

HAGUE PRINT MEDIA SUPPLIES LIMITED

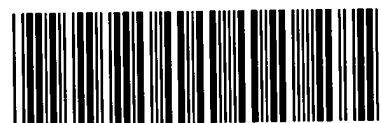
Company Registration Number 02984490

Annual Report and Financial Statements

Year ended 31 December 2020

Brown Butler
Chartered Accountants
Leeds

FRIDAY



AAE6W63T

A14

01/10/2021

#142

COMPANIES HOUSE

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 to 13
Notes to the financial statements	14 to 27

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 2020.

Principal activities

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

Fair review of the business

2020 saw an increase in group sales by 2.64%. This was partly due to a full year contribution from acquisitions but also due to proactive response to clients' requirement for PPE, albeit at a lower margin.

Our colleagues responded well to the unprecedented challenges and keyed in the business opportunities presented by the pandemic.

Some of our traditional business sectors were dormant during the most of 2020, but the main core of our business continued to contribute well particularly under difficult circumstances.

Exports accounted for 16% of annual turnover, which has reduced in absolute and relative terms as our major agents were less active due to the pandemic and reduced their spend significantly.

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

We are pleased with our results for 2020 but are not complacent about the continuing disruption in business due to the pandemic.

Principal risks and uncertainties

The Hague group continue to face a number of business risks and uncertainties due to the changing profile of print requirements, volatility of overseas clients, and the changing requirements of our client base during and post pandemic. We have planned for and anticipate a reduction in business during 2021, but are investing to take advantage of opportunities post pandemic. We are confident that being proactive and flexible in working practices and our sales portfolio, will mitigate the worst of the challenges 2021 will present.

Approved by the Board on 29 September 2021 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 2020.

Directors of the company

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

J A Wain
G T Wain
N T Wain

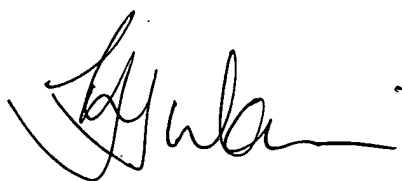
Dividends

The directors do not propose a final dividend in respect of the year ended 31 December 2020.

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 29 September 2021 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 (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, 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 2020 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.

Continued on next page

Continued from previous page

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 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; or

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.

Continued on next page

Continued from previous page

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: 29 September 2021

Hague Print Media Supplies Limited
Annual Report and Financial Statements
Group Profit and Loss Account
Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	28,082,878	27,360,134
Cost of sales		(18,439,658)	(16,311,932)
Gross profit		9,643,220	11,048,202
Administrative expenses		(8,177,566)	(8,975,678)
Other operating income	22	769,473	31,154
Operating profit	4	2,235,127	2,103,678
Interest receivable and similar income	5	9,622	14,244
Gain / (loss) on investments		(28,833)	87,063
Interest payable and similar charges	6	(24,299)	(55,383)
Profit on ordinary activities before taxation		2,191,617	2,149,602
Tax on profit on ordinary activities	9	(436,137)	(358,512)
Profit for the financial year		<u>1,755,480</u>	<u>1,791,090</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 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible fixed assets	10	4,648,286	5,724,370
Tangible fixed assets	11	4,983,559	4,504,867
		<u>9,631,845</u>	<u>10,229,237</u>
Current assets			
Stocks	13	1,420,555	1,622,172
Debtors	15	4,823,408	5,885,042
Investments	14	235,744	264,577
Cash at bank and in hand		6,354,020	3,871,983
		<u>12,833,727</u>	<u>11,643,774</u>
Creditors: Amounts falling due within one year	16	<u>(4,480,295)</u>	<u>(4,916,680)</u>
Net current assets		<u>8,242,432</u>	<u>6,727,094</u>
Total assets less current liabilities		<u>17,985,277</u>	<u>16,956,331</u>
Creditors: Amounts falling due after more than one year	17	-	(723,896)
Provision for liabilities	19	<u>(6,376)</u>	<u>(6,808)</u>
Net assets		<u><u>17,978,901</u></u>	<u><u>16,225,627</u></u>
Capital and reserves			
Called up share capital	20	750,000	750,000
Profit and loss account		<u>17,228,901</u>	<u>15,475,627</u>
Total equity		<u><u>17,978,901</u></u>	<u><u>16,225,627</u></u>

These financial statements were approved and authorised for issue by the board on 29 September 2021 and signed on its behalf by:



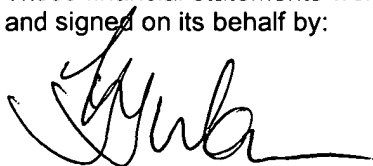
G T Wain
Director

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 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	11	1,926,194	915,364
Investments	12	6,050,372	3,051,501
		<u>7,976,566</u>	<u>3,966,865</u>
Current assets			
Debtors	15	-	2,790,439
Cash at bank and in hand		101	1
		<u>101</u>	<u>2,790,440</u>
Creditors: Amounts falling due within one year	16	(1,176,075)	(37,112)
Net current assets/(liabilities)		<u>(1,175,974)</u>	<u>2,753,328</u>
Net assets		<u>6,800,592</u>	<u>6,720,193</u>
Capital and reserves			
Called up share capital	20	750,000	750,000
Profit and loss account		<u>6,050,592</u>	<u>5,970,193</u>
Total equity		<u>6,800,592</u>	<u>6,720,193</u>

These financial statements were approved and authorised for issue by the board on 29 September 2021 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 2020

Group	Share capital £	Profit and loss account £	Total £
At 1 January 2019	750,000	13,983,989	14,733,989
Profit for the year	-	1,791,090	1,791,090
Dividends	-	(195,000)	(195,000)
Foreign currency translation	-	(104,452)	(104,452)
At 31 December 2019	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
Company	Share capital £	Profit and loss account £	Total £
At 1 January 2019	750,000	5,905,008	6,655,008
Profit for the year	-	260,185	260,185
Dividends	-	(195,000)	(195,000)
At 31 December 2019	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

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 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Group profit for the year		1,755,480	1,791,090
Adjustments to reconcile group profit for the year to net cash flow from operating activities			
Depreciation, amortisation and impairment	4	1,167,898	1,146,758
Loss/(profit) on disposal of fixed assets	4	(16,954)	(5,571)
Interest received	5	(9,622)	(14,244)
Interest payable and similar charges	6	24,299	55,383
(Gain) / loss on investments		28,833	(87,063)
Taxation	9	436,137	358,512
Foreign exchange on inter-group loan		(199,845)	85,851
		<u>3,186,226</u>	<u>3,330,716</u>
Working capital adjustments			
(Increase) / decrease in stocks		201,617	(71,555)
Decrease in trade and other debtors		1,237,301	1,067,537
Decrease in trade and other creditors		(280,092)	(750,843)
		<u>4,345,052</u>	<u>3,575,855</u>
Cash generated from operations		4,345,052	3,575,855
Taxation paid		(530,197)	(722,184)
Net cash flow from operating activities		<u>3,814,855</u>	<u>2,853,671</u>
Cash flows from investing activities			
Interest received	5	9,622	14,244
Interest paid	6	(24,299)	(55,383)
Acquisitions of subsidiaries and business combinations (net of cash acquired)		(550,000)	(2,251,824)
Acquisitions of tangible fixed assets	11	(566,823)	(110,004)
Proceeds from sale of tangible assets		21,675	14,513
Proceeds from sale on investments		-	341,011
		<u>(1,109,825)</u>	<u>(2,047,443)</u>
Net cash flows from investing activities		(1,109,825)	(2,047,443)
Cash flows from financing activities			
Repayment of borrowings		(495,655)	(482,904)
Net repayment of directors' loan accounts		176,451	(119,371)
Dividends paid		-	(195,000)
		<u>(319,204)</u>	<u>(797,275)</u>
Net cash flows from financing activities		(319,204)	(797,275)
Net increase / (decrease) in cash and cash equivalents		2,385,826	8,953
Cash and cash equivalents at 1 January 2019		3,871,983	3,874,837
Effect of exchange rate fluctuations on cash held		96,212	(11,807)
Cash and cash equivalents at 31 December 2020		<u>6,354,020</u>	<u>3,871,983</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 2020

Analysis of changes in net debt

	1 January 2020 £	Cashflow £	Other non-cash changes £	Foreign exchange movements £	31 December 2020 £
Cash and cash equivalents	3,871,983	2,385,826	-	96,212	6,354,020
Borrowings:					
Debt due within 1 year	(101,236)	495,655	(723,896)	(56,101)	(385,578)
Debt due after 1 year	(723,896)	-	723,896	-	-
	<u>(825,132)</u>	<u>495,655</u>	<u>-</u>	<u>(56,101)</u>	<u>(385,578)</u>
Total	<u>3,046,851</u>	<u>2,881,481</u>	<u>-</u>	<u>40,110</u>	<u>5,968,442</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 (2018) – “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 2020. 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 £80,399 (2019: £260,185).

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.

2. Summary of significant accounting policies - continued

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

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.

2. Summary of significant accounting policies - continued

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 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:

	2020 £	2019 £
Sale of goods	27,040,605	26,141,435
Rendering of services	1,042,273	1,218,699
	<u>28,082,878</u>	<u>27,360,134</u>

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

	2020 £	2019 £
UK	23,618,276	23,438,878
Europe	574,695	229,182
Rest of World	3,889,907	3,692,074
	<u>28,082,878</u>	<u>27,360,134</u>

4. Group operating profit

Operating profit is stated after charging/(crediting):

	2020 £	2019 £
Depreciation and impairment	241,814	245,574
Amortisation of goodwill	926,084	901,184
Operating lease expense – plant and machinery	5,277	12,008
(Profit) / loss on disposal of property, plant and equipment	(16,954)	(5,571)
Foreign exchange losses / (gains)	(12,088)	92,897
Auditors' remuneration – audit of the financial statements	40,100	55,800
Auditors' remuneration – non audit services	10,318	20,969
	<u></u>	<u></u>

5. Interest receivable and similar income

	2020 £	2019 £
Bank interest received	9,333	13,746
Other interest	289	498
	<u>9,622</u>	<u>14,244</u>

6. Interest payable and similar charges

	2020 £	2019 £
Other interest	11,548	11,945
Bank loan interest	12,751	43,438
	<u>24,299</u>	<u>55,383</u>

7. Staff costs

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

	2020 £	2019 £
Wages and salaries	4,712,624	4,905,873
Social security costs	467,548	451,411
Pension costs	382,893	227,835
	<u>5,563,065</u>	<u>5,585,119</u>

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

	2020 No	2019 No
Administration and support	86	83
Sales	34	41
	<u>120</u>	<u>124</u>

8. Directors' remuneration

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

	2020 £	2019 £
Remuneration	116,128	116,128
Benefits in kind	17,460	14,285
	<u>133,588</u>	<u>130,413</u>
Aggregate remuneration	133,588	130,413
Pension contributions	160,000	-
	<u>293,588</u>	<u>130,413</u>

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

	2020 No	2019 No
Accruing benefits under a defined contribution pension scheme during the year was:	<u>2</u>	<u>-</u>

9. Corporation tax

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

	2020 £	2019 £
Current taxation		
UK corporation tax	426,387	454,517
UK corporation tax adjustment to prior periods	10,182	(97,016)
Total current tax	436,569	357,501
Deferred taxation		
Arising from origination and reversal of timing differences	(432)	1,011
Total tax on profit on ordinary activities	436,137	358,512

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2019 – 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit on ordinary activities before taxation	2,191,617	2,149,602
Corporation tax at standard rate	416,407	408,424
Effect of capital allowances, depreciation and amortisation	191,852	196,266
Expenses not deductible for tax purposes	1,055	3,463
Tax decrease from effect of adjustment in research and development tax credit (including on prior year)	(104,258)	(253,544)
Effect of tax losses	(68,921)	3,903
Under/over provision in prior years	10,182	-
Tax charge for the year	436,137	358,512

Deferred tax

Deferred tax assets and liabilities

	Liability £
2020	
Difference between accumulated depreciation and capital allowances	6,376
2019	
Difference between accumulated depreciation and capital allowances	6,808

10. Intangible assets

	Other Intangibles £	Goodwill £	Total £
Group			
Cost			
At 1 January 2020	3	7,757,474	7,757,477
Adjustment	-	(150,000)	(150,000)
At 31 December 2020	<u>3</u>	<u>7,607,474</u>	<u>7,607,474</u>
Amortisation			
At 1 January 2020	-	2,033,107	2,033,107
Charge for the year	-	926,084	926,084
At 31 December 2020	<u>-</u>	<u>2,959,191</u>	<u>2,959,191</u>
Net book value			
At 31 December 2020	<u>3</u>	<u>4,648,283</u>	<u>4,648,286</u>
At 31 December 2019	<u>3</u>	<u>5,724,367</u>	<u>5,724,370</u>

11. Tangible fixed assets

Group	Land and buildings £	Plant and Machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2020	4,614,283	509,767	241,379	5,365,429
Foreign exchange adjustment	150,963	56,796	1,093	208,852
Additions	541,450	25,373	-	566,823
Disposals	-	(119,396)	(61,182)	(180,578)
At 31 December 2020	<u>5,306,696</u>	<u>472,540</u>	<u>181,290</u>	<u>5,960,526</u>
Depreciation				
At 1 January 2020	551,737	153,075	155,750	860,562
Foreign exchange adjustment	5,282	42,636	130	48,047
Charge for the year	88,897	113,630	39,287	241,814
Eliminated on disposal	-	(116,179)	(57,278)	(173,456)
At 31 December 2020	<u>645,916</u>	<u>193,162</u>	<u>137,889</u>	<u>976,967</u>
Net book value				
At 31 December 2020	<u>4,660,780</u>	<u>279,378</u>	<u>43,401</u>	<u>4,983,559</u>
At 31 December 2019	<u>4,062,546</u>	<u>356,692</u>	<u>85,629</u>	<u>4,504,867</u>

Included within the net book value of land and buildings above is £3,956,012 (2019 - £3,869,891) in respect of freehold land and buildings and £704,768 (2019 - £192,655) in respect of long leasehold land and buildings.

Company	Land and buildings £	Total £
Cost		
At 1 January 2020	1,011,305	1,011,305
Additions	1,050,000	1,050,000
At 31 December 2020	<u>2,061,305</u>	<u>2,061,305</u>
Depreciation		
At 1 January 2020	95,941	95,941
Charge for the year	39,170	39,170
At 31 December 2020	<u>135,111</u>	<u>135,111</u>
Net book value		
At 31 December 2020	<u>1,926,194</u>	<u>1,926,194</u>
At 31 December 2019	<u>915,364</u>	<u>915,364</u>

Included within the net book value of land and buildings above is £1,212,589 (2019 - £712,090) in respect of freehold land and buildings and £713,605 (2019 - £203,274) in respect of long leasehold land and buildings.

12. Investments in subsidiaries

Company	2020 £	2019 £
Shares in group undertakings	6,050,372	3,051,501
	£	
Cost		
At 1 January 2020	3,051,501	
Transfers from group companies	2,998,871	
At 31 December 2020	6,050,372	
Carrying amount		
At 31 December 2020	6,050,372	
At 31 December 2019	3,051,501	

Details of undertakings

During the year the investments held in Hague Australia Holdings Limited and Hague SR Limited were transferred to Hague Print Media Supplies Limited.

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 Venture Business Forms Group Limited

= subsidiary of Venture Business Forms Holdings Limited

13. Stock

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Goods for resale	<u>1,420,555</u>	<u>1,622,172</u>	<u>-</u>	<u>-</u>

Impairment of stock

The amount of impairment loss included in profit and loss is £21,108 (2019 - £21,247).

14. Investments

	Group	
	2020	2019
	£	£
Current financial assets	<u>235,744</u>	<u>264,577</u>

Investments are shown at fair value. Losses of £28,833 (2019 - gains of £87,063) have been recognised in the profit and loss account in the year.

15. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	4,482,339	5,413,515	-	-
Other debtors	12,447	122,237	-	-
Amounts owed from group undertakings	-	-	-	2,790,439
Prepayments and accrued income	<u>328,622</u>	<u>349,290</u>	<u>-</u>	<u>-</u>
	<u>4,823,408</u>	<u>5,885,042</u>	<u>-</u>	<u>2,790,439</u>

16. Creditors: Amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loan	385,578	101,236	-	-
Trade creditors	2,048,539	2,273,996	-	-
Other creditors	401,648	199,893	-	-
Amounts due to group undertakings	-	-	1,132,297	-
Corporation tax	157,378	104,086	28,045	21,879
Social security and other taxes	477,235	543,765	8,233	6,233
Accruals and deferred income	1,009,917	993,704	7,500	9,000
Deferred consideration	-	700,000	-	-
	<u>4,480,295</u>	<u>4,916,680</u>	<u>1,176,075</u>	<u>37,112</u>

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loan	<u>-</u>	<u>723,896</u>	<u>-</u>	<u>-</u>

18. Loans and borrowings

Non-current loans and borrowings	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loan	<u>-</u>	<u>723,896</u>	<u>-</u>	<u>-</u>
Current loans and borrowings	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loan	<u>385,578</u>	<u>101,236</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. Provision for liabilities

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Deferred Taxation				
At beginning of the year	6,808	5,797	-	-
Charge to the profit and loss account	(432)	1,011	-	-
	<u>6,376</u>	<u>6,808</u>	<u>-</u>	<u>-</u>

20. Share capital

Allotted, called up and fully paid shares

	2020		2019	
	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.

21. Operating leases

Group

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Within one year	102,810	95,962
Between one and five years	125,605	172,619
After five years	-	43,626
	<u>228,415</u>	<u>312,207</u>

22. Other operating income

	2020	2019
	£	£
Government grants	732,945	-
Rental income	36,528	31,154
	<u>769,473</u>	<u>31,154</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 group to the scheme and amounted to £382,893 (2019: £227,835). There were no contributions payable to the scheme at the end of this year or the previous year.

24. Related party transactions

During the year the group paid market rent to a related party of £30,000 (2019: £40,000).

During the year there were advances to company directors totalling £132,692 (2019: £348,974) and repayments from directors totalling £309,143 (2019: £229,602). At the balance sheet date the amount due to directors was £353,234 (2019: £176,783).

Interest of 8% has been charged on these loans and the loans were repayable on demand.

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.