

HAGUE PRINT MEDIA SUPPLIES LIMITED

Company Registration Number 02984490

Annual Report and Financial Statements

Year ended 31 December 2021

Brown Butler
Chartered Accountants
Leeds

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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

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 2021.

Principal activity

The principal activity of the group is to provide innovative and competitive print and IT solutions worldwide.

Fair review of the business

2021 recorded a decrease in group sales of 7.2%. The reduction in turnover was anticipated in the prior year accounts and the group to reduce costs in the period resulting in an increased profit before tax.

It has taken a huge effort to increase profit and is a tribute to the efforts and commitment of our employees.

Most of our traditional business sectors have contributed during 2021, however the leisure industry has been slow to get back to pre-pandemic levels.

Exports accounted for 15% of annual turnover, which has not returned to pre pandemic levels. The inability to travel to develop more business and the huge increases in shipping costs has kept our export market sales flat.

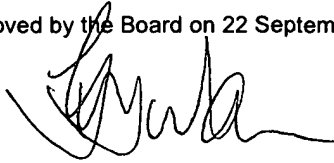
Hague continues to pursue the policy of concentrating on our core strengths of "value added" niche areas of print and services while increasing Hague brand awareness.

We are satisfied with our results for 2021 but realise the challenges of the market post pandemic.

Principal risks and uncertainties

The Hague Group continue to face a number of business risks and uncertainties due to the continuing changing profile of print requirements, the difficulty and expense of getting raw material, escalating transport costs and the difficult market conditions that our customers and supplier are facing. We continue to invest and seek acquisition opportunities to strengthen the portfolio offering of the Group, but equally realise that this has to be done on a sound financial basis. We accept that our overseas sales will remain slow and we insist on only dealing with financially strong clients. We are confident that being proactive and agile in the markets that we are concentrating on will mitigate the worst of the challenges 2022 will present.

Approved by the Board on 22 September 2022 and signed on its behalf by:



.....
G T Wain
Director

Hague Print Media Supplies Limited
Annual Report and Financial Statements
Directors Report
Year ended 31 December 2021

The directors present their annual report and the company and group financial statements for the year ended 31 December 2021.

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

Interim dividends paid in the year amounted to £232,145 (2020: £nil).

The directors do not propose a final dividend in respect of the year ended 31 December 2021.

Events after the reporting date

Details of events affecting the group after the year end are included in note 25 of the accounts.

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 22 September 2022 and signed on its behalf by:



.....
G T Wain
Director

Hague Print Media Supplies Limited
Annual Report and Financial Statements
Statement of Directors' Responsibilities

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 (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Group Profit and Loss Account, the Group and Company Balance Sheet, the Group and Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including 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 the parent company's affairs as at 31 December 2021 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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Opinions on other matters 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 has 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 the 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 disclosure 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 group and the parent 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 group or the parent company or cease operations, or have no realistic alternative but to do so.

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 is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included the Companies Act, pension and tax legislation. In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and the parent company's ability to operate or to avoid a material penalty.

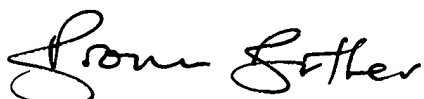
The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the directors and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.
- We examined the group and the parent company's regulatory and legal correspondence and discussed with the directors and other management any known or suspected instances of fraud or non-compliance with laws and regulations.
- We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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
LS1 2JT

Date: 22 September 2022

Hague Print Media Supplies Limited
Annual Report and Financial Statements
Group Profit and Loss Account
Year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	26,074,538	28,082,878
Cost of sales		(16,024,020)	(18,439,658)
Gross profit		10,050,518	9,643,220
Administrative expenses		(7,782,810)	(8,177,566)
Other operating income	21	73,043	769,473
Operating profit	4	2,340,751	2,235,127
Interest receivable and similar income	5	19,426	9,622
Gain / (loss) on investments		59,299	(28,833)
Interest payable and similar charges	6	(15,222)	(24,299)
Profit on ordinary activities before taxation		2,404,254	2,191,617
Tax on profit on ordinary activities	9	(582,138)	(436,137)
Profit for the financial year		<u>1,822,116</u>	<u>1,755,480</u>

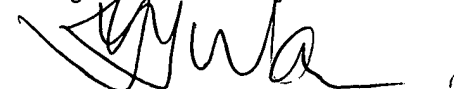
The above results derive from continuing operations.

The notes on pages 14 to 27 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 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets	10	3,728,449	4,648,286
Tangible fixed assets	11	7,288,426	4,983,559
		<u>11,016,875</u>	<u>9,631,845</u>
Current assets			
Stocks	13	1,869,230	1,420,555
Debtors	15	5,266,616	4,823,408
Investments	14	295,043	235,744
Cash at bank and in hand		8,704,321	6,354,020
		<u>16,135,210</u>	<u>12,833,727</u>
Creditors: Amounts falling due within one year	16	<u>(7,309,454)</u>	<u>(4,480,295)</u>
Net current assets		<u>8,825,756</u>	<u>8,242,432</u>
Total assets less current liabilities		<u>19,842,631</u>	<u>17,985,277</u>
Provision for liabilities	18	<u>(272,851)</u>	<u>(6,376)</u>
Net assets		<u><u>19,569,780</u></u>	<u><u>17,978,901</u></u>
Capital and reserves			
Called up share capital	19	750,000	750,000
Profit and loss account		<u>18,819,780</u>	<u>17,228,901</u>
Total equity		<u><u>19,569,780</u></u>	<u><u>17,978,901</u></u>

These financial statements were approved and authorised for issue by the board on 22 September 2022 and signed on its behalf by:



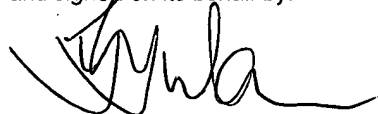
G T Wain
Director

The notes on pages 14 to 27 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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	11	3,720,718	1,926,194
Investments	12	<u>4,823,325</u>	<u>6,050,372</u>
		8,544,043	7,976,566
Current assets			
Debtors	15	43,913	-
Cash at bank and in hand		<u>110</u>	<u>101</u>
		44,023	101
Creditors: Amounts falling due within one year	16	<u>(1,676,681)</u>	<u>(1,176,075)</u>
Net current liabilities		(1,632,658)	(1,175,974)
Provisions for liabilities	18	<u>(111,908)</u>	-
Net assets		<u>6,799,477</u>	<u>6,800,592</u>
Capital and reserves			
Called up share capital	19	750,000	750,000
Profit and loss account		<u>6,049,477</u>	<u>6,050,592</u>
Total equity		<u>6,799,477</u>	<u>6,800,592</u>

These financial statements were approved and authorised for issue by the board on 22 September 2022 and signed on its behalf by:



G T Wain
Director

The notes on pages 14 to 27 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 2021

Group	Share capital £	Profit and loss account £	Total £
At 1 January 2020	750,000	15,475,627	16,225,627
Profit for the year	-	1,755,480	1,755,480
Foreign currency translation	-	(2,206)	(2,206)
At 31 December 2020	750,000	17,228,901	17,978,901
Profit for the year	-	1,822,116	1,822,116
Foreign currency translation	-	908	908
Dividends	-	(232,145)	(232,145)
At 31 December 2021	750,000	18,819,780	19,569,780
Company	Share capital £	Profit and loss account £	Total £
At 1 January 2020	750,000	5,970,193	6,720,193
Profit for the year	-	80,399	80,399
At 31 December 2020	750,000	6,050,592	6,800,592
Profit for the year	-	231,030	231,030
Dividends	-	(232,145)	(232,145)
At 31 December 2021	750,000	6,049,477	6,799,477

The notes on pages 14 to 27 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Group profit for the year		1,822,116	1,755,480
Adjustments to reconcile group profit for the year to net cash flow from operating activities			
Depreciation, amortisation and impairment	4	1,199,489	1,167,898
Loss/(profit) on disposal of fixed assets	4	(29,525)	(16,954)
Interest received	5	(19,426)	(9,622)
Interest payable and similar charges	6	15,222	24,299
(Gain)/loss on investments		(59,299)	28,833
Taxation	9	582,138	436,137
Foreign exchange on inter-group loan		122,054	(199,845)
		<u>3,632,769</u>	<u>3,186,226</u>
Working capital adjustments			
(Increase)/decrease in stocks		(448,675)	201,617
(Increase)/decrease in trade and other debtors		(443,208)	1,237,301
Increase/(decrease) in trade and other creditors		<u>1,672,483</u>	<u>(280,092)</u>
Cash generated from operations		4,413,369	4,345,052
Taxation paid		<u>(353,262)</u>	<u>(530,197)</u>
Net cash flow from operating activities		4,060,107	3,814,855
Cash flows from investing activities			
Interest received	5	19,426	9,622
Interest paid	6	(15,222)	(24,299)
Acquisitions of subsidiaries and business combinations (net of cash acquired)		-	(550,000)
Acquisitions of tangible fixed assets	11	(2,931,386)	(566,823)
Proceeds from sale of tangible assets		<u>255,246</u>	<u>21,675</u>
Net cash flows from investing activities		(2,671,936)	(1,109,825)
Cash flows from financing activities			
Repayment of borrowings		(126,620)	(495,655)
Net receipts from directors' loan accounts		1,320,895	176,451
Dividends paid		<u>(232,145)</u>	<u>-</u>
Net cash flows from financing activities		962,130	(319,204)
Net increase/(decrease) in cash and cash equivalents		2,350,301	2,385,826
Cash and cash equivalents at 1 January 2021		6,354,020	3,871,983
Effect of exchange rate fluctuations on cash held		-	96,212
Cash and cash equivalents at 31 December 2021		<u>8,704,321</u>	<u>6,354,020</u>

The notes on pages 14 to 27 form part of these financial statements.

Hague Print Media Supplies Limited
Annual Report and Financial Statements
Group Statement of Cash Flows - continued
Year ended 31 December 2021

Analysis of changes in net debt

	1 January 2021 £	Cashflow £	Other non-cash changes £	Foreign exchange movements £	31 December 2021 £
Cash and cash equivalents	6,354,020	2,350,301	-	-	8,704,321
Borrowings:					
Debt due within 1 year	(385,578)	126,620	-	-	(258,958)
Total	<u>5,968,442</u>	<u>2,476,921</u>	<u>-</u>	<u>-</u>	<u>8,445,363</u>

The notes on pages 14 to 27 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 (2022) – “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 and the financial statements have been rounded to the nearest £1.

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 drawn up to 31 December 2021. All intra group transactions, balances, income and expenses are eliminated on consolidation.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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 £231,030 (2020: £80,399).

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are not believed to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Summary of significant accounting policies - continued

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.

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.

2. Summary of significant accounting policies - continued

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

Impairment of fixed assets

Fixed assets are assessed at each reporting date to determine whether there is indication that the assets are impaired. 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.

2. Summary of significant accounting policies - continued

Leases

Leases are classified as finance leases whenever the terms of the lease transfer subsequently all the risks and rewards of ownership of the leases 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.

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.

The assets and liabilities of overseas subsidiary companies are translated from the functional currency to the presentation currency at the closing exchange rate of the reporting period. Profit and loss items are translated using an average rate for the period.

3. Turnover

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

	2021 £	2020 £
Sale of goods	25,086,448	27,040,605
Rendering of services	988,090	1,042,273
	<u>26,074,538</u>	<u>28,082,878</u>

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

	2021 £	2020 £
UK	22,107,790	23,618,276
Europe	161,181	574,695
Rest of World	3,805,567	3,889,907
	<u>26,074,538</u>	<u>28,082,878</u>

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4. Group operating profit

Operating profit is stated after charging/(crediting):

	2021 £	2020 £
Depreciation and impairment	279,652	241,814
Amortisation of goodwill	919,837	926,084
Operating lease expense – plant and machinery	5,236	5,277
(Profit) / loss on disposal of property, plant and equipment	(29,525)	(16,954)
Foreign exchange losses / (gains)	(7,956)	(12,088)
Auditors' remuneration – audit of the financial statements	39,250	40,100
Auditors' remuneration – non audit services	9,050	10,318
	<u>279,652</u>	<u>241,814</u>

5. Interest receivable and similar income

	2021 £	2020 £
Bank interest received	626	9,333
Other interest	18,800	289
	<u>19,426</u>	<u>9,622</u>

6. Interest payable and similar charges

	2021 £	2020 £
Other interest	7,351	11,548
Bank loan interest	7,871	12,751
	<u>15,222</u>	<u>24,299</u>

7. Staff costs

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

	2021 £	2020 £
Wages and salaries	4,403,146	4,712,624
Social security costs	408,112	467,548
Pension costs	143,716	382,893
	<u>4,954,974</u>	<u>5,563,065</u>

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

	2021 No	2020 No
Administration and support	73	86
Sales	36	34
	<u>109</u>	<u>120</u>

8. Directors' remuneration

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

	2021 £	2020 £
Remuneration	116,128	116,128
Benefits in kind	16,606	17,460
	<u>132,734</u>	<u>133,588</u>
Aggregate remuneration	132,734	133,588
Pension contributions	-	160,000
	<u>132,734</u>	<u>293,588</u>

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

	2021 No	2020 No
Accruing benefits under a defined contribution pension scheme during the year was:	<u>2</u>	<u>2</u>

9. Corporation tax

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

	2021 £	2020 £
Current taxation		
UK corporation tax	315,663	426,387
UK corporation tax adjustment to prior periods	-	10,182
Total current tax	315,663	436,569
Deferred taxation		
Arising from origination and reversal of timing differences	266,475	(432)
Total tax on profit on ordinary activities	582,138	436,137

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2020 – 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit on ordinary activities before taxation	2,404,254	2,191,617
Corporation tax at standard rate	456,808	416,407
Effect of capital allowances, depreciation and amortisation	252,652	191,852
Expenses not deductible for tax purposes	4,339	1,055
Tax decrease from effect of adjustment in research and development tax credit (including on prior year)	(103,225)	(104,258)
Effect of tax losses	(28,436)	(68,921)
Under/over provision in prior years	-	10,182
Tax charge for the year	582,138	436,137

Deferred tax

Deferred tax assets and liabilities

	Liability £
2021	
Difference between accumulated depreciation and capital allowances	272,851
	Liability £
2020	
Difference between accumulated depreciation and capital allowances	6,376

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10. Intangible assets

	Other Intangibles £	Goodwill £	Total £
Group			
Cost			
At 1 January 2021	3	7,607,474	7,607,477
At 31 December 2021	3	7,607,474	7,607,477
Amortisation			
At 1 January 2021	-	2,959,191	2,959,191
Charge for the year	-	919,837	919,837
At 31 December 2021	-	3,879,028	3,879,028
Net book value			
At 31 December 2021	3	3,728,446	3,728,449
At 31 December 2020	3	4,648,283	4,648,286

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11. Tangible fixed assets

Group	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2021	5,306,696	472,540	181,290	5,960,526
Foreign exchange adjustment	(118,320)	(40,733)	(852)	(159,905)
Additions	2,111,745	819,641	-	2,931,386
Disposals	(225,000)	(118,821)	(33,685)	(377,506)
At 31 December 2021	<u>7,075,121</u>	<u>1,132,627</u>	<u>146,753</u>	<u>8,354,501</u>
Depreciation				
At 1 January 2021	645,916	193,162	137,889	976,967
Foreign exchange adjustment	(6,200)	(32,559)	-	(38,759)
Charge for the year	134,621	117,576	27,455	279,652
Eliminated on disposal	(2,500)	(115,600)	(33,685)	(151,785)
At 31 December 2021	<u>771,837</u>	<u>162,579</u>	<u>131,659</u>	<u>1,066,075</u>
Net book value				
At 31 December 2021	<u>6,303,284</u>	<u>970,048</u>	<u>15,094</u>	<u>7,288,426</u>
At 31 December 2020	<u>4,660,780</u>	<u>279,378</u>	<u>43,401</u>	<u>4,983,559</u>

Included within the net book value of land and buildings above is £5,620,098 (2020 - £3,956,012) in respect of freehold land and buildings and £683,186 (2020 - £704,768) in respect of long leasehold land and buildings.

Company	Land and buildings £	Total £
Cost		
At 1 January 2021	2,061,305	2,061,305
Additions	2,103,515	2,103,515
Disposals	(225,000)	(225,000)
At 31 December 2021	<u>3,939,820</u>	<u>3,939,820</u>
Depreciation		
At 1 January 2021	135,111	135,111
Charge for the year	86,490	86,490
Eliminated on disposal	(2,500)	(2,500)
At 31 December 2021	<u>219,101</u>	<u>219,101</u>
Net book value		
At 31 December 2021	<u>3,720,719</u>	<u>3,720,719</u>
At 31 December 2020	<u>1,926,194</u>	<u>1,926,194</u>

Included within the net book value of land and buildings above is £3,037,533 (2020 - £1,212,589) in respect of freehold land and buildings and £683,186 (2020 - £713,605) in respect of long leasehold land and buildings.

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12. Investments in subsidiaries

	2021 £	2020 £
Company		
Shares in group undertakings	<u>4,823,325</u>	<u>6,050,372</u>
Cost	£	
At 1 January 2021	6,050,372	
Disposals	(250,000)	
At 31 December 2021	<u>5,800,372</u>	
Impairment		
At 1 January 2021	-	
Charge for the year	1,156,837	
Eliminated on disposals	(179,790)	
At 31 December 2021	<u>977,047</u>	
Carrying amount		
At 31 December 2021	<u>4,823,325</u>	
At 31 December 2020	<u>6,050,372</u>	

Details of undertakings

During the year the investment held in SRPM Limited was transferred to Hague Print Computer Supplies Limited.

12. Investments in subsidiaries - continued

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
SRPM Limited	Ordinary	100%	Dormant
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
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

13. Stock

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Goods for resale	<u>1,869,230</u>	<u>1,420,555</u>	<u>-</u>	<u>-</u>

Impairment of stock

The amount of impairment loss included in profit and loss is £18,726 (2020 - £21,108).

14. Investments

	Group	
	2021 £	2020 £
Current financial assets	<u>295,043</u>	<u>235,744</u>

Investments are shown at fair value. Gains of £59,299 (2020 - losses of £28,833) have been recognised in the profit and loss account in the year.

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15. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	4,957,983	4,482,339	-	-
Other debtors	40,036	12,447	43,913	-
Prepayments and accrued income	268,597	328,622	-	-
	<u>5,266,616</u>	<u>4,823,408</u>	<u>43,913</u>	<u>-</u>

16. Creditors: Amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loan	258,958	385,578	-	-
Trade creditors	3,831,906	2,048,539	4,420	-
Other creditors	1,676,664	401,648	-	-
Amounts due to group undertakings	-	-	1,663,744	1,132,297
Corporation tax	119,779	157,378	-	28,045
Social security and other taxes	430,942	477,235	-	8,233
Accruals and deferred income	991,205	1,009,917	8,517	7,500
	<u>7,309,454</u>	<u>4,480,295</u>	<u>1,676,681</u>	<u>1,176,075</u>

17. Loans and borrowings

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Current loans and borrowings				
Bank loan	<u>258,958</u>	<u>385,578</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.

18. Provision for liabilities

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Deferred Taxation				
At beginning of the year	6,376	6,808	-	-
Charge to the profit and loss account	266,475	(432)	111,908	-
	<u>272,851</u>	<u>6,376</u>	<u>111,908</u>	<u>-</u>

19. Share capital

Allotted, called up and fully paid shares

	2021		2020	
	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.

20. Operating leases

Group

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Within one year	80,879	102,810
Between one and five years	75,843	125,605
	<u>156,722</u>	<u>228,415</u>

21. Other operating income

	2021 £	2020 £
Government grants	73,043	732,945
Rental income	-	36,528
	<u>73,043</u>	<u>769,473</u>

22. 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 group to the scheme and amounted to £143,716 (2020: £382,893). There were no contributions payable to the scheme at the end of this year or the previous year.

23. Related party transactions

During the year the group paid market rent to a related party of £nil (2020: £30,000).

During the year there were advances to company directors totalling £175,495 (2020: £132,692) and receipts from directors totalling £1,496,390 (2020: £309,143). At the balance sheet date the amount due to directors was £1,674,129 (2020: £353,234).

Interest of 2% has been charged on these loans and the loans were repayable on demand.

24. 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.

25. Events after the reporting date

On 3 May 2022, the group acquired the entire share capital of PSL Print Management Limited, which operates in print management in the North of England. The total consideration included an initial amount of £6.95m, of which £3.45m is being funded from group cash, and deferred consideration up to a potential £3.5m dependent on performance.