

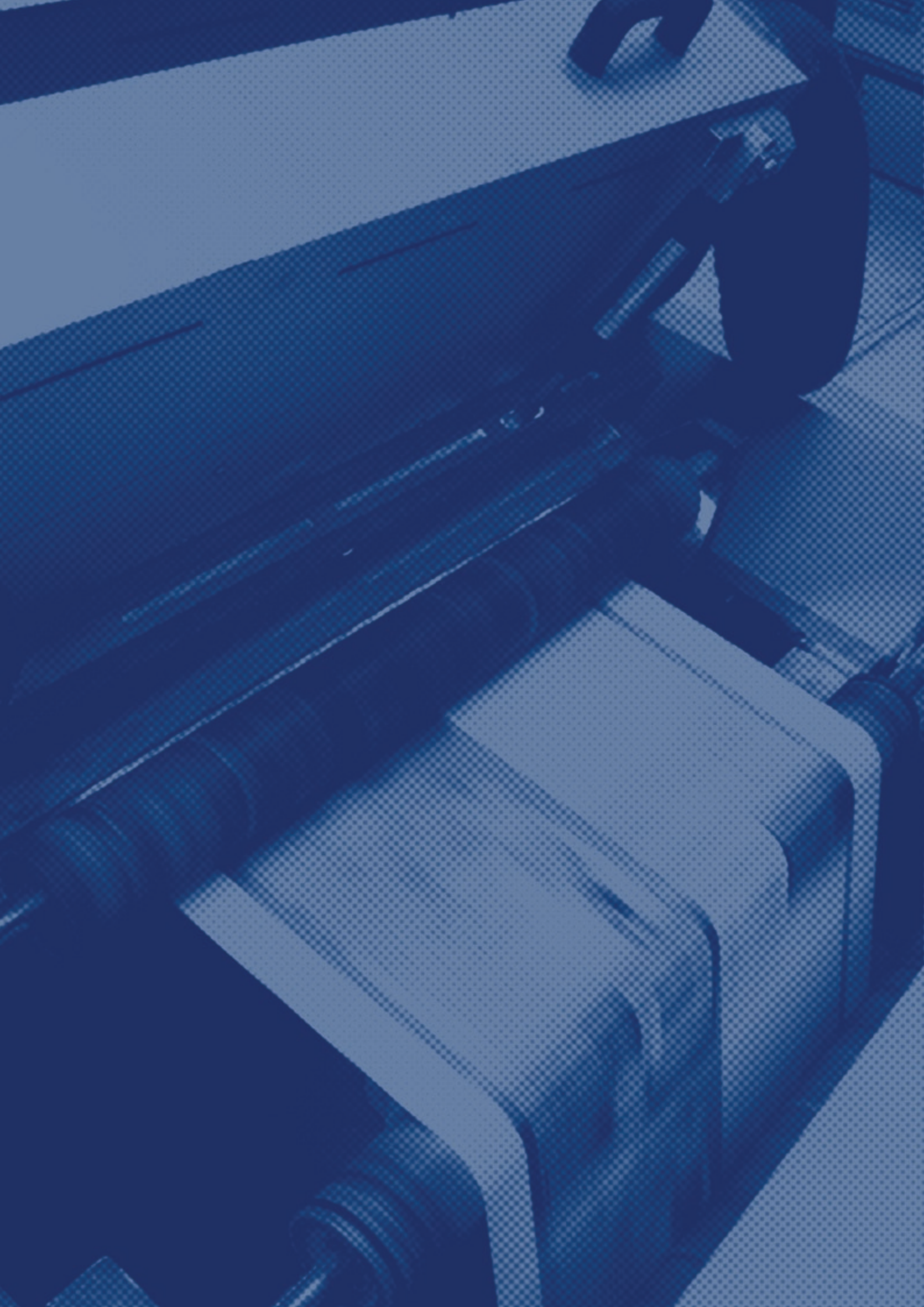


CFH Total Document Management Ltd

Report of the directors and consolidated financial statements

Year ended
31 March 2011





CFH Total Document Management Ltd Report and Financial Statements

31 March 2011

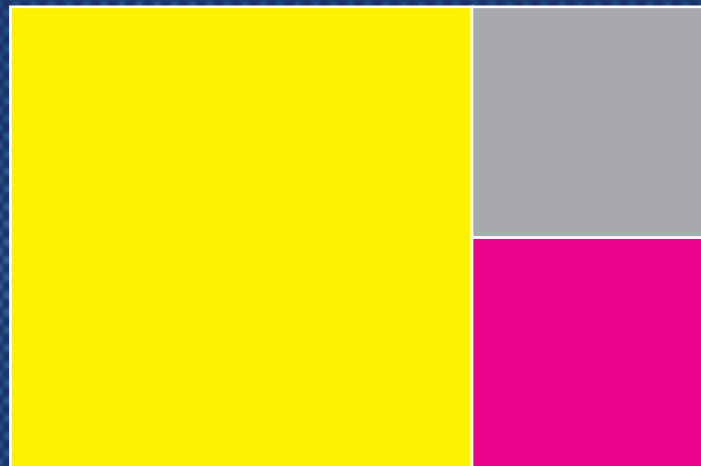
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Financial Statements

Year ended 31 March 2011



Directors and officers

Directors

D V Broadway
G T Broadway
K Broadway
J L Helps
C Clarke
P Clarke
S Cray
AM Harwood
J Marsh

Secretary

D V Broadway

Auditors

Target Consulting Limited
Chartered Accountants
Statutory Auditor
Lawrence House
Lower Bristol Road
Bath
BA2 9ET

Bankers

National Westminster Bank Plc
32 Corn Street
Bristol
BS99 7UG

Solicitors

Thring Townsend
Midland Bridge
Bath
BA1 2HQ

Registered office

St. Peter's Park
Wells Road
Radstock
Bath
BA3 3UP

Registered number

01716891 (England and Wales)



Directors' report

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2011.

Principal Activity

The principal activity of the group in the year under review was that of design, manufacture, sale and distribution of business documents and related products and services.

Review of the Business

Profitability

The directors report a profit before interest, depreciation, amortisation and exceptional items of £1,525,000 - a 47% increase over 2010 (£1,038,000). Growth of new products has been outstanding this year and combined with significant levels of government and council work the company can report a very positive year, with a retained profit of £556,000 (2010 - £95,000).

Following the strong performance and growth of new products in 2011 the directors anticipate that 2012 will be another strong year as the new products are consolidated into the existing business. Product development continues to be an area of significant focus.

Balance sheet

The balance sheet reflects two significant features this year:

- A second year of improving returns on the stock market has impacted positively on the pension deficit. The balance sheet has improved by £384,000.
- A revaluation of the freehold property by an independent examiner increased the value of the property by £298,000.

Financial risk management

The Group's operations are financed by a mixture of short and long term borrowing, designed to ensure appropriate liquidity and cash flow at appropriate expense. The company uses interest rate hedging to provide medium term certainty on some of its variable rate borrowings.

The Group occasionally trades in foreign currencies and uses foreign exchange contracts to mitigate exchange risk if considered necessary. The company mitigates credit risk associated with its customers by carrying out credit verification procedures and by keeping trading balances under constant review.

Key Performance Indicators ("KPIs")

Given the straightforward nature of the business, the group's directors are of the opinion that analysis using turnover and gross profit margins are sufficient for an understanding of the development, performance or position of the business.

Risks and Uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from both national and independent printers and the employee retention. These are monitored proactively by the directors on an ongoing basis.

Dividends

No dividends will be distributed for the year ended 31 March 2011.

Directors

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report.

D V Broadway, G T Broadway, K Broadway, J L Helps, C Clarke, P Clarke, S Cray, AM Harwood, J Marsh.

Other changes in directors holding office are as follows:

A Peters - resigned 28 February 2011

During the year the company purchased and maintained Directors' and Officers' Liability Insurance as permitted by the Companies Act 2006.

Charitable Contributions

Charitable donations made by the group during the year amounted to £17,978 (2010 - £11,750) and includes work done at no cost for emergency situation. No political donations were made during the year.

Employees

Employee Involvement

During the year the policy of providing employees with information about the group has been continued. Employees are encouraged to present their suggestions and views on the group's performance.

Disabled Employees

The group gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a handicapped or disabled person. With regard to existing disabled employees and those who have become disabled during the year, the group has continued to examine ways and means of providing continuing employment under normal terms and conditions and to provide training, career development and promotion wherever appropriate.

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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, Target Consulting Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On Behalf of the Board:



D V Broadway
Director

Date: 3 August 2011



Report of the Independent Auditors to the Members of CFH Total Document Management Limited

We have audited the financial statements of CFH Total Document Management Limited for the year ended 31 March 2011 on pages six to twenty eight. 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 group's and the parent 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 group's and of the parent company's affairs as at 31 March 2011 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in 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 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Sandiford (Senior Statutory Auditor)
for and on behalf of Target Consulting Limited
Chartered Accountants
Statutory Auditor
Lawrence House
Lower Bristol Road
Bath
BA2 9ET

Date: 3 August 2011



Consolidated profit and loss account

| | | 31 March 2011 | 31 March 2010 |
|---|-------|------------------|------------------|
| | Notes | £'000 | £'000 |
| Turnover | | 28,228 | 25,937 |
| Cost of sales | | (14,827) | (13,390) |
| Gross profit | | 13,401 | 12,547 |
| Administrative expenses | | (12,664) | (12,060) |
| Operating profit | 3 | 737 | 487 |
| Interest payable and similar charges | 4 | (162) | (205) |
| Other finance costs | 19 | (37) | (165) |
| Profit on ordinary activities before taxation | | 538 | 117 |
| Tax on profit on ordinary activities | 5 | (25) | (22) |
| Profit for financial year for the group | | 513 | 95 |

Continuing Operations

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

NOTES ON PAGES 18 TO 42 TO FORM PART OF THESE FINANCIAL STATEMENTS

Consolidated statement of total recognised gains and losses

| | 31 March 2011 | 31 March 2010 |
|--|------------------|------------------|
| | £'000 | £'000 |
| Profit for the financial year | 513 | 95 |
| Revaluation of freehold land and buildings | 349 | (778) |
| Actuarial gains | 259 | 436 |
| Associated deferred tax movement | (162) | (165) |
| | ----- | ----- |
| Total recognised gains and losses relating to the year | 959 | (412) |
| | ===== | ===== |

Note of historical profits and losses

| | 31 March 2011 | 31 March 2010 |
|---|------------------|------------------|
| | £'000 | £'000 |
| Reported profit on ordinary activities before taxation | 538 | 117 |
| Excess of actual depreciation charge | - | 19 |
| | ----- | ----- |
| Historical cost profit on ordinary activities before taxation | 538 | 136 |
| | == | == |
| Historical cost profit for the year retained after taxation | 513 | 114 |
| | === | === |

NOTES ON PAGES 18 TO 42 TO FORM PART OF THESE FINANCIAL STATEMENTS

Consolidated balance sheet

| | | 31 March 2011 | 31 March 2010 |
|--|-------|------------------|------------------|
| | Notes | £'000 | £'000 |
| Fixed assets | | | |
| Intangible assets | 7 | 1,166 | 1,061 |
| Tangible assets | 8 | 4,171 | 4,150 |
| | | ----- | ----- |
| | | 5,337 | 5,211 |
| | | ----- | ----- |
| Current assets | | | |
| Stocks | 10 | 1,032 | 882 |
| Debtors | 11 | 5,143 | 5,033 |
| | | ----- | ----- |
| Debtors | | 6,175 | 5,915 |
| | | ----- | ----- |
| Creditors: Amounts falling due within one year | 12 | (6,141) | (5,772) |
| | | ----- | ----- |
| Net current assets | | 34 | 143 |
| | | ----- | ----- |
| Total assets less current liabilities | | 5,371 | 5,354 |
| Creditors: Amounts falling due after more than one year | 13 | (2,142) | (2,743) |
| Provisions for liabilities | 16 | (151) | (108) |
| Pension liability | 19 | (329) | (713) |
| | | ----- | ----- |
| Net Assets | | 2,749 | 1,790 |
| | | ===== | ===== |
| Capital and reserves | | | |
| Called up share capital | 17 | 161 | 161 |
| Share premium account | 18 | 495 | 495 |
| Revaluation reserve | 18 | 805 | 456 |
| Capital redemption reserve | 18 | 594 | 594 |
| Other reserves | 18 | (230) | (230) |
| Profit and loss account | 18 | 924 | 314 |
| | | ----- | ----- |
| Shareholders' funds | 23 | 2,749 | 1,790 |
| | | ===== | ===== |

The accounts were approved by the Board on 3 August 2011 and signed on its behalf by:



J L Helps Director



D V Broadway Director

NOTES ON PAGES 18 TO 42 TO FORM PART OF THESE FINANCIAL STATEMENTS

Company balance sheet

| | | 31 March 2011 | 31 March 2010 |
|--|-------|------------------|------------------|
| | Notes | £'000 | £'000 |
| Fixed assets | | | |
| Intangible assets | 7 | 1,166 | 1,061 |
| Tangible assets | 8 | 4,171 | 4,150 |
| Investments | 9 | 191 | 191 |
| | | ----- | ----- |
| | | 5,528 | 5,402 |
| | | ----- | ----- |
| Current assets | | | |
| Stocks | 10 | 1,032 | 882 |
| Debtors | 11 | 5,143 | 5,033 |
| | | ----- | ----- |
| | | 6,175 | 5,915 |
| Creditors: Amounts falling due within one year | 12 | (6,141) | (5,772) |
| | | ----- | ----- |
| Net current assets | | 34 | 143 |
| | | ----- | ----- |
| Total assets less current liabilities | | 5,562 | 5,545 |
| Creditors: Amounts falling due after more than one year | 13 | (2,333) | (2,934) |
| Provisions for liabilities | 16 | (151) | (108) |
| Pension liability | 19 | (329) | (713) |
| | | ----- | ----- |
| Net Assets | | 2,749 | 1,790 |
| | | ===== | ===== |
| Capital and reserves | | | |
| Called up share capital | 17 | 161 | 161 |
| Share premium | 18 | 495 | 495 |
| Revaluation reserve | 18 | 805 | 456 |
| Capital redemption reserve | 18 | 594 | 594 |
| Other reserves | 18 | (230) | (230) |
| Profit and loss account | 18 | 924 | 314 |
| | | ----- | ----- |
| Equity Shareholders' funds | 23 | 2,749 | 1,790 |
| | | ===== | ===== |

The accounts were approved by the Board on 3 August 2011 and signed on its behalf by:



J L Helps Director



D V Broadway Director

NOTES ON PAGES 18 TO 42 TO FORM PART OF THESE FINANCIAL STATEMENTS

Consolidated cash flow statement

| | | 31 March 2011 | 31 March 2010 |
|--|-------|------------------|------------------|
| | Notes | £'000 | £'000 |
| Net cash inflow/(outflow) from operating activities | 1 | 1,581 | (283) |
| | | ----- | ----- |
| Returns on investments and servicing of finance | 2 | (162) | (205) |
| Taxation | | (4) | - |
| Capital expenditure | | (565) | 137 |
| | | ----- | ----- |
| | | 850 | (351) |
| | | ----- | ----- |
| Financing | 2 | (515) | (175) |
| | | ----- | ----- |
| Increase/(Decrease) in cash in the period | | 335 | (526) |
| | | === | === |

| | | 31 March 2011 | 31 March 2010 |
|--|-------|------------------|------------------|
| | Notes | £'000 | £'000 |
| Reconciliation of net cash flow to movement in net debt | 3 | | |
| Increase/(Decrease) in cash in the period | | 335 | (526) |
| Cash outflow from decrease in debt and lease financing | | 765 | 80 |
| | | ----- | ----- |
| Change in net debt resulting from cash flows | | 1,100 | (446) |
| Other non-cash movements | | (250) | - |
| | | ----- | ----- |
| Movement in net debt in the period | | 850 | (446) |
| Net debt at 1 April | | (4,149) | (3,703) |
| | | ----- | ----- |
| Net debt at 31 March | | (3,299) | (4,149) |
| | | === | === |

NOTES ON PAGES 18 TO 42 TO FORM PART OF THESE FINANCIAL STATEMENTS

Notes to the consolidated cash flow statement

1. Reconciliation of Operating Profit to Net Cash Inflow/(Outflow) from Operating Activities

| | 31 March 2011 | 31 March 2010 |
|--|------------------|------------------|
| | £'000 | £'000 |
| Operating profit | 737 | 487 |
| Depreciation charges | 788 | 744 |
| Increase in stocks | (150) | (48) |
| Increase in debtors | (110) | (339) |
| Increase/(Decrease) in creditors | 316 | (1,127) |
| | ----- | ----- |
| Net cash inflow/(outflow) from operating activities | 1,581 | (283) |
| | === | === |

2. Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

| | 31 March 2011 | 31 March 2010 |
|---|------------------|------------------|
| | £'000 | £'000 |
| Returns on investments and servicing of finance | | |
| Interest paid | (102) | (120) |
| Interest element of hire purchase payments | (60) | (85) |
| | ----- | ----- |
| Net cash outflow for returns on investments and servicing of finance | (162) | (205) |
| | === | === |
| Capital expenditure | | |
| Purchase of intangible fixed assets | (364) | (481) |
| Purchase of tangible fixed assets | (223) | (65) |
| Sale of tangible fixed assets | 22 | 683 |
| | ----- | ----- |
| Net cash (outflow)/inflow for capital expenditure | (565) | 137 |
| | === | === |
| Financing | | |
| New HP agreements in the year | 250 | - |
| Loan repayments in year | (138) | (279) |
| Movement in invoice discounting facility | (193) | 644 |
| Capital repayments in year | (434) | (540) |
| | ----- | ----- |
| Net cash outflow from financing | (515) | (175) |
| | === | === |

NOTES ON PAGES 18 TO 42 TO FORM PART OF THESE FINANCIAL STATEMENTS

3. Analysis of Changes in Net Debt

| | At 1/4/10 | Cash flow | Other non-cash changes | At 1/3/11 |
|-----------------------------------|-----------|-----------|------------------------|-----------|
| | £'000 | £'000 | £'000 | £'000 |
| Net cash: | | | | |
| Cash at bank | - | - | - | - |
| Bank overdraft | (457) | 335 | - | (122) |
| | ----- | ----- | ----- | ----- |
| | (457) | 335 | - | (122) |
| | ----- | ----- | ----- | ----- |
| Debt: | | | | |
| Hire purchase | (929) | 434 | (250) | (745) |
| Debts falling due within one year | (532) | (161) | - | (693) |
| Debts falling due after one year | (2,231) | 492 | - | (1,739) |
| | ----- | ----- | ----- | ----- |
| | (3,692) | 765 | (250) | (3,177) |
| | ----- | ----- | ----- | ----- |
| | | | | |
| | | | | |
| Total | (4,149) | 1,100 | (250) | (3,299) |
| | === | === | === | === |

NOTES ON PAGES 18 TO 42 TO FORM PART OF THESE FINANCIAL STATEMENTS

Notes to the consolidated financial statements

1. Accounting Policies

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation

The Group accounts consolidate the accounts of CFH Total Document Management Ltd and all its subsidiaries made up to 31 March 2011. No profit and loss account is presented for CFH Total Document Management Ltd as permitted by section 408 of the Companies Act 2006.

The results of subsidiaries acquired or disposed of during the year are included from, or up to, the effective date of acquisition or disposal.

Turnover

Turnover represents the value of goods sold and services provided, including postage, stated net of value added tax, wholly within the United Kingdom. The whole of the group's turnover and operating profit are derived from the one activity of printing including related products and services.

Tangible fixed assets

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

- Freehold property - Straight line over 50 years
- Plant and machinery - 5 - 20 years
- Fixtures and fittings - 3 - 5 years straight line

The group has adopted a policy of revaluing its freehold land and property

Stocks

Stocks and work in progress are valued at the lower of cost and anticipated net realisable value. Cost is determined on a first in, first out basis. The cost of work in progress and finished goods comprises materials, direct labour and attributable production overheads.

Net realisable value is based on the estimated sales price less any further costs expected to be incurred to completion and disposal.

Research and development

The company has adopted a policy of capitalising research and development. Costs classified as development are capitalised in the balance sheet as intangible assets and amortised on a straight line basis over 5 years.

Notes to the accounts

1. Accounting Policies (continued)

Deferred tax

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:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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.

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.

Pension costs and other post-retirement benefits

The group operates three pension schemes, two that operate on a defined contribution basis and one on a defined benefit basis.

For the schemes that operate on a defined contributions basis, contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

For the scheme that operates on a defined benefit basis, contributions are based on periodic actuarial calculations. The charge to the profit and loss account reflects the expected return on the scheme assets together with the interest on the scheme liabilities.

The group has accounted for pension costs in accordance with Financial Reporting Standard 17 'Retirement Benefits'.

FRS17 requires that settlement gains are recognised when all parties whose consent is required are irrevocably committed to the transaction and the gain should be recognised in the profit and loss account covering that date.

Notes to the accounts

1. Accounting Policies (continued)

Investments in subsidiaries

Investments are stated at cost less provision for permanent diminution in value. Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest or fixed dividend entitlement.

Share based payments

The group operates a number of equity-settled, share based payment compensation plans. The fair value of services received in exchange for the grant is calculated using the Black-Scholes model and is expensed over a service period, determined by the award.

The group, at each balance sheet date, estimates the number of awards that are expected to vest and adjusts the expense appropriately.

Hire purchase and leasing commitments

Assets obtained under hire purchase and finance lease agreements are capitalised in the balance sheet and are depreciated over their useful lives.

Interest on hire purchase and finance lease agreements for certain items of plant and machinery is charged to profit and loss over the year of the agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Notes to the accounts

2. Staff costs

This is stated after charging/(crediting):

| | 31 March 2011 | 31 March 2010 |
|-----------------------|------------------|------------------|
| | £'000 | £'000 |
| Wages and salaries | 6,376 | 5,730 |
| Social security costs | 604 | 639 |
| Other pension costs | 45 | 23 |
| | --- | --- |
| | 7,025 | 6,392 |
| | === | === |

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

| | 31 March 2011 | 31 March 2010 |
|-----------------------|------------------|------------------|
| | No. | No. |
| Manufacturing | 134 | 124 |
| IT | 16 | 17 |
| Engineering and R&D | 12 | 13 |
| Office and management | 53 | 56 |
| | ----- | ----- |
| | 215 | 210 |
| | === | === |

Staff costs above include redundancy costs of £150,000 (2010 - £130,000), shown as an exception item in note 3, and after capitalising research and development costs of £323,000 (2010 - £481,000).

Pension costs relate to the defined contribution scheme costs.

For details of the defined benefit scheme see note 19. This scheme was closed by the company on 5 April 1994. Triennial valuations continue to be performed by the qualified actuary. The last formal actuarial valuation was carried out as at 5 April 2007. The next full valuation is currently in progress and will be based on the scheme's performance as at 5 April 2010.

The market value of the scheme assets at 5 April 2007 was £3,336,000 and the assets as a percentage of accrued benefits were estimated to be 83.2%.

Notes to the accounts

3. Operating profit

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

| | 31 March 2011 | 31 March 2010 |
|---|------------------|------------------|
| | £'000 | £'000 |
| Depreciation - owned assets | 144 | 326 |
| Depreciation - hire purchase assets | 385 | 256 |
| Profit on disposal of fixed assets | - | (72) |
| Research and Development costs amortisation | 259 | 162 |
| Auditors' remuneration | 14 | 14 |
| Auditor's remuneration - non audit fees | 3 | 3 |
| Operating Lease Cost - Plant and Machinery | 733 | 853 |
| Operating Lease Cost - Land and Building | 85 | 36 |
| Exceptional items - redundancy costs | 150 | 130 |
| Exceptional items - legal costs | 133 | 76 |
| | === | === |

| | 31 March 2011 | 31 March 2010 |
|---|------------------|------------------|
| | £'000 | £'000 |
| Directors' remuneration | 665 | 626 |
| Directors' pension contributions to money purchase schemes | 5 | 4 |
| | === | === |
| The number of directors to whom retirement benefits were accruing was as follows: | | |
| Money purchase schemes | 8 | 10 |
| | === | === |

Information regarding the highest paid director is as follows:

| | 31 March 2011 | 31 March 2010 |
|---|------------------|------------------|
| | £'000 | £'000 |
| Emoluments etc | 89 | 87 |
| Pension contributions to money purchase schemes | 1 | 1 |
| | === | === |

Notes to the accounts

4. Interest payable and similar charges

| | 31 March 2011 | 31 March 2010 |
|---------------|------------------|------------------|
| | £'000 | £'000 |
| Bank interest | 102 | 120 |
| Hire purchase | 60 | 85 |
| | ----- | ----- |
| | 162 | 205 |
| | ===== | ===== |

5. Taxation

a) Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

| | 31 March 2011 | 31 March 2010 |
|--------------------------------------|------------------|------------------|
| | £'000 | £'000 |
| Current tax: | | |
| UK corporation tax | (18) | 22 |
| Deferred tax | 43 | - |
| | ---- | ---- |
| Tax on profit on ordinary activities | 25 | 22 |
| | ===== | ===== |

Notes to the accounts

5. Taxation (continued)

b) Factors affecting the tax charge

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

| | 31 March 2011 | 31 March 2010 |
|--|------------------|------------------|
| | £'000 | £'000 |
| Profit on ordinary activities before tax | 538 | 117 |
| | ===== | ===== |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%) | 151 | 33 |
| Effects of: | | |
| Expenses disallowed | 5 | 9 |
| Chargeable gains | - | 27 |
| Capital allowances in excess of depreciation | 14 | (8) |
| Other short-term timing differences | (1) | (5) |
| Utilisation of tax losses and other deductions | (12) | (29) |
| Marginal relief | - | (5) |
| Adjustments in respect of previous periods | (16) | - |
| Additional deduction for R&D expenditure | (73) | - |
| Income not taxable for tax purposes | (86) | - |
| | ---- | ---- |
| Current tax charge | (18) | 22 |
| | ==== | ==== |

c) Factors affecting future tax charges

The main corporation tax rate has been reduced to 26%, effective from 1 April 2011. Further reductions are expected to be enacted in future years; it is proposed to reduce the rate to 23% by 1 April 2014.

The deferred tax balances have been calculated using a rate of 26%.

6. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £513,000 (2010 - £95,000).

Notes to the accounts

7. Intangible fixed assets

| Group | Research and Development costs |
|------------------------|--------------------------------|
| | £'000 |
| Cost: | |
| At 1 April 2010 | 1,293 |
| Additions | 364 |
| | ---- |
| At 31 March 2011 | 1,657 |
| | ---- |
| Amortisation: | |
| At 1 April 2010 | 232 |
| Amortisation for year | 259 |
| | ---- |
| At 31 March 2011 | 491 |
| | ---- |
| Net book value: | |
| At 31 March 2011 | 1,166 |
| | ==== |
| At 31 March 2010 | 1,061 |
| | ==== |

| Company | Research and Development costs |
|------------------------|--------------------------------|
| | £'000 |
| Cost: | |
| At 1 April 2010 | 1,293 |
| Additions | 364 |
| | ---- |
| At 31 March 2011 | 1,657 |
| | ---- |
| Amortisation: | |
| At 1 April 2010 | 232 |
| Amortisation for year | 259 |
| | ---- |
| At 31 March 2011 | 491 |
| | ---- |
| Net book value: | |
| At 31 March 2011 | 1,166 |
| | ==== |
| At 31 March 2010 | 1,061 |
| | ==== |

Notes to the accounts

8. Tangible fixed assets

| Group | Freehold property | Plant and machinery | Fixtures and fittings | Totals |
|-------------------------|-------------------|---------------------|-----------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation: | | | | |
| At 1 April 2010 | 1,867 | 5,614 | 1,507 | 8,988 |
| Additions | - | 93 | 130 | 223 |
| Disposals | - | (274) | (15) | (289) |
| Revaluation | 298 | - | - | 298 |
| | ----- | ----- | ----- | ----- |
| At 31 March 2011 | 2,165 | 5,433 | 1,622 | 9,220 |
| | ----- | ----- | ----- | ----- |
| Depreciation: | | | | |
| At 1 April 2010 | 15 | 3,565 | 1,258 | 4,838 |
| Charge for year | 36 | 321 | 172 | 529 |
| Eliminated on disposal | - | (252) | (15) | (267) |
| Revaluation adjustments | (51) | - | - | (51) |
| | ----- | ----- | ----- | ----- |
| At 31 March 2011 | - | 3,634 | 1,415 | 5,049 |
| | ----- | ----- | ----- | ----- |
| Net book value: | | | | |
| At 31 March 2011 | 2,165 | 1,799 | 207 | 4,171 |
| | ===== | ===== | ===== | ===== |
| At 31 March 2010 | 1,852 | 2,049 | 249 | 4,150 |
| | ===== | ===== | ===== | ===== |

Notes to the accounts

8. Tangible fixed assets (continued)

| Company | Freehold property | Plant and machinery | Fixtures and fittings | Totals |
|-------------------------|-------------------|---------------------|-----------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation: | | | | |
| At 1 April 2010 | 1,867 | 5,614 | 1,507 | 8,988 |
| Additions | - | 93 | 130 | 223 |
| Disposals | - | (274) | (15) | (289) |
| Revaluation | 298 | - | - | 298 |
| | ----- | ----- | ----- | ----- |
| At 31 March 2011 | 2,165 | 5,433 | 1,622 | 9,220 |
| | ----- | ----- | ----- | ----- |
| Depreciation: | | | | |
| At 1 April 2010 | 15 | 3,565 | 1,258 | 4,838 |
| Charge for year | 36 | 321 | 172 | 529 |
| Eliminated on disposal | - | (252) | (15) | (267) |
| Revaluation adjustments | (51) | - | - | (51) |
| | ----- | ----- | ----- | ----- |
| At 31 March 2011 | - | 3,634 | 1,415 | 5,049 |
| | ----- | ----- | ----- | ----- |
| Net book value: | | | | |
| At 31 March 2011 | 2,165 | 1,799 | 207 | 4,171 |
| | ===== | ===== | ===== | ===== |
| At 31 March 2010 | 1,852 | 2,049 | 249 | 4,150 |
| | ===== | ===== | ===== | ===== |

Plant and machinery

Included in plant and machinery are assets acquired under current hire purchase and finance lease agreements with a net book value of £1,763,00 (2010 - £2,186,000). Depreciation charged in the year for these assets was £385,000 (2010 - £256,000).

Notes to the accounts

8. Tangible fixed assets (continued)

Company historical cost

As part of a rebanking exercise the property was revalued on 17 March 2011 on the basis of Existing Use Value at £2,165,000. The valuation was performed by Carter Jonas, an external, independent, Chartered Surveyor. The directors are not aware of any material changes to the valuation. If the properties had not been revalued they would have been included in the balance sheet at the following amounts:

| | 2011 |
|----------------------------------|-------|
| | £'000 |
| Historical cost | |
| Cost | 1,939 |
| | === |
| Depreciation | |
| At 30 March 2010 | 399 |
| Charge for the year | 29 |
| | ---- |
| At 30 March 2011 | 428 |
| | === |
| Net historical cost value | |
| At 30 March 2011 | 1,510 |
| | === |
| At 30 March 2010 | 1,540 |
| | === |

9. Fixed asset investments

| Company | Shares in group undertakings |
|--------------------------------------|------------------------------|
| | £'000 |
| Cost: | |
| At 1 April 2010 and at 31 March 2011 | 217 |
| | === |
| Provisions: | |
| At 1 April 2010 and at 31 March 2011 | 26 |
| | === |
| Net book value: | |
| At 31 March 2011 | 191 |
| | === |
| At 31 March 2010 | 191 |
| | === |

Notes to the accounts

9. Fixed asset investments (continued)

All subsidiaries remained dormant throughout the year. All subsidiaries are wholly owned. Subsidiaries at 31 March 2011 are:

- CFH Security Printers Limited
- Proform Limited
- Oval (1115) Limited
- Continu-forms Holdings plc
- CFH Services Limited
- CFH Print Management Services Limited
- Continu-forms Profit Sharing Scheme Trust Limited

All subsidiaries are registered in England. All subsidiaries have been consolidated into the group accounts.

10. Stocks

| | Group | | Company | |
|------------------|-------|-------|---------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | £'000 | £'000 | £'000 | £'000 |
| Raw materials | 656 | 515 | 656 | 515 |
| Work-in-progress | 369 | 343 | 369 | 343 |
| Finished goods | 7 | 24 | 7 | 24 |
| | ----- | ----- | ----- | ----- |
| | 1,032 | 882 | 1,032 | 882 |
| | ===== | ===== | ===== | ===== |

11. Debtors: amounts falling due within one year

| | Group | | Company | |
|--------------------------------|-------|-------|---------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 4,324 | 4,394 | 4,324 | 4,394 |
| Other debtors | - | 1 | - | 1 |
| Prepayments and accrued income | 819 | 638 | 819 | 638 |
| | ----- | ----- | ----- | ----- |
| | 5,143 | 5,033 | 5,143 | 5,033 |
| | ===== | ===== | ===== | ===== |

Notes to the accounts

12. Creditors: amounts falling due within one year

| | Group | | Company | |
|---|-------|-------|---------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loans and overdrafts (see note 14) | 260 | 595 | 260 | 595 |
| Other loans (see note 14) | 555 | 394 | 555 | 394 |
| Hire purchase contracts (see note 15) | 342 | 417 | 342 | 417 |
| Trade creditors | 2,053 | 2,039 | 2,053 | 2,039 |
| Tax | - | 22 | - | 22 |
| Social security and other taxes | 820 | 1,028 | 820 | 1,028 |
| Accruals and deferred income | 2,111 | 1,277 | 2,111 | 1,277 |
| | ----- | ----- | ----- | ----- |
| | 6,141 | 5,772 | 6,141 | 5,772 |
| | ===== | ===== | ===== | ===== |

13. Creditors: amounts falling due after more than one year

| | Group | | Company | |
|---------------------------------------|-------|-------|---------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loans (see note 14) | 644 | 782 | 644 | 782 |
| Other loans (see note 14) | 1,095 | 1,449 | 1,095 | 1,449 |
| Hire purchase contracts (see note 15) | 403 | 512 | 403 | 512 |
| Amounts owed to group undertakings | - | - | 191 | 191 |
| | ---- | ---- | ---- | ---- |
| | 2,142 | 2,743 | 2,333 | 2,934 |
| | ===== | ===== | ===== | ===== |

Hire purchase creditors are secured against assets as detailed in note 8.

Notes to the accounts

14. Loans

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|---|-------|-------|---------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due within one year or on demand: | | | | |
| Bank overdrafts | 122 | 457 | 122 | 457 |
| Bank loans | 138 | 138 | 138 | 138 |
| Other loans | 555 | 394 | 555 | 394 |
| | ---- | ---- | ---- | ---- |
| | 2,142 | 2,743 | 2,333 | 2,934 |
| | ===== | ===== | ===== | ===== |
| Amounts falling due between one and two years: | | | | |
| Bank loans 1-2 years | 138 | 138 | 138 | 138 |
| Other loans 1-2 years | 1,095 | 1,449 | 1,095 | 1,449 |
| | ---- | ---- | ---- | ---- |
| | 1,233 | 1,587 | 1,233 | 1,587 |
| | ===== | ===== | ===== | ===== |
| Amounts falling due between two and five years: | | | | |
| Bank loans 2-5 years | 414 | 414 | 414 | 414 |
| | ===== | ===== | ===== | ===== |
| Amounts falling due in more than five years: Repayable by instalments | | | | |
| Bank loans more 5 yr by instal | 92 | 230 | 92 | 230 |
| | ===== | ===== | ===== | ===== |

The bank loan, in the sum of £782,000 (2010 - £920,000), is repayable over 68 months in instalments of £11,500. The loan bears interest at 3.0% above LIBOR (2010 - 3.0% above LIBOR).

As at the balance sheet date, the loan and the bank overdrafts were secured by a fixed and floating charge over the asset of the group companies and a legal mortgage over the freehold property. The bank also held a legal charge over the lease the company entered into in October 2009. The lease covered the rental agreement for the property sold to the CFH Total Document Ltd Retirement & Death Benefit Scheme during the previous year.

Other loans are comprised entirely of the RBS invoice discounting facility which is secured against trade debtors.

As of 27 June 2011, the company paid off the above loan and other existing bank borrowings and took out a new loan with Clydesdale Bank plc. The loan, in the sum of £1,400,000, is repayable over 15 year and bears interest at 3.5% above LIBOR. The loan is secured by a legal mortgage over the company's freehold property.

Notes to the accounts

15. Obligations under hire purchase contracts and leases

Group and company

| Hire purchase contracts | 31 March 2011 | 31 March 2010 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Obligations repayable: | | |
| Within one year | 383 | 470 |
| Between one and five years | 421 | 554 |
| | ----- | ----- |
| | 804 | 1,024 |
| Finance charges allocated to future years | (59) | (95) |
| | ----- | ----- |
| | 745 | 929 |
| | ===== | ===== |
| The commitments are shown as: | | |
| Current obligations | 342 | 417 |
| Non-current obligations | 403 | 512 |
| | ----- | ----- |
| | 745 | 929 |
| | ===== | ===== |

Group and company

| Other operating leases | 31 March 2011 | 31 March 2010 |
|-------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Expiring: | | |
| Within one year | 90 | 213 |
| Between one and five years | 577 | 491 |
| | ----- | ----- |
| | 667 | 704 |
| | ===== | ===== |

Notes to the accounts

16. Provisions for liabilities

| | Group | | Company | |
|--------------|-------|-------|---------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | £'000 | £'000 | £'000 | £'000 |
| Deferred tax | 151 | 108 | 151 | 108 |
| | ===== | ===== | ===== | ===== |

| Group | Deferred tax |
|--------------------------------|--------------|
| | £'000 |
| Balance at 1 April 2010 | 108 |
| Charged to the profit and loss | 43 |
| | ---- |
| Balance at 31 March 2011 | 151 |
| | ==== |

| Company | Deferred tax |
|--------------------------------|--------------|
| | £'000 |
| Balance at 1 April 2010 | 108 |
| Charged to the profit and loss | 43 |
| | ---- |
| Balance at 31 March 2011 | 151 |
| | ==== |

The deferred tax liability relates to fixed asset timing differences of £151,000 (2010 - £164,000) offset by tax losses of £nil (2010 - £56,000).

The group and company has an unprovided deferred tax asset of £27,000 (2010 - £27,000).

Notes to the accounts

17. Called up share capital

| Allotted, issued and fully paid: | | | 2011 | 2010 |
|----------------------------------|----------|---------------|-------|-------|
| Number | Class | Nominal Value | £'000 | £'000 |
| 161,000 | Ordinary | £1 | 161 | 161 |
| | | | ===== | ===== |

The company operates share-based compensation plans. For each plan the options may be exercised on either the sale or takeover of the group or at the discretion of the majority shareholder following the death of the option holder. The options lapse on the 10th anniversary of the grant date or if the option holder ceases to be employed by the group.

The directors consider that the likelihood of employees exercising options is very remote in the foreseeable future and consequently no share-based payment charge has been recognised during the current or prior year.

EMI scheme

On 9 July 2007 CFH Total Document Management Limited granted 15,654 share options at an exercise price of £1.19, of which 14,344 were to directors of the company. During the year 205 of the options not granted to directors lapsed, 15,244 remain outstanding at the year end.

On 3 October 2008 a further 1,470 share options were granted at an exercise price of £3.93. During the year 225 of these options lapsed. 1,020 remain outstanding at the year end.

On 23 December 2009 a further 1,645 share options were granted at an exercise price of £3.02, all of which remain out standing at the year end.

No options were granted in 2011.

Unapproved scheme

On 17 September 2007, 1,793 options were granted at an exercise price of £1.19 under the unapproved scheme. All of which remain outstanding at the year end.

Notes to the accounts

18. Reserves

| Group | Profit and loss account | Share premium | Revaluation reserve |
|---|-------------------------|---------------|---------------------|
| | £'000 | £'000 | £'000 |
| At 1 April 2010 | 314 | 495 | 456 |
| Profit for the year | 513 | | |
| Transfer | - | - | 349 |
| Actuarial gains | 259 | - | - |
| Pension deferred tax movement | (162) | - | - |
| | ---- | ---- | ---- |
| At 31 March 2011 | 924 | 495 | 805 |
| | ===== | ===== | ===== |
| Profit and loss account excluding pension liability | 1,253 | | |
| | | | |
| Pension deficit | (329) | | |
| | ---- | | |
| Profit and loss account | 924 | | |
| | ===== | | |

| Group | Capital redemption reserve | Other reserves | Totals |
|-------------------------------|----------------------------|----------------|--------|
| | £'000 | £'000 | £'000 |
| At 1 April 2010 | 594 | (230) | 1,629 |
| Profit for the year | | | 513 |
| Transfer | - | - | 349 |
| Actuarial gains | - | - | 259 |
| Pension deferred tax movement | - | - | (162) |
| | ---- | ---- | ---- |
| At 31 March 2011 | 594 | (230) | 2,588 |
| | ===== | ===== | ===== |

Notes to the accounts

18. Reserves (continued)

| Company | Profit and loss account | Share premium | Revaluation reserve |
|---|-------------------------|---------------|---------------------|
| | £'000 | £'000 | £'000 |
| At 1 April 2010 | 314 | 495 | 456 |
| Profit for the year | 513 | | |
| Transfer | - | - | 349 |
| Actuarial gains | 259 | - | - |
| Pension deferred tax movement | (162) | - | - |
| | ---- | ---- | ---- |
| At 31 March 2011 | 924 | 495 | 805 |
| | ===== | ===== | ===== |
| Profit and loss account excluding pension liability | 1,253 | | |
| | | | |
| Pension deficit | (329) | | |
| | ---- | | |
| Profit and loss account | 924 | | |
| | ===== | | |

| Company | Capital redemption reserve | Other reserves | Totals |
|-------------------------------|----------------------------|----------------|--------|
| | £'000 | £'000 | £'000 |
| At 1 April 2010 | 594 | (230) | 1,629 |
| Profit for the year | | | 513 |
| Transfer | - | - | 349 |
| Actuarial gains | - | - | 259 |
| Pension deferred tax movement | - | - | (162) |
| | ---- | ---- | ---- |
| At 31 March 2011 | 594 | (230) | 2,588 |
| | ===== | ===== | ===== |

The investment in own shares ('other reserves') at 31 March 2011 represents a holding of 5,755 (2010 - 5,755) Ordinary shares of £1 each, issued at a premium of £34 per share held by the Executive Employee Share Ownership Trust, together with a holding of 821 (2010 - 821) Ordinary shares of £1 each that the company repurchased from either retired or deceased employees at a premium of £34 per share by the Continuum Holdings plc profit sharing scheme 1999. The original purchase of the shares was funded by a contribution from the company in 1999. All costs incurred by the Trusts are settled by the company.

Notes to the accounts

19. Employee benefit obligations

Pension schemes operated

The group operates three pension schemes in the United Kingdom: two schemes which provide defined contributions for certain employees and directors in the group, and one which provides defined benefits for certain other employees service in the group prior to 5 April 1994. On 5 April 1994 members ceased to accrue benefits for future service in this scheme and commenced contributing to one of the defined contributions schemes.

Regular pension costs under FRS 17

The company operates a Final Salary defined benefit pension Scheme. No benefits have accrued since 6 April 1994. Pension benefits for deferred members are based on the members' final pensionable salaries and service at the date accrual ceased (or date of leaving if earlier).

The most recent formal triennial actuarial valuation was carried out as at 31 March 2010, this work remains ongoing. The results have been updated to 31 March 2011 by a qualified independent actuary.

The amounts recognised in the balance sheet are as follows:

| Defined benefit pension plans | 2011 | 2010 |
|---------------------------------------|---------|---------|
| | £'000 | £'000 |
| Present value of funded obligations | (4,870) | (4,839) |
| Fair value of plan assets | 4,426 | 3,849 |
| | ---- | ---- |
| | (444) | (990) |
| Present value of unfunded obligations | - | - |
| | ---- | ---- |
| Deficit | (444) | (990) |
| Deferred tax asset | 115 | 277 |
| | ---- | ---- |
| Net liability | (329) | (713) |
| | ===== | ===== |

Notes to the accounts

19. Employee benefit obligations (continued)

The amounts recognised in profit or loss are as follows:

| Defined benefit pension plans | 2011 | 2010 |
|--------------------------------------|-------|-------|
| | £'000 | £'000 |
| Current service cost | - | - |
| Interest cost | 278 | 269 |
| Expected return | (241) | (104) |
| Past service cost | - | - |
| | ---- | ---- |
| | 37 | 165 |
| | ==== | ==== |
| Actual return on plan assets | 359 | 836 |
| | ===== | ===== |

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

| Defined benefit pension plans | 2011 | 2010 |
|--------------------------------------|-------|-------|
| | £'000 | £'000 |
| Opening defined benefit obligation | 4,839 | 4,382 |
| Interest cost | 278 | 269 |
| Actuarial losses/(gains) | (141) | 298 |
| Benefits paid | (106) | (110) |
| | ---- | ---- |
| | 4,870 | 4,839 |
| | ===== | ===== |

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

| Defined benefit pension plans | 2011 | 2010 |
|--------------------------------------|-------|-------|
| | £'000 | £'000 |
| Opening fair value of scheme assets | 3,849 | 2,803 |
| Contributions by employer | 324 | 320 |
| Expected return | 241 | 104 |
| Actuarial gains/(losses) | 118 | 732 |
| Benefits paid | (106) | (110) |
| | ---- | ---- |
| | 4,426 | 3,849 |
| | ===== | ===== |

Notes to the accounts

19. Employee benefit obligations (continued)

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

| Defined benefit pension plans | 2011 | 2010 |
|---------------------------------------|---------|---------|
| | £'000 | £'000 |
| Actuarial gains | 259 | 436 |
| Associated movement in deferred tax | (162) | (165) |
| | ---- | ---- |
| | 97 | 271 |
| | ===== | ===== |
| Cumulative amount of actuarial losses | (1,281) | (1,540) |
| | ===== | ===== |

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

| Defined benefit pension plans | 2011 | 2010 |
|--------------------------------------|-------|-------|
| | £'000 | £'000 |
| Equities | 2,122 | 2,543 |
| Gilts | 594 | 328 |
| Cash | 1,413 | 684 |
| Property | 297 | 294 |
| | ---- | ---- |
| | 4,426 | 3,849 |
| | ===== | ===== |

The overall expected return on assets assumption of 4.3% as at 31 March 2011 has been derived by calculating the weighted average of the expected rate of return for each asset class. The following approach has been used to determine the expected rate of return for each asset class:

- Fixed interest securities, current market yields
- Equities, allowance for an additional return of 3.5% above that available on UK government securities
- Property, allowance for an additional return of 3.5% above that available on UK government securities
- Cash, current Bank of England base rate
- A deduction of 0.63% to allow for scheme expenses

Notes to the accounts

19. Employee benefit obligations (continued)

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

| | 2011 | 2010 |
|--|-------|-------|
| Discount rate | 5.70% | 5.80% |
| Expected return on scheme assets | 4.30% | 6.10% |
| Price inflation and rate increases for deferred pensioners | 3.30% | 3.40% |

The demographic assumptions are as follows:

| | 31 March 2011 | 31 March 2010 |
|-----------------------------|---|---------------|
| Mortality (pre retirement) | AMC00/AFC00 | AMC00/AFC00 |
| Mortality (post retirement) | S1PAmc(yob, minimum improvements = 1.0% pa) | S1PA mc (yob) |

| | 31 March 2011 - males | 31 March 2011 - females | 31 March 2010 - males | 31 March 2010 - females |
|--|--------------------------|----------------------------|--------------------------|----------------------------|
| | Years | Years | Years | Years |
| Life expectancy for someone aged 65 in 2011 | 21.1 | 23.7 | 20.7 | 23.2 |
| Life expectancy at aged 65 for someone aged 45 in 2011 | 23.0 | 25.6 | 21.9 | 24.2 |

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

| Defined benefit pension plans | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|---------|---------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Defined benefit obligation | (4,870) | (4,839) | (4,382) | (4,008) | (5,166) |
| Fair value of scheme assets | 4,426 | 3,849 | 2,803 | 3,257 | 3,465 |
| Deficit | (444) | (990) | (1,579) | (751) | (1,701) |
| Experience adjustments on scheme liabilities | (142) | (298) | (188) | 1,052 | 679 |
| Experience adjustments on scheme assets | 118 | 732 | (841) | (471) | 138 |

The amounts shown in the table above for the value of assets at the earliest two dates have not been restated to include quoted securities valued at bid-price rather than mid-market value.

Notes to the accounts

19. Employee benefit obligations (continued)

Future funding obligation

The last actuarial valuation of the Scheme was performed by the Actuary for the Trustees as at 5 April 2010. The Company agreed to make payments to pay off the deficit of £303,600 pa until 31 July 2017, when the contributions will reduce to £66,000 pa until 31 March 2020. The employer expects to pay £287,100 to the Scheme during the accounting year beginning 1 April 2011.

20. Ultimate parent company

The shareholders in unison control the company. No individual shareholder has a controlling interest and therefore there is no ultimate controlling party.

21. Contingent liabilities

As at 31 March 2011 cross guarantees dated 6 November 1991, were given to National Westminster Bank Plc, whereby at that date CFH Total Document Management Ltd guaranteed present and future borrowings of all group companies.

22. Related party disclosures

The company trades with CFH Document Solutions Limited (CDS) which is 60% owned by D V Broadway, the following transactions were undertaken:

- At the year end the company was owed £614,000 (2010 - £1,246,000), having charged £92,000 (2010 - £82,000) for services during the year.
- At the year end the company owed £57,000 (2010 - £207,000), having been charged £281,000 (2010 - £259,000) for services during the year.

During the previous year, D V Broadway, director and shareholder of the company purchased assets from the company for £109,980. These assets were loaned back to the company during the year for a cost of £36,000 (2010 - £72,000) until October 2010 when the company re-acquired the assets for the same cost.

During the previous year the company sold part of the freehold property to CFH Total Document Management Ltd Retirement & Death Benefit Scheme, of which the directors are beneficiaries, for its market value of £750,000. Rent of £85,000 (2010 - £36,000) was paid to the pension scheme during the year.

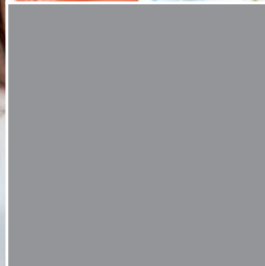
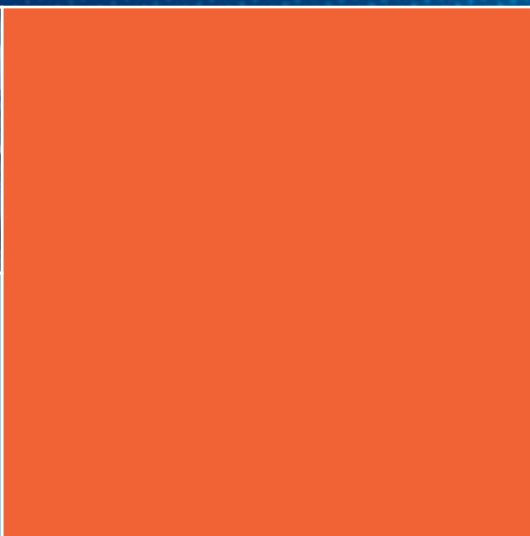
Notes to the accounts

23. Reconciliation of movements in shareholders' funds

| Group | 2011 | 2010 |
|--|-------|-------|
| | £'000 | £'000 |
| Profit for the financial year | 513 | 95 |
| Other recognised gains and losses relating to the year (net) | 446 | (507) |
| | ---- | ---- |
| Net addition/(reduction) to shareholders' funds | 959 | (412) |
| Opening shareholders' funds | 1,790 | 2,202 |
| | ---- | ---- |
| Closing shareholders' funds | 2,749 | 1,790 |
| | ===== | ===== |

| Company | 2011 | 2010 |
|--|-------|-------|
| | £'000 | £'000 |
| Profit for the financial year | 513 | 95 |
| Other recognised gains and losses relating to the year (net) | 446 | (507) |
| | ---- | ---- |
| Net addition/(reduction) to shareholders' funds | 959 | (412) |
| Opening shareholders' funds | 1,790 | 2,202 |
| | ---- | ---- |
| Closing shareholders' funds | 2,749 | 1,790 |
| | ===== | ===== |





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