Company Registration No. 02262728 (England and Wales)

POETRY WALES PRESS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

PAGES FOR FILING WITH REGISTRAR

POETRY WALES PRESS LIMITED

CONTENTS

POETRY WALES PRESS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	4		4,898		6,031
Current assets					
Stocks	5	47,485		55,253	
Debtors	6	54,153		59,072	
Cash at bank and in hand		28,217		3,182	
		129,855		117,507	
Creditors: amounts falling due within one year	7	(75,286)		(101,889)	
Net current assets			54,569		15,618
Total assets less current liabilities			59,467		21,649
Creditors: amounts falling due after more than one year	8		(2,208)		-
Net assets			57,259		21,649
Reserves					
Income and expenditure account	10		57,259		21,649

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 6/11/2018 and are signed on its behalf by:

....

Mr R Houdmont

Director

Company Registration No. 02262728

1 Accounting policies

Company information

Poetry Wales Press Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 57 Nolton Street, Bridgend, CF31 3AE.

1.1 Accounting convention

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 £.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

1.2 Going concern

The company meets its day-to-day working capital requirements through cash generated from operations and grant funding received from the Welsh Books Council. As a result, the company is dependent on the continued support of the Welsh Books Council in order to meet its liabilities as they fall due. The company has secured support from the Welsh Books Council for a 3 year period to March 2020, subject to funding from the Welsh Government. Funding levels for the period 2019/20 have not been confirmed but the Welsh Books Council have indicated that funding is likely to be at the same level and as a consequence the directors have prepared the accounts on a going concern basis.

1.3 Turnover and revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliability measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added taxes and any other sales taxes. Revenue is not recognised on despatch of stock to distributors and retail outlets but on subsequent sale to the end customer.

Turnover also includes funds received from grant providers, which is recognised in full in the year received.

1 Accounting policies

1.4 Tangible fixed assets

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

Depreciation 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:

Plant and equipment	- 25% reducing balance
Website development costs	- 20% reducing balance

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 surplus or deficit.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises publication costs and royalties paid in advance.

At the end of each reporting period inventories are assessed for impairment. All books with a publication date of two years old or more are considered obsolete and are fully impaired.

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies

1.7 Financial instruments

The company 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 in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies

1.8 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current Tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years, tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the time difference.

1.9 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.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1 Accounting policies

1.12 Royalties payable

Royalties payable are accounted for on an accruals basis and matched to the period in which the correlating sale is recognised. Advances on royalty payments are recognised when paid as they are non-refundable advances.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have significant affect on the amounts recognised in the financial statements are described below:

(i) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimate, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See the notes to the financial statements for the carrying amount of the tangible assets, and above for the useful economic lives for each class of assets.

(ii) Impairment of debtors
The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience

(iii) Stock Provision
The company publishes literacy materials. As a result it is therefore necessary to consider the recoverability of the cost of stock and any associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods alongside the application of the impairment process outlined above.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2017 - 7), None of the directors receive remuneration through the company.

4 Tangible fixed assets

	Plant and equipment	Website development costs	Total
	£	£	£
Cost			
At 1 April 2017	5,903	7,970	13,873
Additions	167	-	167
At 31 March 2018	6,070	7,970	14,040
Depreciation and impairment			
At 1 April 2017	4,445	3,397	7,842
Depreciation charged in the year	385	915	1,300
At 31 March 2018	4,830	4,312	9,142
Carrying amount			
At 31 March 2018	1,240	3,658	4,898
At 31 March 2017	1,458	4,573	6,031

5 Stocks

	2018	2017
	£	£
Finished goods	47,485	55,253
	47,485	55,253

Stocks are stated after provision for impairment of £23,898 (2017: £14,280).

6 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	37,962	38,694
Other debtors	16,191	20,378
	54,153	59,072

Trade debtors are stated after provision for impairment of £25,299 (2017: £25,299).

7 Creditors: amounts falling due within one year

	2018	2017
	£	£
Loans	-	6,362
Trade creditors	23,279	49,412
Corporation tax	974	333
Other taxation and social security	-	3,129
Other creditors	51,033	42,653
	75,286	101,889

8 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	2,208	-

9 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

10 Income and expenditure account

	2018	2017
	£	£
At the beginning of the year	21,649	21,385
Surplus for the year	35,610	264
At the end of the year	57,259	21,649

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Amanda Kruger.
The auditor was Baldwins Audit Services.

12 Operating lease commitments

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

	2018	2017
	£	£
Within one year	16,136	13,500
Between two and five years	23,983	43,875
	40,119	57,375

13 Financial commitments, guarantees and contingent liabilities

On the 18 April 2016 the company entered into an agreement to extend the lease on its premises to 6 July 2020. An operating lease commitment which required upon cessation of the lease term that the land and buildings under the lease be returned to its original state. It is considered possible that the landlord may invoke this contractual requirement. The timing and amount of this claim as at 31 March 2018 is uncertain and subsequently an amount has not been recognised in these financial statements.

14 Related party transactions

During the year, Dr Patrick McGuiness, a company director, accrued royalty payments of £136 (2017: £260). At 31 March 2018, these royalty payments were included within other creditors.

15 Ultimate controlling party

There is no ultimate controlling party.