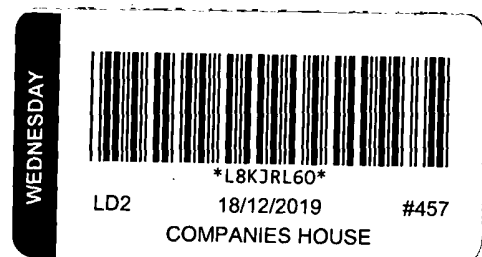


Registered number: 04122898

MIMEO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



MIMEO LIMITED

COMPANY INFORMATION

Directors

J Delbridge
A C Ferguson

Registered number

04122898

Registered office

Unit 1-3
The Ermine Centre
Hurricane Close
Huntingdon
Cambridgeshire
PE29 6XX

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

MIMEO LIMITED

CONTENTS

	Page
Group Strategic Report	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 6
Consolidated Statement of Comprehensive Income	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Financial Statements	13 - 30

MIMEO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non complex nature of our business and is written in the context of the risks and uncertainties we face.

Principal activities and business review

The Company's principal activity continues to be an innovator of online managed content distribution and printing. Its global footprint and cloud based platform provide customers the simplest way to create, manage and distribute content and materials they rely on to do business. The subsidiaries of the Company were all dormant during the year and prior year.

The directors are pleased with the continued growth in turnover although note the small reduction in margins. The overall profit for the Group is in line with management's plans as investment continues to be made for future forecasted growth.

Principal risks and uncertainties

The principal challenge faced by the Group is in relation to the continued growth of the business both in revenue and profitability. The directors do not believe there is any uncertainty regarding the on-going parent support and are pleased with the restructure which is in line with the Group's plans.

Key performance indicators

Revenue has increased in the year by 5% (2018: decreased by 12.6%), due to the business focusing on its core business channels. The gross profit margin for the year was 52% (2018: 46%).

The Group measures success on its ability to delight customers by delivering ease of use, speed, quality and value. The Group has successfully achieved this for more than 50,000 organisations, small businesses and Globally 2,000 companies in over 140 countries.

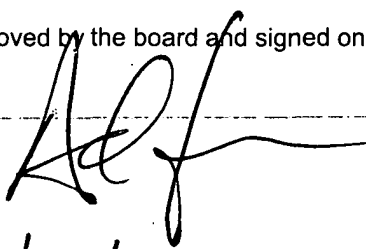
Financial instruments

The Group's only financial instruments derive from the Group's principal trading activities and as such the directors do not consider information on the use of financial risk management objectives and policies by the Group as material for the assessment of the assets, liabilities, financial position and profit and loss. The Group's exposure to liquidity risk and cash flow risk lies with the parent company Mimeo.com Inc. The Group does not use hedge accounting.

This report was approved by the board and signed on its behalf.

A C Ferguson
Director

Date:


10/12/2018

MIMEO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Company and the Group 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 for the Group's financial statements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £762,849 (2018 - loss £47,735).

Impact of Brexit

The directors' do not anticipate Brexit having a significant impact on the trade of the Company.

Directors

The directors who served during the year were:

J Delbridge
A C. Ferguson

Future developments

The directors do not expect any material differences going forward.

MIMEO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

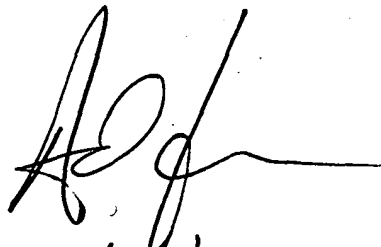
Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A C Ferguson
Director

Date:


10/12/2019

MIMEO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIMEO LIMITED

Opinion

We have audited the financial statements of Mimeo Limited (the 'Company') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and 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 Company's and Group's affairs as at 31 March 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 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.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 2.

The terms on which the United Kingdom may withdraw from the European Union are not clear and it is therefore not currently possible to evaluate all the potential implications to the Group's and Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Group and Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

MIMEO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIMEO LIMITED

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 ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 the audit:

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

MIMEO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIMEO LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

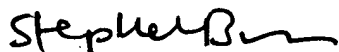
Auditor's responsibilities for the audit of the financial statements

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Group'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 Group'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 Group's members as a body for our audit work, for this report, or for the opinions we have formed.



Stephen Brown (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 17 December 2019

MIMEO LIMITED

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

	Note	2019 £	2018 £
Turnover	4	11,810,655	10,962,249
Cost of sales		(5,658,903)	(5,823,017)
Gross profit		6,151,752	5,139,232
Administrative expenses		(5,388,343)	(5,400,721)
Provision against group loans		-	(367,705)
Other operating income		-	585,659
Operating profit/(loss)	6	763,409	(43,535)
Interest payable and expenses	10	(560)	(4,200)
Profit/(loss) before taxation		762,849	(47,735)
Tax on profit/(loss)	11	-	-
Profit/(loss) for the financial year		762,849	(47,735)
Other comprehensive income		-	-
Total comprehensive income for the year		762,849	(47,735)

The notes on pages 13 to 30 form part of these financial statements.

MIMEO LIMITED
REGISTERED NUMBER: 04122898

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	448,601	531,569
		<u>448,601</u>	<u>531,569</u>
Current assets			
Stocks	15	435,902	558,691
Debtors: amounts falling due within one year	16	7,175,578	3,258,221
Cash at bank and in hand	17	450,341	1,211,308
		<u>8,061,821</u>	<u>5,028,220</u>
Creditors: amounts falling due within one year	18	(2,009,127)	(1,775,641)
Net current assets		<u>6,052,694</u>	<u>3,252,579</u>
Total assets less current liabilities		<u>6,501,295</u>	<u>3,784,148</u>
Creditors: amounts falling due after more than one year	19	(6,782,904)	(4,828,606)
Net liabilities		<u>(281,609)</u>	<u>(1,044,458)</u>
Capital and reserves			
Called up share capital	21	2,000	2,000
Share premium account	22	31,610	31,610
Profit and loss account	22	(315,219)	(1,078,068)
		<u>(281,609)</u>	<u>(1,044,458)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A C Ferguson
 Director

Date:

10/12/2019

The notes on pages 13 to 30 form part of these financial statements.

MIMEO LIMITED
REGISTERED NUMBER: 04122898

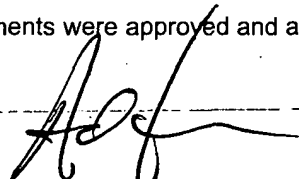
COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	448,601	531,569
		<u>448,601</u>	<u>531,569</u>
Current assets			
Stocks	15	435,902	558,691
Debtors: amounts falling due within one year	16	7,175,578	3,258,221
Cash at bank and in hand	17	450,341	1,211,308
		<u>8,061,821</u>	<u>5,028,220</u>
Creditors: amounts falling due within one year	18	(2,009,127)	(1,780,637)
Net current assets		<u>6,052,694</u>	<u>3,247,583</u>
Total assets less current liabilities		<u>6,501,295</u>	<u>3,779,152</u>
Creditors: amounts falling due after more than one year	19	(6,782,904)	(4,828,606)
Net liabilities		<u>(281,609)</u>	<u>(1,049,454)</u>
Capital and reserves			
Called up share capital	21	2,000	2,000
Share premium account	22	31,610	31,610
Profit and loss account		(315,219)	(1,083,064)
		<u>(281,609)</u>	<u>(1,049,454)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A C Ferguson
 Director

Date:


 10/12/2019

The notes on pages 13 to 30 form part of these financial statements.

MIMEO LIMITED

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2017	2,000	31,610	(1,030,333)	(996,723)
Comprehensive income for the year				
Loss for the year	-	-	(47,735)	(47,735)
Total comprehensive income for the year	-	-	(47,735)	(47,735)
At 1 April 2018	2,000	31,610	(1,078,068)	(1,044,458)
Comprehensive income for the year				
Profit for the year	-	-	762,849	762,849
Total comprehensive income for the year	-	-	762,849	762,849
At 31 March 2019	2,000	31,610	(315,219)	(281,609)

The notes on pages 13 to 30 form part of these financial statements.

MIMEO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2017	2,000	31,610	(2,327,232)	(2,293,622)
Comprehensive income for the year				
Profit for the year	-	-	1,244,168	1,244,168
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	1,244,168	1,244,168
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2018	2,000	31,610	(1,083,064)	(1,049,454)
Comprehensive income for the year				
Profit for the year	-	-	767,845	767,845
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	767,845	767,845
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	2,000	31,610	(315,219)	(281,609)
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 13 to 30 form part of these financial statements.

MIMEO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit/(loss) for the financial year	762,849	(47,735)
Adjustments for:		
Depreciation of tangible assets	285,958	413,224
Loss on disposal of tangible assets	3,882	(833)
Interest paid	560	4,200
Decrease in stocks	122,789	50,502
(Increase)/decrease in debtors	(350,479)	349,913
(Increase)/decrease in amounts owed by groups	(3,566,878)	102,772
Increase in creditors	233,461	231,778
Increase/(decrease) in amounts owed to groups	1,954,322	(345,320)
Net cash generated from operating activities	(553,536)	758,501
Cash flows from investing activities		
Purchase of tangible fixed assets	(209,684)	(171,799)
Sale of tangible fixed assets	2,813	833
Net cash from investing activities	(206,871)	(170,966)
Cash flows from financing activities		
Interest paid	(560)	(4,200)
Proceeds from loans from group undertakings	-	(345,320)
Payments of finance lease liabilities	-	(58,947)
Net cash used in financing activities	(560)	(408,467)
Net (decrease)/increase in cash and cash equivalents	(760,967)	179,068
Cash and cash equivalents at beginning of year	1,211,308	1,032,240
Cash and cash equivalents at the end of year	450,341	1,211,308
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	450,341	1,211,308
	450,341	1,211,308

The notes on pages 13 to 30 form part of these financial statements.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Mimeo Limited (the "Company") is a private company limited by shares, incorporated in England and Wales. The address of the registered office and principal place of business is Unit 1-3 The Ermine Centre, Hurricane Close, Huntingdon, Cambridgeshire, PE29 6XX.

Monetary amounts presented in the financial statements are in Pounds Sterling (£), as this is the functional currency of the primary economic environment which the Company operates.

All monetary amounts are presented rounded to the nearest Pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

2.3 Going concern

The directors acknowledge that the shareholders funds are in deficit as at the balance sheet date amounting to £281,609. The directors have obtained an assurance from the parent company, Mimeo.com Inc., that they will continue to support the group for at least 12 months after the signing of the financial statements, and that the group will continue to meet their obligations as and when they fall due.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Goodwill	-	20 % Straight line
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MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows:

Depreciation is provided on the following basis:

Plant and machinery	-	20% Straight line
Motor vehicles	-	25% Straight line
Fixture and fittings	-	20% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.12 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase price.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.15 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 measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.18 Financial instruments (continued)

an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies.

Key sources of estimation uncertainty

Accounting estimates are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Tangible fixed assets are recognised at cost, less accumulated depreciation. Depreciation is charged over the estimated useful life of the asset to its estimated residual value.

The recoverability of trade and other debtor balances are considered on a regular basis. When calculating the debtor provision, the directors consider the age of the debts and the financial position of the counterparty.

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is based on purchase price.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Sale of goods	11,810,655	10,962,249

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	10,023,755	9,158,809
Rest of the world	1,786,900	1,803,440
	11,810,655	10,962,249

5. Other operating income

	2019 £	2018 £
Other operating income	-	585,659

6. Operating profit/(loss)

The operating profit is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible assets	285,985	413,224
Exchange differences	218	70
Other operating lease rentals	350,579	344,754
Gains on disposal of tangible assets	3,882	(833)

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	15,000	10,000
Fees payable to the Group's auditor in respect of:		
All other services	5,050	-

8. Employees

Staff costs were as follows:

	Group 2019 £	Group 2018 £
Wages and salaries	4,531,758	4,929,078
Social security costs	425,648	461,062
Cost of defined contribution scheme	53,868	32,647
	5,011,274	5,422,787

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Production staff	91	109
Sales staff	33	32
Administration, customer service and design staff	64	65
	188	206

9. Director's emoluments

The directors of the Group are remunerated through the parent company, Mimeo.com Inc.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

10. Interest payable and similar expenses

	2019 £	2018 £
Other loan interest payable	560	4,200

11. Taxation

	2019 £	2018 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	762,849	(42,739)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	144,941	(8,120)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	1,721
Fixed asset differences	899	-
Other permanent differences	110	-
Short term timing difference leading to an increase (decrease) in taxation	(145,001)	9,908
Unrelieved tax losses carried forward	(949)	(73,373)
Provision against loan	-	69,864
Total tax charge for the year	-	-

Factors that may affect future tax charges

The Group has tax losses of £1,176,472 (2018 - £1,341,185) available to offset against future profits from the same trade.

In the Finance Act 2016, further changes to the future rates of corporation tax were enacted on 15 September 2016. Under this legislation, the rate of corporation tax was reduced to 17% from April 2020.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 April 2018	15,311
At 31 March 2019	<u>15,311</u>
Amortisation	
At 1 April 2018	15,311
At 31 March 2019	<u>15,311</u>
Net book value	
At 31 March 2019	<u>-</u>
At 31 March 2018	<u>-</u>

All of the Group's intangible fixed assets are held in the Parent Company.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

13. Tangible fixed assets

Group and Company

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2018	3,709,413	77,912	696,924	4,484,249
Additions	150,537	15,498	43,649	209,684
Disposals	(1,425)	(27,150)	-	(28,575)
At 31 March 2019	3,858,525	66,260	740,573	4,665,358
Depreciation				
At 1 April 2018	3,289,318	43,541	619,821	3,952,680
Charge for the year on owned assets	205,251	17,651	63,056	285,958
Disposals	(1,425)	(20,456)	-	(21,881)
At 31 March 2019	3,493,144	40,736	682,877	4,216,757
Net book value				
At 31 March 2019	365,381	25,524	57,696	448,601
At 31 March 2018	420,095	34,371	77,103	531,569

All of the Group's tangible fixed assets are held in the Parent company.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

14. Investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	70,000
At 31 March 2019	70,000
Impairment	
At 1 April 2018	70,000
At 31 March 2019	70,000
At 31 March 2019	-
At 31 March 2018	-

At 31 March 2019 the investment in subsidiary undertakings represent cost, less provisions, of the Company's 100% holding in the ordinary shares in the following companies:

Subsidiary	Country of incorporation	Principal activity	% shareholding
The School Planner Company Ltd	United Kingdom	Dormant	100
SPC Verlag Ltd	United Kingdom	Dormant	100

The registered office of all the above subsidiaries is Unit 1-3 The Ermine Centre, Hurricane Close, Huntingdon, Cambridgeshire, PE29 6XX.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

15. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	435,902	529,459	435,902	529,459
Work in progress (goods to be sold)	-	29,232	-	29,232
	<u>435,902</u>	<u>558,691</u>	<u>435,902</u>	<u>558,691</u>

16. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,069,925	920,333	1,069,925	920,333
Amounts owed by group undertakings	5,628,690	2,061,812	5,628,690	2,061,812
Other debtors	271,595	77,958	271,595	77,958
Prepayments and accrued income	205,368	198,118	205,368	198,118
	<u>7,175,578</u>	<u>3,258,221</u>	<u>7,175,578</u>	<u>3,258,221</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	<u>450,341</u>	<u>1,211,308</u>	<u>450,341</u>	<u>1,211,308</u>

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	1,163,641	1,176,268	1,163,641	1,176,268
Amounts owed to group undertakings	24	-	24	877
Other taxation and social security	110,197	128,056	110,197	128,056
Other creditors	1,911	21,975	1,911	21,975
Accruals and deferred income	733,354	449,342	733,354	453,461
	<u>2,009,127</u>	<u>1,775,641</u>	<u>2,009,127</u>	<u>1,780,637</u>

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts owed to group undertakings	<u>6,782,904</u>	<u>4,828,606</u>	<u>6,782,904</u>	<u>4,828,606</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

20. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>7,420,551</u>	<u>4,271,411</u>	<u>7,420,551</u>	<u>4,271,411</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(7,948,480)</u>	<u>(6,026,849)</u>	<u>(7,948,480)</u>	<u>(6,027,726)</u>

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, other debtors, amounts owed by group undertakings and cash at bank.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and amounts owed to group undertakings.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

21. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2,000 (2018 - 2,000) Ordinary shares of £1.00 each	2,000	2,000

Ordinary shares have attached to them voting rights, but no right to a fixed income.

22. Reserves

Share premium account

The share premium reserve records the consideration received above the nominal value (less transactions costs) of shares issued.

Profit and loss account

The profit and loss account records the accumulated profits and losses of the Group and Company, less dividends paid.

23. Pension commitments

The amount recognised in the Statement of Comprehensive Income as an expense in relation to defined contribution plans was £53,868 (2018: £32,647). Contributions totalling £1,910 (2018 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

At 31 March 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	320,000	21,363	320,000	21,363
Later than 1 year and not later than 5 years	1,280,000	-	1,280,000	-
Later than 5 years	2,332,932	-	2,332,932	-
	<u>3,932,932</u>	<u>21,363</u>	<u>3,932,932</u>	<u>21,363</u>

25. Related party transactions

The Group has taken advantage of the exemption available according to Section 33 Related Party Disclosures of FRS102 not to disclose transaction entered into between two or more members of a group which are wholly owned.

MIMEO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

26. Controlling party

The intermediate parent company is Mimco.com Inc, a company incorporated in the United States.

The ultimate controlling company is Mimco Holdings Inc, a company incorporated in the United States.