

HAGUE PRINT MEDIA SUPPLIES LIMITED

Company Registration Number 02984490

Annual Report and Financial Statements

Year ended 31 December 2017

Brown Butler
Chartered Accountants
Leeds

THURSDAY



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Hague Print Media Supplies Limited
Annual Report and Financial Statements
Contents

Company information	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities	4
Independent auditor's report	5 to 7
Group profit and loss account	8
Group balance sheet	9
Company balance sheet	10
Group and company statement of changes in equity	11
Group statement of cash flows	12
Notes to the financial statements	13 to 25

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

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

The directors present their strategic report for the year ended 31 December 2017.

Principal activities

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

Business review

2017 saw an overall increase in sales by 5%. This was due to new acquisitions in the year.

Exports accounted for 26.4% of annual turnover, though two major clients reduced their spend significantly.

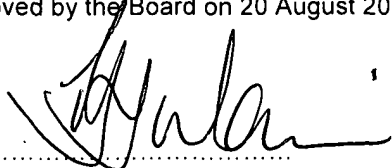
On balance most of the spend of our client base held up very well in very volatile trading conditions.

Hague continues the policy of concentrating in 'value added' niche areas of print and services and increasing Hague brand awareness.

Principle risks and uncertainties

The company faces a number of business risks and uncertainties due to trading conditions, unprecedented raw material increases and volatile dealings 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 took the decision to use a positive cash position to dramatically increase raw material and customer stock holding. Minimising the effect of continual price hikes has ensured the maintenance of healthy margins and encouraged client fidelity.

Approved by the Board on 20 August 2018 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 2017.

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 2017.

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 20 August 2018 and signed on its behalf by:



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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 2017, 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 2017 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.

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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 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. 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

21 August 2018

Hague Print Media Supplies Limited
Annual Report and Financial Statements
Group Profit and Loss Account
Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	18,901,404	18,023,557
Cost of sales		(9,316,670)	(10,131,150)
Gross profit		9,584,734	7,892,407
Administrative expenses		(5,875,251)	(4,810,894)
Other operating income		2,779	2,598
Operating profit	4	3,712,262	3,084,111
Interest receivable and similar income	5	28,908	28,078
Gain on investments		146,414	110,799
Interest payable and similar charges	6	(36,839)	(246,816)
Profit on ordinary activities before taxation		3,850,745	2,976,172
Tax on profit on ordinary activities	9	(779,858)	(618,100)
Profit for the financial year		<u>3,070,887</u>	<u>2,358,072</u>

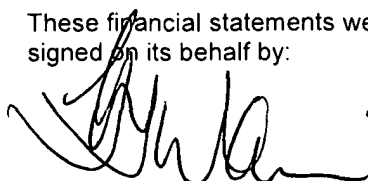
The above results derive from continuing operations.

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 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible fixed assets	10	2,765,550	2,131,380
Tangible fixed assets	11	3,856,623	1,199,051
		<u>6,622,173</u>	<u>3,330,431</u>
Current assets			
Stocks	13	793,682	309,196
Debtors	15	4,926,564	3,992,089
Investments	14	1,855,728	1,709,314
Cash at bank and in hand		4,877,145	4,591,453
		<u>12,453,119</u>	<u>10,602,052</u>
Creditors: Amounts falling due within one year	16	<u>(4,337,306)</u>	<u>(3,559,602)</u>
Net current assets		8,115,813	7,042,450
Total assets less current liabilities		<u>14,737,986</u>	<u>10,372,881</u>
Creditors: Amounts falling due after more than one year	17	<u>(1,844,344)</u>	<u>(225,000)</u>
Net assets		<u>12,893,642</u>	<u>10,147,881</u>
Capital and reserves			
Called up share capital	19	750,000	750,000
Profit and loss account		<u>12,143,642</u>	<u>9,397,881</u>
Total equity		<u>12,893,642</u>	<u>10,147,881</u>

These financial statements were approved and authorised for issue by the board on 20 August 2018 and signed on its behalf by:



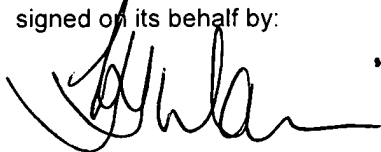
G T Wain
Director

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

Hague Print Media Supplies Limited
Registration Number 02984490
Annual Report and Financial Statements
Company Balance Sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible fixed assets	11	971,536	999,622
Investments	12	3,051,501	3,051,501
		<u>4,023,037</u>	<u>4,051,123</u>
Current assets			
Debtors	15	2,603,958	-
Cash at bank and in hand		<u>1</u>	<u>1</u>
		2,603,959	1
Creditors: Amounts falling due within one year	16	<u>(30,223)</u>	<u>(26,924)</u>
Net current assets/(liabilities)		2,573,736	(26,923)
Net assets		<u>6,596,773</u>	<u>4,024,200</u>
Capital and reserves			
Called up share capital	19	750,000	750,000
Profit and loss account		<u>5,846,773</u>	<u>3,274,200</u>
Total equity		<u>6,596,773</u>	<u>4,024,200</u>

These financial statements were approved and authorised for issue by the board on 20 August 2018 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 2017

Group	Share capital £	Profit and loss account £	Total £
At 1 January 2016	2,750,000	7,064,762	9,814,762
Profit for the year	-	2,358,072	2,358,072
Dividends	-	(20,000)	(20,000)
Other ordinary share capital movements	(2,000,000)	-	(2,000,000)
Foreign currency translation	-	(4,953)	(4,953)
At 31 December 2016	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
Company	Share capital £	Profit and loss account £	Total £
At 1 January 2016	2,750,000	-	2,750,000
Profit for the year	-	3,294,200	3,294,200
Dividends	-	(20,000)	(20,000)
Other ordinary share capital movements	(2,000,000)	-	(2,000,000)
At 31 December 2016	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

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 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Group profit for the year		3,070,887	2,358,072
Adjustments to reconcile group profit for the year to net cash flow from operating activities			
Depreciation, amortisation and impairment	4	432,264	516,006
Loss/(profit) on disposal of fixed assets	4	8,368	29,936
Interest received	5	(28,908)	(28,078)
Interest payable and similar charges	6	36,839	246,816
Gain on investments		(146,414)	(110,799)
Taxation	9	779,858	618,100
		<u>4,152,894</u>	<u>3,630,053</u>
Working capital adjustments			
Increase in stocks	13	(484,486)	(264,965)
Increase in trade and other debtors	14	(941,970)	(547,859)
Increase in trade and other creditors	15	620,364	1,288
		<u>3,346,802</u>	<u>2,818,517</u>
Cash generated from operations		3,346,802	2,818,517
Taxation paid	9	(576,363)	(818,070)
Net cash flow from operating activities		<u>2,770,439</u>	<u>2,000,447</u>
Cash flows from investing activities			
Interest received	5	28,908	28,078
Interest paid	6	(36,839)	(246,816)
Acquisitions of intangible fixed assets	10	(1,118,078)	(1,161,684)
Acquisitions of tangible fixed assets	11	(2,795,756)	(143,903)
Proceeds from sale of tangible assets		7,460	20,924
		<u>(3,914,305)</u>	<u>(1,503,401)</u>
Net cash flows from investing activities		(3,914,305)	(1,503,401)
Cash flows from financing activities			
Payments for reduction in share capital		-	(2,000,000)
Proceeds from borrowings		1,763,878	-
Repayment of borrowings		(9,194)	-
Dividends paid		(325,000)	(20,000)
		<u>1,429,684</u>	<u>(2,020,000)</u>
Net cash flows from financing activities		1,429,684	(2,020,000)
Net (decrease)/increase in cash and cash equivalents		285,818	(1,522,954)
Cash and cash equivalents at 1 January 2017		4,591,453	6,119,360
Effect of exchange rate fluctuations on cash held		(126)	(4,953)
		<u>4,877,145</u>	<u>4,591,453</u>
Cash and cash equivalents at 31 December 2017		<u>4,877,145</u>	<u>4,591,453</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 – '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 £2,897,573 (2016: £3,294,200).

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 years – buildings only
Motor vehicles	25% straight line basis
Plant and machinery	20% 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:

	2017 £	2016 £
Sale of goods	18,351,868	17,604,410
Rendering of services	549,536	419,147
	<u>18,901,404</u>	<u>18,023,557</u>

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

	2017 £	2016 £
UK	13,904,876	13,485,101
Europe	426,450	660,320
Rest of World	4,570,078	3,878,136
	<u>18,901,404</u>	<u>18,023,557</u>

4. Group operating profit

Operating profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation and impairment	122,356	328,199
Amortisation of goodwill	309,908	187,806
Operating lease expense – plant and machinery	34,764	24,705
Loss on disposal of property, plant and equipment	8,368	13,605
Loss on disposal of intangible fixed assets	-	16,332
Auditors' remuneration – audit of the financial statements	46,106	35,116
Auditors' remuneration – non audit services	29,537	4,000
	<u></u>	<u></u>

5. Interest receivable and similar income

	2017 £	2016 £
Bank interest received	12,789	7,881
Other interest	16,119	20,197
	<u>28,908</u>	<u>28,078</u>

6. Interest payable and similar charges

	2017 £	2016 £
Other interest	<u>36,839</u>	<u>246,816</u>

7. Staff costs

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

	2017 £	2016 £
Wages and salaries	3,406,793	2,747,551
Social security costs	366,553	307,664
Pension costs	212,434	248,228
	<u>3,985,780</u>	<u>3,303,443</u>

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

	2017 No	2016 No
Administration and support	65	50
Sales	27	23
	<u>92</u>	<u>73</u>

8. Directors' remuneration

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

	2017 £	2016 £
Remuneration	115,728	116,128
Benefits in kind	9,409	5,035
	<u>125,137</u>	<u>121,163</u>
Aggregate remuneration	125,137	121,163
Pension contributions	20,000	80,416
	<u>145,137</u>	<u>201,579</u>

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

	2017 No	2016 No
Accruing benefits under a defined contribution pension scheme during the year was:	<u>2</u>	<u>3</u>

9. Corporation tax

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

	2017 £	2016 £
Current taxation		
UK corporation tax	777,421	608,952
UK corporation tax adjustment to prior periods	(5,060)	-
Total current tax	<u>772,361</u>	<u>608,952</u>
Deferred taxation		
Arising from origination and reversal of timing differences	7,497	9,148
Total tax on profit on ordinary activities	<u>779,858</u>	<u>618,100</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 – higher than the standard rate of corporation tax in the UK) of 19.25% (2016 – 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>3,850,745</u>	<u>2,976,172</u>
Corporation tax at standard rate	741,268	595,234
Effect of capital allowances, depreciation and amortisation	47,612	88,369
Expenses not deductible for tax purposes	2,603	22,354
Short term timing differences	7,497	9,148
Tax decrease from effect of adjustment in research and development tax credit	(47,553)	(97,005)
Effect of overseas tax losses	33,491	-
Under/over provision in prior years	(5,060)	-
Tax charge for the year	<u>779,858</u>	<u>618,100</u>

Deferred tax

Deferred tax assets and liabilities

	Asset £
2017	
Difference between accumulated depreciation and capital allowances	<u>9,483</u>
2016	
Difference between accumulated depreciation and capital allowances	<u>16,978</u>

10. Intangible assets

	Goodwill £	Total £
Group		
Cost		
At 1 January 2017	2,378,492	2,378,492
Additions	944,078	944,078
Disposals	(75,000)	(75,000)
	<u>3,247,570</u>	<u>3,247,570</u>
At 31 December 2017		
Amortisation		
At 1 January 2017	247,112	247,112
Charge for the year	309,908	309,908
Disposals	(75,000)	(75,000)
	<u>482,020</u>	<u>482,020</u>
At 31 December 2017		
Net book value		
At 31 December 2017	<u>2,765,550</u>	<u>2,765,550</u>
At 31 December 2016	<u>2,131,380</u>	<u>2,131,380</u>

11. Tangible fixed assets

Group	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2017	1,375,881	367,026	249,620	1,992,527
Additions	2,326,822	366,907	102,027	2,795,756
Disposals	-	(75,961)	(35,345)	(111,306)
At 31 December 2017	<u>3,702,703</u>	<u>657,972</u>	<u>316,302</u>	<u>4,676,977</u>
Depreciation				
At 1 January 2017	376,258	253,195	164,023	793,476
Charge for the year	45,420	31,472	45,464	122,356
Eliminated on disposal	-	(60,133)	(35,345)	(95,478)
At 31 December 2017	<u>421,678</u>	<u>224,534</u>	<u>174,142</u>	<u>820,354</u>
Net book value				
At 31 December 2017	<u>3,281,025</u>	<u>433,438</u>	<u>142,160</u>	<u>3,856,623</u>
At 31 December 2016	<u>999,623</u>	<u>113,831</u>	<u>85,597</u>	<u>1,199,051</u>

Included within the net book value of land and buildings above is £3,088,070 (2016 - £797,249) in respect of freehold land and buildings and £192,955 (2016 - £202,373) in respect of long leasehold land and buildings.

Company	Land and buildings £	Total £
Cost		
At 1 January 2017	1,011,305	1,011,305
At 31 December 2017	<u>1,011,305</u>	<u>1,011,305</u>
Depreciation		
At 1 January 2017	11,683	11,683
Charge for the year	28,086	28,086
At 31 December 2017	<u>39,769</u>	<u>39,769</u>
Net book value		
At 31 December 2017	<u>971,536</u>	<u>971,536</u>
At 31 December 2016	<u>999,622</u>	<u>999,622</u>

Included within the net book value of land and buildings above is £778,581 (2016 - £797,249) in respect of freehold land and buildings and £192,955 (2016 - £202,373) in respect of long leasehold land and buildings.

12. Investments in subsidiaries

Company	2017 £	2016 £
Shares in group undertakings	<u>3,051,501</u>	<u>3,051,501</u>
Cost	£	
At 1 January 2017 and 31 December 2017	<u>3,051,501</u>	
Carrying amount		
At 31 December 2016 and 31 December 2017	<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
Woodford Vale Limited ~	Ordinary	100%	Non trading
Custom Forms Limited *	Ordinary	100%	Supply and design of business forms
Paperworks Distribution Limited #	Ordinary	100%	Supply and design of business forms
Hague Software Solutions Limited ~	Ordinary	100%	Cheque scanning and processing
Hague Australia Group Pty Limited ^	Ordinary	100%	Printing agents
Foremost Business Forms Pty Limited ^	Ordinary	100%	Printing agents

* = subsidiary of Woodford Vale Limited

^ = subsidiary of Hague Australia Holdings Limited

~ = subsidiary of Hague SR Limited

= subsidiary of Custom Forms Limited

13. Stock

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Goods for resale	<u>793,682</u>	<u>309,196</u>	<u>-</u>	<u>-</u>

The cost of stock recognised as an expense in the year amounted to £8,900,017 (2016: £8,772,962)

Impairment of stock

The amount of impairment loss included in profit or loss is £79,900 (2016 - £nil).

14. Investments

	Group	
	2017	2016
	£	£
Current financial assets	<u>1,855,728</u>	<u>1,709,314</u>

15. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	3,107,451	3,117,762	-	-
Other debtors	1,529,580	638,883	-	-
Amounts owed from group undertakings	-	-	2,603,958	-
Prepayments and accrued income	280,050	218,466	-	-
Deferred tax asset	9,483	16,978	-	-
	<u>4,926,564</u>	<u>3,992,089</u>	<u>2,603,958</u>	<u>-</u>

16. Creditors: Amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loan	110,340	-	-	-
Trade creditors	1,520,776	1,153,075	-	-
Other creditors	362,796	398,212	-	20,000
Amounts owed to group undertakings	-	-	-	-
Corporation tax	551,521	355,521	23,991	6,924
Social security and other taxes	455,775	383,102	6,232	-
Accruals and deferred income	936,098	720,692	-	-
Deferred consideration	400,000	549,000	-	-
	<u>4,337,306</u>	<u>3,559,602</u>	<u>30,223</u>	<u>26,924</u>

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loan	1,644,344	-	-	-
Deferred consideration	200,000	225,000	-	-
	<u>1,844,344</u>	<u>225,000</u>	<u>-</u>	<u>-</u>

18. Loans and borrowings

Non-current loans and borrowings	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loan	<u>1,644,344</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current loans and borrowings	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loan	<u>110,340</u>	<u>-</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.

19. Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No	£	No	£
Ordinary A shares of £1 each	562,500	562,500	-	-
Ordinary B shares of £1 each	187,500	187,500	-	-
Ordinary shares of £1 each	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>750,000</u>

On 28 July 2017 the company's 750,000 Ordinary shares of £1 each were reclassified as 562,500 Ordinary A shares of £1 each and 187,500 Ordinary B shares of £1 each.

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.

20. Operating leases

Group

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Within one year	134,933	115,744
Between one and five years	204,646	207,275
After five years	123,626	200,000
	<u>463,205</u>	<u>523,019</u>

21. 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 £212,434 (2016 - £248,228). There were no contributions payable to the scheme at the end of this year or the previous year.

22. Related party transactions

Group

During the year the group paid market rent to a related party of £40,000 (2016: £36,374).

23. 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.