

# **HAGUE PRINT MEDIA SUPPLIES LIMITED**

**Company Registration Number 02984490**

**Annual Report and Financial Statements**

**Year ended 31 December 2018**



Brown Butler  
Chartered Accountants  
Leeds

Hague Print Media Supplies Limited  
Annual Report and Financial Statements  
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Hague Print Media Supplies Limited  
Annual Report and Financial Statements  
Company Information

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|                   |                                                                                                           |
|-------------------|-----------------------------------------------------------------------------------------------------------|
| Directors         | J A Wain<br>G T Wain<br>N T Wain                                                                          |
| Company Secretary | J A Wain                                                                                                  |
| Registered Office | Thomas House<br>Don Pedro Avenue<br>Normanton Industrial Estate<br>Normanton<br>West Yorkshire<br>WF6 1TD |
| Company Number    | 02984490                                                                                                  |
| Bankers           | Lloyds Bank<br>45 Hustlergate<br>Bradford<br>West Yorkshire<br>BD1 1NT                                    |
| Statutory Auditor | Brown Butler<br>Chartered Accountants<br>Leigh House<br>28-32 St Paul's Street<br>Leeds<br>LS1 2JT        |

The directors present their strategic report for the year ended 31 December 2018.

#### Principal activities

The principal activities of the group are to provide innovative and competitive print and IT solutions worldwide.

#### Business review

2018 saw an increase in group sales of 18%. The overall increase was due to acquisitions in the year but at the same time a few major clients changed their print requirement and thus significantly reduced their overall annual spend during the course of the year.

International sales accounted for 20% of annual turnover, which has reduced in absolute and relative terms mainly attributable to a few major clients reducing their spend significantly.

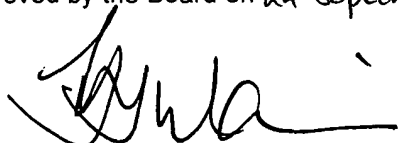
On balance, most of the spend of most of our client base held up well in continuing challenging trading conditions.

Hague continues to pursue the policy of concentrating on "value added" niche areas of print and services and increasing Hague brand awareness.

#### Principle risks and uncertainties

The company continues to face a number of business risks and uncertainties due to trading conditions, the change in profile of print requirements, unprecedented raw material increases and volatility with overseas clients. Hague continues to spread risk by introducing more products and widening our client base. To mitigate the effect of continual and excessive raw material increases, Hague continues to maintain a high level of raw material and customer stock holding. Minimising the effect of continual price hikes has ensured the maintenance of healthy margins and encourages client fidelity.

Approved by the Board on 24 September 2019 and signed on its behalf by:



.....  
G T Wain  
Director

The directors present their annual report and the company and group financial statements for the year ended 31 December 2018.

Directors of the company

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

J A Wain  
G T Wain  
N T Wain

Dividends

The directors do not propose a final dividend in respect of the year ended 31 December 2018.

Disclosure of information to the auditors

So far as the directors are aware, there is no information relevant to the audit of which the group's auditors are unaware. The directors have taken the necessary steps to ensure that they themselves are aware of all relevant audit information and made sure that the group's auditors are also aware of that information.

Approved by the Board on *24 September* 2019 and signed on its behalf by:



.....  
G T Wain  
Director

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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.

## Opinion

We have audited the financial statements of Hague Print Media Supplies Limited for the year ended 31 December 2018, which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2018 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.

## Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Continued on next page

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

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#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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.



James R White (Senior Statutory Auditor)  
For and on behalf of Brown Butler,  
Chartered Accountants and Statutory Auditor  
Leigh House  
28-32 St Paul's Street  
Leeds  
West Yorkshire  
LS1 2JT

24 September 2019

Hague Print Media Supplies Limited  
Annual Report and Financial Statements  
Group Profit and Loss Account  
Year ended 31 December 2018

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|                                               | Note | 2018<br>£        | 2017<br>£        |
|-----------------------------------------------|------|------------------|------------------|
| Turnover                                      | 3    | 22,331,850       | 18,901,404       |
| Cost of sales                                 |      | (12,062,309)     | (9,316,670)      |
| Gross profit                                  |      | 10,269,541       | 9,584,734        |
| Administrative expenses                       |      | (7,860,660)      | (5,875,251)      |
| Other operating income                        |      | 5,328            | 2,779            |
| Operating profit                              | 4    | 2,414,209        | 3,712,262        |
| Interest receivable and similar income        | 5    | 52,471           | 28,908           |
| Gain on investments                           |      | 1,817            | 146,414          |
| Interest payable and similar charges          | 6    | (16,519)         | (36,839)         |
| Profit on ordinary activities before taxation |      | 2,451,978        | 3,850,745        |
| Tax on profit on ordinary activities          | 9    | (535,125)        | (779,858)        |
| Profit for the financial year                 |      | <u>1,916,853</u> | <u>3,070,887</u> |

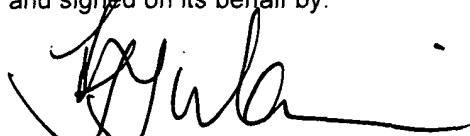
The above results derive from continuing operations.

The notes on pages 13 to 25 form part of these financial statements.

Hague Print Media Supplies Limited  
Registration Number 02984490  
Annual Report and Financial Statements  
Group Balance Sheet  
As at 31 December 2018

|                                                         | Note | 2018<br>£          | 2017<br>£          |
|---------------------------------------------------------|------|--------------------|--------------------|
| Fixed assets                                            |      |                    |                    |
| Intangible fixed assets                                 | 10   | 5,076,708          | 2,765,550          |
| Tangible fixed assets                                   | 11   | 4,856,321          | 3,856,623          |
|                                                         |      | <u>9,933,029</u>   | <u>6,622,173</u>   |
| Current assets                                          |      |                    |                    |
| Stocks                                                  | 14   | 1,476,301          | 793,682            |
| Debtors                                                 | 16   | 6,094,453          | 4,926,564          |
| Investments                                             | 15   | 518,525            | 1,855,728          |
| Cash at bank and in hand                                |      | 3,874,837          | 4,877,145          |
|                                                         |      | <u>11,964,116</u>  | <u>12,453,119</u>  |
| Creditors: Amounts falling due within one year          | 17   | <u>(5,262,743)</u> | <u>(4,337,306)</u> |
| Net current assets                                      |      | 6,701,373          | 8,115,813          |
| Total assets less current liabilities                   |      | 16,634,402         | 14,737,986         |
| Creditors: Amounts falling due after more than one year | 18   | (1,894,616)        | (1,844,344)        |
| Provision for liabilities                               | 20   | (5,797)            | -                  |
| Net assets                                              |      | <u>14,733,989</u>  | <u>12,893,642</u>  |
| Capital and reserves                                    |      |                    |                    |
| Called up share capital                                 | 21   | 750,000            | 750,000            |
| Profit and loss account                                 |      | <u>13,983,989</u>  | <u>12,143,642</u>  |
| Total equity                                            |      | <u>14,733,989</u>  | <u>12,893,642</u>  |

These financial statements were approved and authorised for issue by the board on 24 September 2019 and signed on its behalf by:

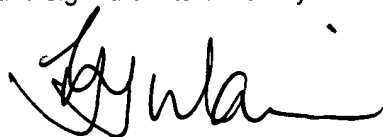
  
G T Wein  
Director

The notes on pages 13 to 25 form part of these financial statements.

Hague Print Media Supplies Limited  
Registration Number 02984490  
Annual Report and Financial Statements  
Company Balance Sheet  
As at 31 December 2018

|                                                | Note | 2018<br>£        | 2017<br>£        |
|------------------------------------------------|------|------------------|------------------|
| Fixed assets                                   |      |                  |                  |
| Tangible fixed assets                          | 11   | 943,450          | 971,536          |
| Investments                                    | 12   | 3,051,501        | 3,051,501        |
|                                                |      | <u>3,994,951</u> | <u>4,023,037</u> |
| Current assets                                 |      |                  |                  |
| Debtors                                        | 16   | 2,695,537        | 2,603,958        |
| Cash at bank and in hand                       |      | <u>1</u>         | <u>1</u>         |
|                                                |      | 2,695,538        | 2,603,959        |
| Creditors: Amounts falling due within one year | 17   | <u>(35,481)</u>  | <u>(30,223)</u>  |
| Net current assets                             |      | 2,660,057        | 2,573,736        |
| Net assets                                     |      | <u>6,655,008</u> | <u>6,596,773</u> |
| Capital and reserves                           |      |                  |                  |
| Called up share capital                        | 21   | 750,000          | 750,000          |
| Profit and loss account                        |      | <u>5,905,008</u> | <u>5,846,773</u> |
| Total equity                                   |      | <u>6,655,008</u> | <u>6,596,773</u> |

These financial statements were approved and authorised for issue by the board on *24 September* 2019 and signed on its behalf by:



G T Wain  
Director

The notes on pages 13 to 25 form part of these financial statements.

Hague Print Media Supplies Limited  
Annual Report and Financial Statements  
Group and Company Statement of Changes in Equity  
Year ended 31 December 2018

| Group                        | Share<br>capital<br>£ | Profit and<br>loss account<br>£ | Total<br>£ |
|------------------------------|-----------------------|---------------------------------|------------|
| At 1 January 2017            | 750,000               | 9,397,881                       | 10,147,881 |
| Profit for the year          | -                     | 3,070,887                       | 3,070,887  |
| Dividends                    | -                     | (325,000)                       | (325,000)  |
| Foreign currency translation | -                     | (126)                           | (126)      |
| At 31 December 2017          | 750,000               | 12,143,642                      | 12,893,642 |
| Profit for the year          | -                     | 1,916,853                       | 1,916,853  |
| Dividends                    | -                     | (205,000)                       | (205,000)  |
| Foreign currency translation | -                     | 128,494                         | 128,494    |
| At 31 December 2018          | 750,000               | 13,983,989                      | 14,733,989 |
| Company                      | Share<br>capital<br>£ | Profit and<br>loss account<br>£ | Total<br>£ |
| At 1 January 2017            | 750,000               | 3,274,200                       | 4,024,200  |
| Profit for the year          | -                     | 2,897,573                       | 2,897,573  |
| Dividends                    | -                     | (325,000)                       | (325,000)  |
| At 31 December 2017          | 750,000               | 5,846,773                       | 6,596,773  |
| Profit for the year          | -                     | 263,235                         | 263,235    |
| Dividends                    | -                     | (205,000)                       | (205,000)  |
| At 31 December 2018          | 750,000               | 5,905,008                       | 6,655,008  |

The notes on pages 13 to 25 form part of these financial statements.

Hague Print Media Supplies Limited  
Annual Report and Financial Statements  
Group Statement of Cash Flows  
Year ended 31 December 2018

|                                                                                               | Note | 2018<br>£               | 2017<br>£               |
|-----------------------------------------------------------------------------------------------|------|-------------------------|-------------------------|
| Cash flows from operating activities                                                          |      |                         |                         |
| Group profit for the year                                                                     |      | 1,916,853               | 3,070,887               |
| Adjustments to reconcile group profit for the year to net cash flow from operating activities |      |                         |                         |
| Depreciation, amortisation and impairment                                                     | 4    | 868,106                 | 432,264                 |
| Loss/(profit) on disposal of fixed assets                                                     | 4    | (28,359)                | 8,368                   |
| Interest received                                                                             | 5    | (52,471)                | (28,908)                |
| Interest payable and similar charges                                                          | 6    | 16,519                  | 36,839                  |
| Gain on investments                                                                           |      | (1,817)                 | (146,414)               |
| Taxation                                                                                      | 9    | 535,125                 | 779,858                 |
|                                                                                               |      | <u>3,253,956</u>        | <u>4,152,894</u>        |
| Working capital adjustments                                                                   |      |                         |                         |
| Increase in stocks                                                                            | 14   | (682,619)               | (484,486)               |
| Increase in trade and other debtors                                                           | 16   | (1,177,372)             | (941,970)               |
| Increase in trade and other creditors                                                         | 17   | 932,643                 | 620,364                 |
|                                                                                               |      | <u>2,326,608</u>        | <u>3,346,802</u>        |
| Cash generated from operations                                                                |      | 2,326,608               | 3,346,802               |
| Taxation paid                                                                                 | 9    | (731,992)               | (576,363)               |
| Net cash flow from operating activities                                                       |      | <u>1,594,616</u>        | <u>2,770,439</u>        |
| Cash flows from investing activities                                                          |      |                         |                         |
| Interest received                                                                             | 5    | 52,471                  | 28,908                  |
| Interest paid                                                                                 | 6    | (16,519)                | (36,839)                |
| Acquisitions of intangible fixed assets                                                       | 10   | (2,311,061)             | (1,118,078)             |
| Acquisitions of tangible fixed assets                                                         | 11   | (1,244,680)             | (2,795,756)             |
| Proceeds from sale of tangible assets                                                         |      | 55,138                  | 7,460                   |
| Acquisitions of investments                                                                   | 15   | (210,096)               | -                       |
| Proceeds from sale on investments                                                             | 15   | 1,549,116               | -                       |
|                                                                                               |      | <u>(2,125,631)</u>      | <u>(3,914,305)</u>      |
| Net cash flows from investing activities                                                      |      | (2,125,631)             | (3,914,305)             |
| Cash flows from financing activities                                                          |      |                         |                         |
| Proceeds from borrowings                                                                      |      | -                       | 1,763,878               |
| Repayment of borrowings                                                                       |      | (394,787)               | (9,194)                 |
| Dividends paid                                                                                |      | (205,000)               | (325,000)               |
|                                                                                               |      | <u>(599,787)</u>        | <u>1,429,684</u>        |
| Net cash flows from financing activities                                                      |      | (599,787)               | 1,429,684               |
| Net (decrease)/increase in cash and cash equivalents                                          |      | <u>(1,130,802)</u>      | <u>285,818</u>          |
| Cash and cash equivalents at 1 January 2018                                                   |      | 4,877,145               | 4,591,453               |
| Effect of exchange rate fluctuations on cash held                                             |      | <u>128,494</u>          | <u>(126)</u>            |
| Cash and cash equivalents at 31 December 2018                                                 |      | <u><u>3,874,837</u></u> | <u><u>4,877,145</u></u> |

The notes on pages 13 to 25 form part of these financial statements.

1. General information

Hague Print Media Supplies Limited is a company limited by shares incorporated in England.

Its registered number is 02984490.

The address of its registered office and principal place of business is:

Thomas House  
Don Pedro Avenue  
Normanton Industrial Estate  
Normanton  
WF6 1TD

2. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 (2015) – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (‘FRS 102’) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The presentation currency is £ sterling.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Hague Print Media Supplies Limited and its subsidiary undertakings. All intra group transactions, balances, income and expenses are eliminated on consolidation.

As permitted by Section 408 of the Companies Act 2006, Hague Print Media Supplies Limited has not presented its own profit and loss account. The profit for the year was £263,235 (2017: £2,897,573).

Turnover

Turnover is measured at fair value of the consideration received or receivable, net of discounts and value added tax. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually when the goods have been delivered to customers such that the risks and removal of ownership have been transferred to them.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

## 2. Summary of significant accounting policies - continued

### Government grants

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

### Pension contributions

The group has a defined contribution pension scheme. The pension costs charged to the profit and loss account are the contributions payable in respect of the accounting period.

### Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the year using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses

### Goodwill

Goodwill on acquisition of subsidiary undertakings is included in the consolidated balance sheet and is being amortised by equal instalments over 10 years.

The directors consider the periods of amortisation do not exceed the useful economic life of the assets.

### Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

### Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives. The annual rates and methods of depreciation are as follows:-

| Asset class         | Depreciation method and rate    |
|---------------------|---------------------------------|
| Land and buildings  | 25 - 50 years – buildings only  |
| Motor vehicles      | 25% - 33.3% straight line basis |
| Plant and machinery | 20% - 33.3% straight line basis |



2. Summary of significant accounting policies - continued

Impairment of fixed assets

At the balance sheet date, if there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss account. The reversal of an impairment loss is recognised immediately in the profit and loss account.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

Stock

Stock is stated at the lower of cost and estimates selling price less costs to complete and sell. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and an appropriate proportion of overhead expenses.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment.

Creditors

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer subsequently all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset at the inception of the lease. The corresponding liability to the lessor is included in the financial statements as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability.

2. Summary of significant accounting policies - continued

Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the lease term unless the rental payments are structured to increase in line with expected general inflation in which case the company recognises annual rent expense equal to amounts owed to the lessor

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Foreign currency

Transactions in foreign currency are translated at the spot rate at the date of the transactions. Assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date. All exchange differences are taken to the profit and loss account.

3. Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

|                       | 2018<br>£         | 2017<br>£         |
|-----------------------|-------------------|-------------------|
| Sale of goods         | 20,703,983        | 18,351,868        |
| Rendering of services | 1,627,867         | 549,536           |
|                       | <u>22,331,850</u> | <u>18,901,404</u> |

The analysis of the group's turnover for the year by market is as follows:

|               | 2018<br>£         | 2017<br>£         |
|---------------|-------------------|-------------------|
| UK            | 17,842,121        | 13,904,876        |
| Europe        | 436,454           | 426,450           |
| Rest of World | 4,053,275         | 4,570,078         |
|               | <u>22,331,850</u> | <u>18,901,404</u> |

4. Group operating profit

Operating profit is stated after charging/(crediting):

|                                                              | 2018<br>£      | 2017<br>£      |
|--------------------------------------------------------------|----------------|----------------|
| Depreciation and impairment                                  | 218,203        | 122,356        |
| Amortisation of goodwill                                     | 649,903        | 309,908        |
| Operating lease expense – plant and machinery                | 34,912         | 34,764         |
| (Profit) / loss on disposal of property, plant and equipment | (28,359)       | 8,368          |
| Auditors' remuneration – audit of the financial statements   | 45,314         | 46,106         |
| Auditors' remuneration – non audit services                  | 25,429         | 29,537         |
|                                                              | <u>218,203</u> | <u>122,356</u> |

5. Interest receivable and similar income

|                        | 2018<br>£     | 2017<br>£     |
|------------------------|---------------|---------------|
| Bank interest received | 16,565        | 12,789        |
| Other interest         | 35,906        | 16,119        |
|                        | <u>52,471</u> | <u>28,908</u> |

6. Interest payable and similar charges

|                | 2018<br>£     | 2017<br>£     |
|----------------|---------------|---------------|
| Other interest | 16,519        | 36,839        |
|                | <u>16,519</u> | <u>36,839</u> |

7. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

|                       | 2018<br>£        | 2017<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 3,655,402        | 3,406,793        |
| Social security costs | 398,986          | 366,553          |
| Pension costs         | 215,873          | 212,434          |
|                       | <u>4,270,261</u> | <u>3,985,780</u> |

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

|                            | 2018<br>No | 2017<br>No |
|----------------------------|------------|------------|
| Administration and support | 72         | 65         |
| Sales                      | 35         | 27         |
|                            | <u>107</u> | <u>92</u>  |

8. Directors' remuneration

The directors' remuneration for the year was as follows:-

|                        | 2018<br>£      | 2017<br>£      |
|------------------------|----------------|----------------|
| Remuneration           | 116,124        | 115,728        |
| Benefits in kind       | 9,885          | 9,409          |
|                        | <u>126,009</u> | <u>125,137</u> |
| Aggregate remuneration | -              | 20,000         |
| Pension contributions  | -              | -              |
|                        | <u>126,009</u> | <u>145,137</u> |

During the year the number of directors who were receiving benefits and share incentives was as follows:

|                                                                                    | 2018<br>No | 2017<br>No |
|------------------------------------------------------------------------------------|------------|------------|
| Accruing benefits under a defined contribution pension scheme during the year was: | -          | 2          |

9. Corporation tax

Tax charged/(credited) in the profit and loss account

|                                                             | 2018<br>£      | 2017<br>£      |
|-------------------------------------------------------------|----------------|----------------|
| Current taxation                                            |                |                |
| UK corporation tax                                          | 526,138        | 777,421        |
| UK corporation tax adjustment to prior periods              | (329)          | (5,060)        |
| Total current tax                                           | <u>525,809</u> | <u>772,361</u> |
| Deferred taxation                                           |                |                |
| Arising from origination and reversal of timing differences | 9,316          | 7,497          |
| Total tax on profit on ordinary activities                  | <u>535,125</u> | <u>779,858</u> |

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2017 – 19.25%).

The differences are reconciled below:

|                                                                               | 2018<br>£        | 2017<br>£        |
|-------------------------------------------------------------------------------|------------------|------------------|
| Profit on ordinary activities before taxation                                 | <u>2,451,978</u> | <u>3,850,745</u> |
| Corporation tax at standard rate                                              | 465,876          | 741,268          |
| Effect of capital allowances, depreciation and amortisation                   | 109,219          | 47,612           |
| Expenses not deductible for tax purposes                                      | 9,594            | 2,603            |
| Short term timing differences                                                 | 9,316            | 7,497            |
| Tax decrease from effect of adjustment in research and development tax credit | (73,386)         | (47,553)         |
| Effect of tax losses                                                          | 14,835           | 33,491           |
| Under/over provision in prior years                                           | (329)            | (5,060)          |
| Tax charge for the year                                                       | <u>535,125</u>   | <u>779,858</u>   |

Deferred tax

Deferred tax assets and liabilities

|                                                                    | Liability<br>£ |
|--------------------------------------------------------------------|----------------|
| 2018                                                               |                |
| Difference between accumulated depreciation and capital allowances | <u>5,797</u>   |
|                                                                    |                |
|                                                                    | Asset<br>£     |
| 2017                                                               |                |
| Difference between accumulated depreciation and capital allowances | <u>9,483</u>   |

10. Intangible assets

|                     | Other<br>Intangibles<br>£ | Goodwill<br>£    | Total<br>£       |
|---------------------|---------------------------|------------------|------------------|
| Group               |                           |                  |                  |
| Cost                |                           |                  |                  |
| At 1 January 2018   | -                         | 3,247,570        | 3,247,570        |
| Additions           | 3                         | 2,961,058        | 2,961,061        |
| At 31 December 2018 | <u>3</u>                  | <u>6,208,628</u> | <u>6,208,631</u> |
| Amortisation        |                           |                  |                  |
| At 1 January 2018   | -                         | 482,020          | 482,020          |
| Charge for the year | -                         | 649,903          | 649,903          |
| At 31 December 2018 | <u>-</u>                  | <u>1,131,923</u> | <u>1,131,923</u> |
| Net book value      |                           |                  |                  |
| At 31 December 2018 | <u>3</u>                  | <u>5,076,705</u> | <u>5,076,708</u> |
| At 31 December 2017 | <u>-</u>                  | <u>2,765,550</u> | <u>2,765,550</u> |

11. Tangible fixed assets

| Group                  | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Total<br>£       |
|------------------------|----------------------------|-----------------------------|------------------------|------------------|
| Cost                   |                            |                             |                        |                  |
| At 1 January 2018      | 3,702,703                  | 657,972                     | 316,302                | 4,676,977        |
| Additions              | 1,102,843                  | 90,336                      | 51,501                 | 1,244,680        |
| Disposals              | -                          | (241,307)                   | (108,040)              | (349,347)        |
| At 31 December 2018    | <u>4,805,546</u>           | <u>507,001</u>              | <u>259,763</u>         | <u>5,572,310</u> |
| Depreciation           |                            |                             |                        |                  |
| At 1 January 2018      | 421,678                    | 224,534                     | 174,142                | 820,354          |
| Charge for the year    | 51,714                     | 109,666                     | 56,823                 | 218,203          |
| Eliminated on disposal | -                          | (234,740)                   | (87,828)               | (322,568)        |
| At 31 December 2018    | <u>473,392</u>             | <u>99,460</u>               | <u>143,137</u>         | <u>715,989</u>   |
| Net book value         |                            |                             |                        |                  |
| At 31 December 2018    | <u>4,332,154</u>           | <u>407,541</u>              | <u>116,626</u>         | <u>4,856,321</u> |
| At 31 December 2017    | <u>3,281,025</u>           | <u>433,438</u>              | <u>142,160</u>         | <u>3,856,623</u> |

Included within the net book value of land and buildings above is £4,034,326 (2017 - £3,058,916) in respect of freehold land and buildings and £288,828 (2017 - £222,109) in respect of long leasehold land and buildings.

| Company             | Land and<br>buildings<br>£ | Total<br>£       |
|---------------------|----------------------------|------------------|
| Cost                |                            |                  |
| At 1 January 2018   | 1,011,305                  | 1,011,305        |
| At 31 December 2018 | <u>1,011,305</u>           | <u>1,011,305</u> |
| Depreciation        |                            |                  |
| At 1 January 2018   | 39,769                     | 39,769           |
| Charge for the year | 28,086                     | 28,086           |
| At 31 December 2018 | <u>67,855</u>              | <u>67,855</u>    |
| Net book value      |                            |                  |
| At 31 December 2018 | <u>943,450</u>             | <u>943,450</u>   |
| At 31 December 2017 | <u>971,536</u>             | <u>971,536</u>   |

Included within the net book value of land and buildings above is £730,758 (2017 - £749,427) in respect of freehold land and buildings and £212,692 (2017 - £222,109) in respect of long leasehold land and buildings.

12. Investments in subsidiaries

| Company                      | 2018<br>£        | 2017<br>£        |
|------------------------------|------------------|------------------|
| Shares in group undertakings | <u>3,051,501</u> | <u>3,051,501</u> |

|                                          |                  |
|------------------------------------------|------------------|
| Cost                                     | £                |
| At 1 January 2018 and 31 December 2018   | <u>3,051,501</u> |
| Carrying amount                          |                  |
| At 31 December 2017 and 31 December 2018 | <u>3,051,501</u> |

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

| Subsidiary undertakings                   | Description of holding | Proportion of holding | Principal activity                                                     |
|-------------------------------------------|------------------------|-----------------------|------------------------------------------------------------------------|
| Hague Computer Supplies Limited           | Ordinary               | 100%                  | To provide innovative and competitive print and IT solutions worldwide |
| Hague SR Limited                          | Ordinary               | 100%                  | Holding company                                                        |
| Hague Australia Holdings Limited          | Ordinary               | 100%                  | Holding company                                                        |
| SRPM Limited ~                            | Ordinary               | 100%                  | Printing agents                                                        |
| Hague Software Solutions Limited ~        | Ordinary               | 100%                  | Cheque scanning and processing                                         |
| Hague Australia Group Pty Limited ^       | Ordinary               | 100%                  | Holding company                                                        |
| Foremost Business Forms Pty Limited ^     | Ordinary               | 100%                  | Printers                                                               |
| Hague Contrac Limited ~                   | Ordinary               | 100%                  | Print management                                                       |
| Venture Business Forms Group Limited ~    | Ordinary               | 100%                  | Holding company                                                        |
| Venture Business Forms Holdings Limited * | Ordinary               | 100%                  | Holding company                                                        |
| Venture Business Forms Limited #          | Ordinary               | 100%                  | Wholesale distribution of labels and printed matter                    |

^ = subsidiary of Hague Australia Holdings Limited

~ = subsidiary of Hague SR Limited

\* = subsidiary of Venture Business Forms Group Limited

# = subsidiary of Venture Business Forms Holdings Limited



13. Acquisitions

In October 2018 the group acquired the entire share capital of the Venture Business Forms Group Limited, the assets acquired are as follows

|                                 | £                       |
|---------------------------------|-------------------------|
| Tangible fixed assets           | 1,050,000               |
| Stock                           | 488,000                 |
| Debtors                         | 1,137,000               |
| Cash                            | 475,000                 |
| Creditors                       | (1,278,000)             |
|                                 | <u>1,872,000</u>        |
| Goodwill arising on acquisition | <u>1,458,000</u>        |
|                                 | <u><u>3,330,000</u></u> |

14. Stock

|                  | Group            |                | Company  |          |
|------------------|------------------|----------------|----------|----------|
|                  | 2018             | 2017           | 2018     | 2017     |
|                  | £                | £              | £        | £        |
| Goods for resale | <u>1,476,301</u> | <u>793,682</u> | <u>-</u> | <u>-</u> |

The cost of stock recognised as an expense in the year amounted to £12,162,957 (2017: £8,900,017)

Impairment of stock

The amount of impairment loss included in profit or loss is £39,044 (2017 - £79,900).

15. Investments

|                          | Group          |                  |
|--------------------------|----------------|------------------|
|                          | 2018           | 2017             |
|                          | £              | £                |
| Current financial assets | <u>518,525</u> | <u>1,855,728</u> |

16. Debtors

|                                      | Group            |                  | Company          |                  |
|--------------------------------------|------------------|------------------|------------------|------------------|
|                                      | 2018             | 2017             | 2018             | 2017             |
|                                      | £                | £                | £                | £                |
| Trade debtors                        | 5,098,256        | 3,107,451        | -                | -                |
| Other debtors                        | 537,097          | 1,529,580        | -                | -                |
| Amounts owed from group undertakings | -                | -                | 2,695,537        | 2,603,958        |
| Prepayments and accrued income       | 459,100          | 280,050          | -                | -                |
| Deferred tax asset                   | -                | 9,483            | -                | -                |
|                                      | <u>6,094,453</u> | <u>4,926,564</u> | <u>2,695,537</u> | <u>2,603,958</u> |

17. Creditors: Amounts falling due within one year

|                                 | Group            |                  | Company       |               |
|---------------------------------|------------------|------------------|---------------|---------------|
|                                 | 2018             | 2017             | 2018          | 2017          |
|                                 | £                | £                | £             | £             |
| Bank loan                       | 115,281          | 110,340          | -             | -             |
| Trade creditors                 | 2,239,262        | 1,520,776        | -             | -             |
| Other creditors                 | 298,787          | 362,796          | -             | -             |
| Corporation tax                 | 339,374          | 551,521          | 20,248        | 23,991        |
| Social security and other taxes | 606,585          | 455,775          | 6,233         | 6,232         |
| Accruals and deferred income    | 1,063,454        | 936,098          | 9,000         | -             |
| Deferred consideration          | 600,000          | 400,000          | -             | -             |
|                                 | <u>5,262,743</u> | <u>4,337,306</u> | <u>35,481</u> | <u>30,223</u> |

18. Creditors: Amounts falling due after more than one year

|                        | Group            |                  | Company  |          |
|------------------------|------------------|------------------|----------|----------|
|                        | 2018             | 2017             | 2018     | 2017     |
|                        | £                | £                | £        | £        |
| Bank loan              | 1,244,616        | 1,644,344        | -        | -        |
| Deferred consideration | 650,000          | 200,000          | -        | -        |
|                        | <u>1,894,616</u> | <u>1,844,344</u> | <u>-</u> | <u>-</u> |

19. Loans and borrowings

| Non-current loans and borrowings |  | Group            |                  | Company  |          |
|----------------------------------|--|------------------|------------------|----------|----------|
|                                  |  | 2018             | 2017             | 2018     | 2017     |
|                                  |  | £                | £                | £        | £        |
| Bank loan                        |  | <u>1,244,616</u> | <u>1,644,344</u> | <u>-</u> | <u>-</u> |
| Current loans and borrowings     |  | Group            |                  | Company  |          |
|                                  |  | 2018             | 2017             | 2018     | 2017     |
|                                  |  | £                | £                | £        | £        |
| Bank loan                        |  | <u>115,281</u>   | <u>110,340</u>   | <u>-</u> | <u>-</u> |

There are no loans or borrowings due after more than five years.  
Bank loans are secured on the freehold property of a subsidiary company.

20. Provision for liabilities

|                                       | Group        |                | Company   |           |
|---------------------------------------|--------------|----------------|-----------|-----------|
|                                       | 2018<br>£    | 2017<br>£      | 2018<br>£ | 2017<br>£ |
| Deferred Taxation                     |              |                |           |           |
| At beginning of the year              | (9,483)      | (16,980)       | -         | -         |
| Acquired on acquisition               | 5,964        | -              | -         | -         |
| Charge to the profit and loss account | 9,316        | 7,497          | -         | -         |
|                                       | <u>5,797</u> | <u>(9,483)</u> | <u>-</u>  | <u>-</u>  |

21. Share capital

Allotted, called up and fully paid shares

|                              | 2018           |                | 2017           |                |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | No             | £              | No             | £              |
| Ordinary A shares of £1 each | 562,500        | 562,500        | 562,500        | 562,500        |
| Ordinary B shares of £1 each | 187,500        | 187,500        | 187,500        | 187,500        |
|                              | <u>750,000</u> | <u>750,000</u> | <u>750,000</u> | <u>750,000</u> |

The classes of share rank pari passu in all respects except that no shareholder is entitled to any dividend or distribution declared on any other class of share.

22. Operating leases

Group

The total of future minimum lease payments is as follows:

|                            | 2018<br>£      | 2017<br>£      |
|----------------------------|----------------|----------------|
| Within one year            | 106,489        | 134,933        |
| Between one and five years | 215,144        | 204,646        |
| After five years           | 83,626         | 123,626        |
|                            | <u>405,259</u> | <u>463,205</u> |

23. Pensions – defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £241,970 (2017 - £212,434). There were no contributions payable to the scheme at the end of this year or the previous year.

24. Related party transactions

Group

During the year the group paid market rent to a related party of £40,000 (2017: £40,000).

25. Capital and reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profit and losses.