

Emperor Prescriptions Ltd 11465613

Company Registration No. 03160710 (England and Wales)

EMPEROR DESIGN CONSULTANTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2019

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EMPEROR DESIGN CONSULTANTS LIMITED

COMPANY INFORMATION

Directors	K James S Kemp N S O'Connor
Secretary	K James
Company number	03160710
Registered office	Zetland House 5-25 Scrutton Street London EC2A 4HJ
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

EMPEROR DESIGN CONSULTANTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The directors present the strategic report for the year ended 31 August 2019.

Fair review of the business

The year ended 31 August 2019 was a positive one for Emperor. Against a backdrop of challenging market conditions, strong progress was made. We have made significant progress in developing our Sustainability and Employee propositions and during the year we also continued to invest in our senior team. We established Emperor Presentations Limited which enabled us to make considerable progress in that area.

We are confident that this will continue to deliver enhanced business performance over the next 12 months and beyond.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are in relation to the economic conditions in the UK. However, the directors are confident that the breadth of the company's client base and service offering, together with its increased focus on overseas markets, make it well positioned for further profitable growth.

The group's principal financial instruments comprise bank balances, trade creditors, trade debtors and an invoice financing facility. The main purpose of these instruments is to raise funds and to finance the company's operations.

Key performance indicators

The accounts for the year ended 31 August 2019 incorporate a full twelve months trading of the Emperor Presentations business.

The key performance indicators used by the Board to monitor progress are listed below:

Turnover £21.8m (2018: £20.3m), an underlying increase of 7%.

Gross profit £8.6m (2018: £6.2m), an underlying increase of 37%.

Profit on ordinary activities before tax was £1.7m compared with the previous year of £0.2m. This was after charging amortisation and depreciation of £0.3m (2018: £0.7m).

The directors are pleased with the growth in Turnover, Gross Profit and Profit before tax achieved in the year.

Other information and explanations

Future developments

The directors are optimistic that the current momentum in the business will continue to deliver significant growth. Our commitment to providing an excellent service to our existing client base is proving powerful in the retention and growth of those clients. At the same time the senior team we now have in place, and our growing reputation, are enabling us to win larger client mandates in a wider range of services.

Following the success of the acquisitions we have made over the past five years, we continue to look at opportunities to grow the business both in the UK and overseas beyond pure organic growth.

Financial risk management objectives and policies

The financial risks identified are liquidity risks and credit risk. Liquidity risk is managed by ensuring that the company has sufficient liquid resources to meet the operating needs of the business. Formal credit control procedures are in place and trade debtors are reviewed on a regular basis. The company has in place an invoice financing facility, through which it manages its working capital requirements.

On behalf of the board


K James
Director

Date: 7/1/20

EMPEROR DESIGN CONSULTANTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The directors present their annual report and financial statements for the year ended 31 August 2019.

Principal activities

The principal activity of the company and group continued to be that of brand strategy, the design, creation and production of corporate and marketing collateral for print and the internet, and marketing management.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K James
S Kemp
N S O'Connor

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £306,400 (2018: 206,400). The directors recommend payment of a further dividend as per note 27 – Events after the reporting date.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

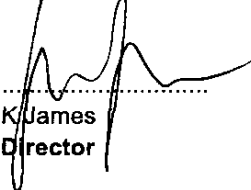
Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


K James
Director

Date: 7/1/20

EMPEROR DESIGN CONSULTANTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

The directors are responsible for preparing the Strategic Report and the 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 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMPEROR DESIGN CONSULTANTS LIMITED

Opinion

We have audited the financial statements of Emperor Design Consultants Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated 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 FRS 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 August 2019 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 for 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 parent 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 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. 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMPEROR DESIGN CONSULTANTS LIMITED (CONTINUED)

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 and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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's 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 to 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Davies FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom



EMPEROR DESIGN CONSULTANTS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	2018 £
Turnover	3	21,843,430	20,340,010
Cost of sales		(13,288,565)	(14,093,753)
Gross profit		8,554,865	6,246,257
Administrative expenses		(6,857,417)	(6,591,599)
EBITDA* before exceptional items		1,993,610	955,099
Depreciation of tangible fixed assets	13	(132,759)	(113,561)
Amortisation of intangible fixed assets	12	(163,403)	(575,598)
Loss on disposal of investments	14	-	(611,282)
Operating profit/(loss)	4	1,697,448	(345,342)
Dividends receivable	8	-	566,707
Interest receivable and similar income	8	160	44
Interest payable and similar expenses	9	-	(338)
Profit before taxation		1,697,608	221,071
Tax on profit	10	(336,589)	(115,642)
Profit for the financial year		1,361,019	105,429
Profit for the financial year is attributable to:			
- Owners of the parent company		1,298,623	105,429
- Non-controlling interests		62,396	-
		1,361,019	105,429
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		1,298,623	105,429
- Non-controlling interests		62,396	-
		1,361,019	105,429

*Earnings before interest, tax, depreciation and amortisation

EMPEROR DESIGN CONSULTANTS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 AUGUST 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	12		-		163,403
Tangible assets	13		311,177		287,053
			<u>311,177</u>		<u>450,456</u>
Current assets					
Stocks	16	495,918		311,911	
Debtors	17	4,704,465		3,474,140	
Cash at bank and in hand		206,298		22,799	
		<u>5,406,681</u>		<u>3,808,850</u>	
Creditors: amounts falling due within one year	18	(4,184,873)		(3,756,415)	
Net current assets			<u>1,221,808</u>		<u>52,435</u>
Total assets less current liabilities			<u>1,532,985</u>		<u>502,891</u>
Provisions for liabilities	22		(31,216)		(56,231)
Net assets			<u>1,501,769</u>		<u>446,660</u>
Capital and reserves					
Called up share capital	24		853		853
Capital redemption reserve	25		150		150
Profit and loss reserves	25		1,437,880		445,657
Equity attributable to owners of the parent company			<u>1,438,883</u>		<u>446,660</u>
Non-controlling interests			<u>62,886</u>		<u>-</u>
			<u>1,501,769</u>		<u>446,660</u>

The financial statements were approved by the board of directors and authorised for issue on 7/1/20 and are signed on its behalf by:

.....
K James
Director

EMPEROR DESIGN CONSULTANTS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 AUGUST 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	12		-		163,403
Tangible assets	13		299,845		287,053
Investments	14		510		1,000
			<u>300,355</u>		<u>451,456</u>
Current assets					
Stocks	16	491,371		311,911	
Debtors	17	4,581,038		3,474,140	
Cash at bank and in hand		157,450		22,799	
		<u>5,229,859</u>		<u>3,808,850</u>	
Creditors: amounts falling due within one year	18	(4,125,057)		(3,757,415)	
Net current assets			<u>1,104,802</u>		<u>51,435</u>
Total assets less current liabilities			<u>1,405,157</u>		<u>502,891</u>
Provisions for liabilities	22		(31,216)		(56,231)
Net assets			<u><u>1,373,941</u></u>		<u><u>446,660</u></u>
Capital and reserves					
Called up share capital	24		853		853
Capital redemption reserve	25		150		150
Profit and loss reserves	25		1,372,938		445,657
Total equity			<u><u>1,373,941</u></u>		<u><u>446,660</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £1,233,681 (2018 - £105,429 profit).

The financial statements were approved by the board of directors and authorised for issue on 7/1/20 and are signed on its behalf by:

K James
Director

EMPEROR DESIGN CONSULTANTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2019

	Share capital	Capital redemption reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£
Balance at 1 September 2017	853	150	546,628	547,631	-	547,631
Year ended 31 August 2018:						
Profit and total comprehensive income for the year	-	-	105,429	105,429	-	105,429
Dividends	-	-	(206,400)	(206,400)	-	(206,400)
Balance at 31 August 2018	853	150	445,657	446,660	-	446,660
Year ended 31 August 2019:						
Profit and total comprehensive income for the year	-	-	1,298,623	1,298,623	62,396	1,361,019
Dividends	-	-	(306,400)	(306,400)	-	(306,400)
Disposal of shares in subsidiary to non-controlling interest	-	-	-	-	490	490
Balance at 31 August 2019	853	150	1,437,880	1,438,883	62,886	1,501,769

EMPEROR DESIGN CONSULTANTS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 September 2017		853	150	546,628	547,631
Year ended 31 August 2018:					
Profit and total comprehensive income for the year		-	-	105,429	105,429
Dividends	11	-	-	(206,400)	(206,400)
Balance at 31 August 2018		853	150	445,657	446,660
Year ended 31 August 2019:					
Profit and total comprehensive income for the year		-	-	1,233,681	1,233,681
Dividends	11	-	-	(306,400)	(306,400)
Balance at 31 August 2019		853	150	1,372,938	1,373,941

EMPEROR DESIGN CONSULTANTS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	29	813,501		1,111,014	
Interest paid		-		(338)	
Income taxes paid		(166,879)		(162,538)	
Net cash inflow from operating activities		646,622		948,138	
Investing activities					
Purchase of intangible assets		-		(129,528)	
Purchase of tangible fixed assets		(156,883)		(178,438)	
Purchase of subsidiaries		-		(552,874)	
Interest received		160		44	
Dividends received		-		11,457	
Net cash used in investing activities		(156,723)		(849,339)	
Financing activities					
Payment of finance leases obligations		-		(1,396)	
Dividends paid to equity shareholders		(306,400)		(206,400)	
Net cash used in financing activities		(306,400)		(207,796)	
Net increase/(decrease) in cash and cash equivalents		183,499		(108,997)	
Cash and cash equivalents at beginning of year		22,799		131,796	
Cash and cash equivalents at end of year		206,298		22,799	

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Company information

Emperor Design Consultants Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Zetland House, 5-25 Scrutton Street, London, EC2A 4HJ.

The group consists of Emperor Design Consultants Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are included within these consolidated financial statements of Emperor Design Consultants Limited.

Basis of consolidation

The consolidated financial statements incorporate those of Emperor Design Consultants Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2019.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

In the prior year, the company has taken advantage of the exemption in section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the subsidiary was immaterial to the group. Consequently, the comparative figures present the financial position and financial performance of the company as a single entity.

Turnover

Turnover represents amounts receivable for goods and services net of VAT. Turnover is recognised only when the related work has been completed or has reached a billable stage.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 18 months.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Customer relationships	36 months straight line
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the lease term (5 years)
Plant and equipment	3-5 years straight line
Fixtures and fittings	7 years straight line

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Work in progress is valued at the lower of cost and net realisable value and represents production costs which have not yet been recharged to clients.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and amounts due from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss.

Invoice financing

The company uses a facility from the bank for invoice financing. The facility is with full recourse and the accounting treatment, in accordance with FRS 102, is to present the debtors and the liability to the finance house separately.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider there to be any key judgements or sources of estimation uncertainty present in the preparation of these financial statements.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Turnover and other revenue

	2019 £	2018 £
Turnover analysed by class of business		
Sales	21,843,430	20,340,010
	2019 £	2018 £
Other revenue		
Interest income	160	44
Dividends received	-	566,707
	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	18,743,150	16,917,144
Europe	1,276,818	1,660,045
Rest of the World	1,823,462	1,762,821
	21,843,430	20,340,010

4 Operating profit/(loss)

	2019 £	2018 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(15,127)	2,385
Depreciation of owned tangible fixed assets	132,759	113,561
Amortisation of intangible assets	163,403	575,598
Cost of stocks recognised as an expense	4,344,907	5,056,745
Operating lease charges	705,259	704,286

During the prior year some subsidiaries, in which the company had an investment, were dissolved and this resulted in a loss on disposal of £611,282 (see note 14). As part of the dissolution of the subsidiaries a dividend of £566,707 was received.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Design staff	161	156	156	156
Administrative staff	38	26	38	26
Directors	5	3	3	3
	<u>204</u>	<u>185</u>	<u>197</u>	<u>185</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	10,785,746	9,763,973	10,476,664	9,763,973
Social security costs	987,427	920,264	954,769	920,264
Pension costs	350,753	307,557	343,947	307,557
	<u>12,123,926</u>	<u>10,991,794</u>	<u>11,775,380</u>	<u>10,991,794</u>

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	270,000	289,863
Company pension contributions to defined contribution schemes	29,988	29,988
	<u>299,988</u>	<u>319,851</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 3).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	100,000	109,327
Company pension contributions to defined contribution schemes	9,996	9,996
	<u>109,996</u>	<u>119,323</u>

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	26,750	23,000

8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	160	44
Income from fixed asset investments		
Income from shares in group undertakings	-	566,707
Total income	160	566,751

9 Interest payable and similar expenses

	2019 £	2018 £
Other interest	-	338

10 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	366,646	168,494
Adjustments in respect of prior periods	(5,042)	1,093
Total current tax	361,604	169,587
Deferred tax		
Origination and reversal of timing differences	(25,015)	(53,945)
Total tax charge	336,589	115,642

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	1,697,608	221,071
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	322,546	42,003
Tax effect of expenses that are not deductible in determining taxable profit	13,035	136,184
Adjustments in respect of prior years	(5,043)	1,093
Permanent capital allowances in excess of depreciation	6,376	44,943
Income not taxable	-	(107,674)
Change in tax rates	(325)	(1,297)
Deferred tax not recognised	-	390
Taxation charge	336,589	115,642

11 Dividends

	2019 £	2018 £
Final paid	206,400	206,400
Interim paid	100,000	-
	306,400	206,400

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Intangible fixed assets

Group	Goodwill £	Customer relationships £	Total £
Cost			
At 1 September 2018	769,088	1,118,864	1,887,952
Disposals	(769,088)	-	(769,088)
At 31 August 2019	-	1,118,864	1,118,864
Amortisation and impairment			
At 1 September 2018	769,088	955,461	1,724,549
Amortisation charged for the year	-	163,403	163,403
Disposals	(769,088)	-	(769,088)
At 31 August 2019	-	1,118,864	1,118,864
Carrying amount			
At 31 August 2019	-	-	-
At 31 August 2018	-	163,403	163,403
Company			
	Goodwill £	Customer relationships £	Total £
Cost			
At 1 September 2018	769,088	1,118,864	1,887,952
Disposals	(769,088)	-	(769,088)
At 31 August 2019	-	1,118,864	1,118,864
Amortisation and impairment			
At 1 September 2018	769,088	955,461	1,724,549
Amortisation charged for the year	-	163,403	163,403
Disposals	(769,088)	-	(769,088)
At 31 August 2019	-	1,118,864	1,118,864
Carrying amount			
At 31 August 2019	-	-	-
At 31 August 2018	-	163,403	163,403

Amortisation of intangible fixed assets is included within administrative expenses.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

Group	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 September 2018	252,319	237,978	159,629	649,926
Additions	45,044	98,695	13,144	156,883
At 31 August 2019	297,363	336,673	172,773	806,809
Depreciation and impairment				
At 1 September 2018	145,043	137,121	80,709	362,873
Depreciation charged in the year	46,357	69,206	17,196	132,759
At 31 August 2019	191,400	206,327	97,905	495,632
Carrying amount				
At 31 August 2019	105,963	130,346	74,868	311,177
At 31 August 2018	107,276	100,857	78,920	287,053
Company				
	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 September 2018	252,319	237,978	159,629	649,926
Additions	45,044	83,939	13,144	142,127
At 31 August 2019	297,363	321,917	172,773	792,053
Depreciation and impairment				
At 1 September 2018	145,043	137,121	80,709	362,873
Depreciation charged in the year	46,357	65,782	17,196	129,335
At 31 August 2019	191,400	202,903	97,905	492,208
Carrying amount				
At 31 August 2019	105,963	119,014	74,868	299,845
At 31 August 2018	107,276	100,857	78,920	287,053

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

14 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15	-	-	510	1,000

In the prior year, the company has taken advantage of the exemption in section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the subsidiary was immaterial to the group. Consequently, the comparative figures present the financial position and financial performance of the company as a single entity.

During the prior year, following the company's subsidiaries being dissolved, the company no longer recognised their 100% shareholding in Taylor O'Brien Limited and Accrue Fulton Limited. As a result of this transaction a loss of £611,282 was recognised in profit and loss.

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 September 2018	1,000
Disposals	(490)
At 31 August 2019	510
Carrying amount	
At 31 August 2019	510
At 31 August 2018	1,000

15 Subsidiaries

Details of the company's subsidiaries at 31 August 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Emperor Presentations Limited	Zetland House, 5-25 Scrutton Street, London, England, EC2A 4HJ	Design, creation and production of presentation collateral for clients	Ordinary	51

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Subsidiaries (Continued)

On 16 July 2018 the company acquired a 100% shareholding in Emperor Presentations Limited.

On 1 September 2018 the company sold 49% of the shares to newly appointed directors of that company. The fair value of the consideration for the transfer of the shares was £490.

Emperor Presentations Limited (company number 11465813) is exempt from audit under section 479A of the Companies Act 2006.

16 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Work in progress	495,918	311,911	491,371	311,911

17 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	3,830,683	2,684,017	3,711,292	2,684,017
Other debtors	524,714	320,612	521,286	320,612
Prepayments and accrued income	349,068	469,511	348,460	469,511
	4,704,465	3,474,140	4,581,038	3,474,140

18 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Obligations under finance leases	20	-	5,103	-	5,103
Trade creditors		1,251,109	1,553,033	1,240,294	1,553,033
Amounts owed to group undertakings		-	-	80,464	1,000
Corporation tax payable		366,646	171,921	334,678	171,921
Other taxation and social security		424,049	346,894	389,186	346,894
Other creditors		144,298	401,700	139,261	401,700
Accruals and deferred income		1,998,771	1,277,764	1,941,174	1,277,764
		4,184,873	3,756,415	4,125,057	3,757,415

The company has utilised an invoice factoring facility during the year. Related to this facility is a fixed and floating charge against all property and assets present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Financial Instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,355,397	3,004,629	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	3,394,178	3,232,497	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

20 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Less than one year	-	5,103	-	5,103

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance leases are secured against their respective assets.

21 Provisions for liabilities

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Deferred tax liabilities	22	31,216	56,231	31,216	56,231

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2019 £	Liabilities 2018 £
Group		
Accelerated capital allowances	40,817	38,053
Tax losses	(9,601)	(9,601)
Timing difference on intangible fixed assets	-	27,779
	<u>31,216</u>	<u>56,231</u>
	Liabilities 2019 £	Liabilities 2018 £
Company		
Accelerated capital allowances	40,817	38,053
Tax losses	(9,601)	(9,601)
Timing difference on intangible fixed assets	-	27,779
	<u>31,216</u>	<u>56,231</u>
	Group 2019 £	Company 2019 £
Movements in the year:		
Liability at 1 September 2018	56,231	56,231
Credit to profit or loss	(25,015)	(25,015)
Liability at 31 August 2019	<u>31,216</u>	<u>31,216</u>

The deferred tax liability relates to accelerated capital allowances, tax losses and short term timing differences that are expected to reverse within 12 months.

23 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>350,753</u>	<u>307,557</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £133,811 (2018: £56,476) were payable to the fund at the year end and are included in creditors.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 Share capital

	Group and company	
	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
50 Ordinary shares of £1 each	50	50
800 Ordinary B shares of £1 each	800	800
3 Deferred shares of £1 each	3	3
	<u>853</u>	<u>853</u>

The Ordinary Shares, the Ordinary B Shares and the Deferred Shares rank pari passu in all respects other than the special rights attached to and restrictions imposed on the various shares as follows.

Dividends

The company shall apply any profits to the holders of the Ordinary Shares and/or Ordinary B Shares in respect of their holdings of such shares, pari passu and pro rata to the number of shares held by each of them, a non-cumulative dividend.

A Deferred Share shall not entitle its holder to receive any dividend or other distribution or participation in the income of the company.

Capital

On a return of capital winding up or otherwise, the assets of the company available for distribution shall be applied in proportion to the amounts paid up on subscription in respect of each Ordinary Share and each Ordinary B Share held.

A Deferred Share shall not entitle its holder to a return of capital on a winding up.

Voting

Each holder of Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the company. On a show of hands every holder of Ordinary Shares shall have one vote and on a poll every holder of Ordinary shares so present shall have one vote for every Ordinary Share held.

An Ordinary B Share shall carry the right to receive notice of general meetings of the company but not the right to attend and vote at them.

A Deferred Share shall not entitle its holder to receive notice of, or to attend or vote at, any general meeting of the company.

25 Reserves

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve and represents repurchased share capital.

Profit and loss reserves

The profit and loss reserve represents the cumulative profit and loss, net of distributions to owners.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	817,430	512,532	817,430	512,532
Between one and five years	750,479	879,519	750,479	879,519
In over five years	38,893	88,237	38,893	88,237
	<u>1,606,802</u>	<u>1,480,288</u>	<u>1,606,802</u>	<u>1,480,288</u>

27 Events after the reporting date

On 2 December 2019 the company declared a final dividend, in respect of the year ended 31 August 2019, of £562.50 per Ordinary B share.

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2019 £	2018 £
Aggregate compensation	<u>470,226</u>	<u>396,259</u>

During the year the directors had current accounts with the company. At the balance sheet date there was £164,002 (2018: £68,185) due from the directors, which is included in other debtors. The balances are unsecured, interest free and repayable on demand. The balances were cleared after the balance sheet date through dividends declared (see note 27 on events after the reporting date).

During the year sales of £130,060 (2018: £Nil) were made to and purchases of £244,578 (2018: £Nil) were made from Emperor Presentations Limited, a subsidiary of Emperor Design Consultants Limited. At the year end £80,464 was owed by Emperor Design Consultants Limited. These transactions have been eliminated in these consolidated financial statements.

EMPEROR DESIGN CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

29 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	1,361,019	105,429
Adjustments for:		
Taxation charged	336,589	115,642
Finance costs	-	338
Investment income	(160)	(566,751)
Loss on disposal of tangible fixed assets	-	611,282
Amortisation and impairment of intangible assets	163,403	575,598
Depreciation and impairment of tangible fixed assets	132,759	113,561
Impairment of fixed asset investments	-	13,690
Movements in working capital:		
(Increase)/decrease in stocks	(184,007)	114,648
(Increase)/decrease in debtors	(1,229,835)	287,588
Increase in creditors	233,733	84,822
(Decrease) in deferred income	-	(344,833)
Cash generated from operations	813,501	1,111,014