302,592**	284,844
Administration expenses	**3,097,503**	3,274,886
	3,400,095	3,559,730
Group management expenses – TALL Security Print Limited	**423,060**	451,482
Group management expenses – Checkprint Limited	**163,241**	164,025
	3,986,396	4,175,237

Notes to the financial statements

3 Net interest

	2014	2013
	£	£
On bank loans and overdrafts	**21,472**	28,308
On finance leases and hire purchase contracts	**10,227**	14,601
	31,699	42,909

4 Directors and employees

	2014	2013
Staff costs during the year were as follows:	£	£
Wages and salaries	**2,963,710**	3,209,470
Social security costs	**301,564**	315,412
Other pension costs	**76,517**	78,142
	3,341,791	3,603,024

	2014 Number	2013 Number
The average number of employees during the year was:		
Production	**74**	74
Administration	**58**	55
	132	129

	2014	2013
Remuneration in respect of directors was as follows:	£	£
Emoluments	**506,736**	526,874
Pension contributions to money purchase pension schemes	**20,313**	21,387
	527,049	548,261

During the year, 4 (2013: 4) directors participated in money purchase pension schemes.

	2014	2013
Remuneration in respect of the highest paid director was as follows:	£	£
Emoluments	**136,434**	135,309

Notes to the financial statements

5 Tax on profit on ordinary activities

The tax charge represents:	**2014** £	2013 £
UK corporation tax at 20% (2013: 23.25%)	**-**	44,692
Double taxation relief	**-**	-
	-	44,692
Foreign taxation on income	**-**	1,126
	-	45,818
Deferred tax (note 15)	**(3,568)**	4,718
	(3,568)	50,536

Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 20% (2013: 23.25%). The differences are explained as follows:

	2015 £	2014 £
Profit on ordinary activities before taxation	**232,965**	300,449
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 20% (2013: 23.25%)	**46,593**	69,854
Effect of:		
Expenses not deductible for tax purposes	**3,787**	7,657
Difference between capital allowances and depreciation	**(24,037)**	(3,503)
Fixed asset timing differences	**6,430**	8,434
Other short term timing differences	**(4,171)**	1,386
Adjustments in respect of prior periods	**(321)**	-
Additional deduction for research and development expenditure	**(29,000)**	(33,932)
Marginal relief	**-**	(2,414)
Other	**-**	188
Foreign transactions	**719**	1,126
Non-taxable income	**-**	(2,978)
Current tax charge for the year	**-**	45,818

6 Profit for the financial year

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit for the year was £75,000 (2013: £100,000).

Notes to the financial statements

7 Dividends

	2014	2013
	£	£
Dividends paid on equity capital £0.38 (2013: £0.51 per share)	**75,000**	100,000

8 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2014	71,320
Additions	-
At 31 December 2014	**71,320**
Amortisation	
At 1 January 2014	144
Charge for the year	14,268
At 31 December 2014	**14,412**
Net book value	
At 31 December 2014	**56,908**
At 31 December 2013	71,176

During the prior year the group acquired the trade and assets of The Cartridge Store for £75,000. The fair value of the assets acquired was £4,380, with the difference between consideration and the fair value of the assets acquired being recognised as goodwill.

Notes to the financial statements

9 Tangible fixed assets

Group	Freehold land and buildings £	Motor vehicles £	Plant and machinery £	Fixtures and fittings £	Total £
Cost					
At 1 January 2014	676,049	103,901	2,835,622	1,311,743	4,927,315
Additions	-	45,400	173,810	95,592	314,802
Disposals	-	(42,698)	(61,660)	-	(104,358)
At 31 December 2014	**676,049**	**106,603**	**2,947,772**	**1,407,335**	**5,137,759**
Depreciation					
At 1 January 2014	166,158	76,220	2,527,664	1,219,343	3,989,385
Charge for the year	10,376	18,468	75,941	40,598	145,383
Disposals	-	(42,698)	(61,070)	-	(103,768)
At 31 December 2014	**176,534**	**51,990**	**2,542,535**	**1,259,941**	**4,031,000**
Net book amount					
At 31 December 2014	**499,515**	**54,613**	**405,237**	**147,394**	**1,106,759**
At 31 December 2013	509,891	27,681	307,958	92,400	937,930

Included within the net book value of £1,106,759 are assets under finance leases with a net book value of £315,506 (2013: £258,456). Depreciation charged on these assets in the year amounted to £46,654 (2013: £59,240).

No tangible fixed assets are held by the company.

10 Fixed asset investments

Company	Subsidiary undertakings £
Cost net book amount	
At 1 January 2014 and 31 December 2014	**1,680,408**

The details of the investments in the subsidiary undertakings are as follows:

Name of subsidiary	Country of incorporation	Class of shares held	Proportion held by parent company	Nature of business
TALL Security Print Limited	United Kingdom	£1 ordinary shares	100%	Production of specialist cheques
Checkprint Limited	United Kingdom	£1 ordinary shares	100%	Production of specialist cheques

Notes to the financial statements

11 Stocks

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Raw materials and consumables	**629,404**	566,910	**-**	-
Work in progress	**68,554**	93,085	**-**	-
Finished goods	**63,569**	64,082	**-**	-
	761,527	724,077	**-**	-

12 Debtors

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Trade debtors	**1,318,238**	1,383,615	**-**	-
Other debtors	**86,941**	43,167	**-**	-
Prepayments and accrued income	**59,599**	131,490	**-**	-
	1,464,778	1,558,272	**-**	-

13 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Bank loan and overdraft	**264,186**	281,498	**-**	-
Obligations under finance leases	**128,176**	62,734	**-**	-
Trade creditors	**689,581**	750,919	**-**	-
Corporation tax	**-**	45,818	**-**	-
Social security and other taxes	**287,530**	290,694	**-**	-
Amounts owed to group undertakings	**-**	-	**1,370,408**	1,370,408
Other creditors	**62,594**	16,115	**-**	-
Accruals and deferred income	**652,803**	550,989	**-**	-
	2,084,870	1,998,767	**1,370,408**	1,370,408

The bank loan is secured by charges on the freehold property, and by fixed and floating charges over the assets of all group undertakings. The bank loan is repayable in monthly instalments of £3,674 and incurs interest at 2.25% per annum.

The finance leases are secured on the assets to which they relate.

Notes to the financial statements

14 Creditors : amounts falling due after more than one year

	Group		Company	
	2014	2013	**2014**	2013
	£	£	£	£
Bank loan	**345,870**	366,574	-	-
Obligations under finance leases	**177,398**	71,934	-	-
	523,268	438,508	-	-

Obligations under finance leases are secured on the assets to which they relate.

	Group		Company	
Borrowings are repayable as follows:	**2014**	2013	**2014**	2013
	£	£	£	£
Within one year:				
Bank overdraft	**230,017**	261,462	-	-
Bank loans	**34,169**	20,036	-	-
Finance leases	**128,176**	62,734	-	-
After one and within two years:				
Bank loans	**35,122**	20,898	-	-
Finance leases	**82,401**	49,229	-	-
After two years and within five years:				
Bank loans	**111,341**	45,450	-	-
Finance leases	**94,997**	22,705	-	-
After five years:				
Bank loans	**199,407**	300,226	-	-
	915,630	782,740	-	-

15 Provisions for liabilities

Group	**Deferred taxation**
	£
At 1 January 2014	12,697
Movement in year	(3,568)
At 31 December 2014	**9,129**

The deferred tax liability is calculated using a tax rate of 20% and is set out below:

	2014	2013
	£	£
Accelerated capital allowances	**8,840**	13,783
Other timing differences	**289**	(1,086)
	9,129	12,697

Notes to the financial statements

16 Share capital

	2014	2013
	£	£
Authorised		
300,000 Ordinary shares of £1 each	**300,000**	300,000
Allotted, called up and fully paid		
194,924 Ordinary shares of £1 each	**194,924**	194,924

17 Reserves

Group and company	Group			Company	
	Capital redemption reserve	Merger reserve	Profit and loss account	Capital redemption reserve	Profit and loss account
	£	£	£	£	£
At 1 January 2014	85,076	(1,310,530)	2,283,143	85,076	-
Profit for the year	-	-	236,533	-	75,000
Dividend (note 7)	-	-	(75,000)	-	(75,000)
At 31 December 2014	**85,076**	**(1,310,530)**	**2,444,676**	**85,076**	**-**

18 Reconciliation of movements in shareholders' funds

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Profit for the year	**236,533**	249,913	**75,000**	100,000
Dividend (note 7)	**(75,000)**	(100,000)	**(75,000)**	(100,000)
Opening shareholders' funds	**1,252,613**	1,102,700	**280,000**	280,000
Closing shareholders' funds	**1,414,146**	1,252,613	**280,000**	280,000

19 Net cash inflow from operating activities

	2014	2013
	£	£
Operating profit	**264,664**	343,358
Amortisation of intangible fixed assets	**14,268**	144
Depreciation on tangible fixed assets	**145,383**	139,144
Increase in stocks	**(37,450)**	(5,548)
Decrease in debtors	**93,494**	271,649
Increase/(decrease) in creditors	**83,790**	(162,568)
(Profit)/loss on disposal of assets	**(67,409)**	2,250
Net cash inflow from operating activities	**496,740**	588,429

Notes to the financial statements

20 Reconciliation of net cash flow to movement in net debt

	2014	2013
	£	£
Increase in cash in the year	**261,756**	196,068
Cash (outflow)/inflow from bank loans and HP agreements	**(164,335)**	99,911
Change in net debt in the year	**97,421**	295,979
Opening net debt	**(371,610)**	(667,589)
Closing net debt	**(274,189)**	(371,610)

21 Analysis of changes in net debt

	1 January 2014	Cashflow	**31 December 2014**
	£	£	£
Cash at bank and in hand	411,130	230,311	**641,441**
Bank overdraft	(261,462)	31,445	**(230,017)**
	149,668	261,756	**411,424**
Debt	(386,610)	6,571	**(380,039)**
Finance lease obligations	(134,668)	(170,906)	**(305,574)**
	(521,278)	(164,335)	**(685,613)**
Net debt	(371,610)	97,421	**(274,189)**

22 Capital commitments

At 31 December the Group held capital commitments as follows:

	2014	2013
	£	£
Contracted for but not provided in the financial year	**433,489**	-

23 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 "Related party disclosures" and has not disclosed transactions with group undertakings.

24 Contingent liabilities

The company has entered into a cross guarantee with its subsidiaries, T.A.L.L. Security Print Limited and Checkprint Limited. The maximum liability that would be due on this at 31 December 2014 was £610,056.

Notes to the financial statements

25 Operating lease commitments

At 31 December 2014 the Group had annual commitments under non-cancellable operating leases as follows:

	2014 Land and buildings £	**2014** Other £	2013 Land and buildings £	2013 Other £
Operating leases which expire:				
Within one year	-	15,489	-	7,582
Within two to five years	142,478	18,969	150,318	22,780