2

REGISTERED NUMBER: 00410453 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2018

FOR

ANCIENT HOUSE PRESS PLC

THP Limited
Chartered Accountants
and Statutory Auditors
34-40 High Street
Wanstead
London
E11 2RJ

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2018

DIRECTORS:	A J Berry M J Underdown E J Mayhew P Sadler
REGISTERED OFFICE:	8 Whittle Road Hadleigh Road Industrial Estate Ipswich Suffolk IP2 0HA
REGISTERED NUMBER:	00410453 (England and Wales)
SENIOR STATUTORY AUDITOR:	Andrew Green LLB FCA
AUDITORS:	THP Limited Chartered Accountants and Statutory Auditors 34-40 High Street Wanstead London E11 2RJ

STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2018

The directors present their strategic report for the year ended 28 February 2018.

REVIEW OF BUSINESS
2017-18 has been another difficult year generally for printing companies in the commercial sector with further notable business failures in the industry during 2017 and since. Competition amongst the better companies has been intense and, in the open market, has eroded margins. This has favoured the purchaser and even though paper price increases have been experienced many of these have had,little impact upon price but a significant effect on gross margin for printers who have not been able to pass these on. Turnover reflects the effect of this competition and like-for-like sales have reduced by approximately £308k from the previous year.

The company's key performance indicators are as follows:

	28 February 2018	28 February 2017	Increase/(decrease)
	£	£	£
Turnover	15,499,078	15,807,514	(308,436)
Gross profit	3,919,289	4,070,293	(151,004)
EBITDA	674,744	822,870	(148,126)

The company achieved remarkable results in the pursuit of new business and were able to replace lost business from former years as a result of company failures and strategic extraction from poor-paying loss-making business.

The level of new business has been very encouraging and again demonstrates that there is a clear demand for printed products as the primary form of marketing and promotion of products and services of all types and styles in a wide variety of industries and business sectors.

The company will aim to build and expand the opportunities these opportunities in the next year and continue our effective marketing activity to attract even more new business. The company has a proud record of working with a high percentage of well-established blue chip and successful businesses with whom we are pleased to be associated. In order to reverse the downturn in turnover in recent years new recruits have joined the company focussing on Business Development. The signs are good that this whole plan is having the desired effect.

As a result of continual investment in people and systems, our response rates have further improved over the last 12 months enabling us to win more business and meet the demanding and exacting requirements of customers. We recognise the benefits of new technology in both controlling our internal processes and communicating with customers. It also allows us to analyse performance more accurately and measure key performance indicators with certainty.

Turnover is seasonal which presents challenges in both the peaks and the troughs. The company has flexible working arrangements to enable this to take place. Manufacturing efficiencies are a constant focus as we strive to do things better and more efficiently and to raise quality standards.

Diligence in credit checking and credit control has enabled us to avoid the unusual level of bad debts experienced in the previous year and we have emerged with only a minor provision for a doubtful debt. Compared to the level of turnover this is a remarkable achievement and one that we aim to maintain.
The company also undertook a further planned and significant refurbishment of plant and equipment which contributed to additional costs in overheads and a significant level of lost capacity during the year. This whole two year programme has been very worthwhile and has improved output and quality in a number of areas.

New developments within the industry are being monitored with regard to new printing methods and increased productivity possibilities. The Board continues to monitor and investigate these developments and how they could impact and enhance the company's offering as it develops the 3 to 5 year strategy.

The net assets of the company were £2,695,748 (2017 :£3,057,866) at the balance sheet date, reflecting the very strong position of the company from a solvency point of view.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have continued to maintain a robust risk management plan that has identified and continues to review the perceived risks challenging the Company. Processes are in place to monitor and mitigate as far as possible these risks. The primary risks to which the Company is exposed are common to all commercial printers of our size and are:

- Risk of major damage to the major plant and equipment, caused by fire, flood or other disaster;
- Reduction in customer enquiries arising from a change in the make-up of the market in which we operate;
- The competition we continue to face from other printing companies drives margins down and could lead to loss of revenue and cost recovery. The Directors closely price monitor and, via an experienced commercial team, seek to pursue more profitable work over loss making or poor margin work;
- Bad debts are a regular risk in an industry dominated by many poorly rated intermediaries. The Directors have continued to be prudent in status checks for new and existing customers keeping debtor days as low as possible and limiting the dominance of any single customer in the overall turnover of the Company;
- Employees are key to the success of the business and the Company recognises the competition in the current environment for recruiting and retaining good staff. The company offers a competitive and attractive remuneration package to combat this alongside a stable and positive management team that is taking the Company forward to new challenges and equipping its staff through training and skills development in a variety of qualifications; and
- General economic uncertainty as the result of the UK "Brexit" vote in June 2016.

Liquidity risk

The company makes use of an invoice discounting facility with HSBC Bank PLC in order to mitigate short term liquidity risk. The Directors continually monitor cash flow forecasts in order further manage liquidity risk.

ON BEHALF OF THE BOARD:

M J Underdown - Director

15 August 2018

The directors present their report with the financial statements of the company for the year ended 28 February 2018.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of colour commercial printers.

DIVIDENDS
No dividends will be distributed for the year ended 28 February 2018.

FUTURE DEVELOPMENTS
The company is striving to stay ahead of the competition by investing in new technologies.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 March 2017 to the date of this report.

A J Berry
M J Underdown
E J Mayhew
P Sadler

Other changes in directors holding office are as follows:

T Claydon - resigned 31 October 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), 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 of the profit or loss of the company 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 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 company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, THP Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M J Underdown - Director

15 August 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ANCIENT HOUSE PRESS PLC

Opinion
We have audited the financial statements of Ancient House Press Plc (the 'company') for the year ended 28 February 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 28 February 2018 and of its loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Andrew Green LLB FCA (Senior Statutory Auditor)
for and on behalf of THP Limited
Chartered Accountants
and Statutory Auditors
34-40 High Street
Wanstead
London
E11 2RJ

15 August 2018

ANCIENT HOUSE PRESS PLC (REGISTERED NUMBER: 00410453)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2018

	Notes	**2018** £	**2018** £	2017 £	2017 £
TURNOVER			**15,499,078**		15,807,514
Cost of sales			**11,579,789**		11,737,221
GROSS PROFIT			**3,919,289**		4,070,293
Distribution costs		**237,971**		226,279	
Administrative expenses		**4,073,110**		3,903,048	
			4,311,081		4,129,327
			(391,792)		(59,034)
Other operating income			**35,453**		137,408
Exceptional items - bad debts			**-**		(181,245)
OPERATING LOSS	5		**(356,339)**		(102,871)
Interest payable and similar expenses	6		**92,818**		100,468
LOSS BEFORE TAXATION			**(449,157)**		(203,339)
Tax on loss	7		**(87,039)**		(74,164)
LOSS FOR THE FINANCIAL YEAR			**(362,118)**		(129,175)

The notes form part of these financial statements

ANCIENT HOUSE PRESS PLC (REGISTERED NUMBER: 00410453)

BALANCE SHEET
28 FEBRUARY 2018

	Notes	**2018** £	**2018** £	2017 £	2017 £
FIXED ASSETS					
Tangible assets	9		**5,346,308**		6,070,735
CURRENT ASSETS					
Stocks	10	**619,064**		623,755	
Debtors	11	**2,739,024**		3,309,980	
Cash at bank		**13,545**		7,232	
		3,371,633		3,940,967	
CREDITORS					
Amounts falling due within one year	12	**4,900,943**		5,300,103	
NET CURRENT LIABILITIES			**(1,529,310)**		(1,359,136)
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,816,998**		4,711,599
CREDITORS					
Amounts falling due after more than one year	13		**(462,413)**		(914,644)
PROVISIONS FOR LIABILITIES	17		**(658,837)**		(739,089)
NET ASSETS			**2,695,748**		3,057,866
CAPITAL AND RESERVES					
Called up share capital	18		**50,000**		50,000
Capital reserves	19		**13,815**		13,815
Retained earnings	19		**2,631,933**		2,994,051
SHAREHOLDERS' FUNDS			**2,695,748**		3,057,866

The financial statements were approved by the Board of Directors on 15 August 2018 and were signed on its behalf by:

A J Berry - Director

M J Underdown - Director

The notes form part of these financial statements

ANCIENT HOUSE PRESS PLC (REGISTERED NUMBER: 00410453)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2018

	Called up share capital £	Retained earnings £	Capital reserves £	Total equity £
Balance at 1 March 2016	50,000	3,123,226	13,815	3,187,041
Changes in equity				
Total comprehensive income	-	(129,175)	-	(129,175)
Balance at 28 February 2017	50,000	2,994,051	13,815	3,057,866
Changes in equity				
Total comprehensive income	-	(362,118)	-	(362,118)
Balance at 28 February 2018	50,000	2,631,933	13,815	2,695,748

The notes form part of these financial statements

1. STATUTORY INFORMATION

Ancient House Press Plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention.

Going Concern
No material uncertainties that may cast significant doubt on the ability of the company to continue as a going concern have been identified by the Directors.

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 33 Related Party Disclosures paragraph 33.7.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with its parent company as it is 100% owned by that company.

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3. **ACCOUNTING POLICIES - continued**

Significant judgements and estimates
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the entity's accounting policies

There are no specific judgements, apart from those involving estimates as detailed below, that management has made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates can differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful 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 estimates based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of tangible assets and note 3 for the depreciation policy in respect of each class of asset.

(ii) Stock provisioning

Due to the nature of the business, it is necessary for the management to consider the recoverability of the cost of stock and the associated provisioning required. When calculating stock provisions, management considers the nature, condition and future saleability of the stock. See note 10 for the net carrying amount of stock.

(iv) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing their impairment, the management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of debtors.

Revenue recognition
Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and value added taxes.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the customer. This is usually at the point where goods are delivered to and accepted by the customer.

Tangible fixed assets and depreciation
Tangible assets are stated at cost less depreciation. Depreciation is based on historic cost less the estimated residual values and the estimated economic lives of the assets concerned. Allowance has been made for technological and commercial obsolescence. Depreciation is charged at the following rates from the date of use:

Plant and machinery	- variable rates depending on the expected life of the asset and its anticipated residual value at 5%-20% per annum on reducing balance or cost
Short leasehold property	- Over the period of the lease
Fixtures and fittings	- 20% on cost
Computer equipment	- 12.5% - 25% on cost
Motor vehicles	- 40% reducing balance

The company adds to the carrying amount of an item of plant and machinery the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the entity. The consequence of recognising a replacement is that the carrying amount of the part replaced is de-recognised.

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3. **ACCOUNTING POLICIES - continued**

Stock and work in progress
Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Financial instruments
The Company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at this value less any provision for impairment.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet represent cash at bank and in hand.

Short-term debtors and creditors
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in profit or loss under operating expenses.

The carrying value of all short-term financial assets and liabilities are measured at amortised cost.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments
Assets held under hire purchase contracts or finance leases are recorded in the balance sheet at the fair value of the assets at the inception of the contract and depreciated over their useful economic life. The amounts by which the contract payments exceed the recorded obligations are treated as finance charges and are charged directly to the profit and loss account over the life of the contract.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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3. **ACCOUNTING POLICIES - continued**

Employee benefits
The company provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

(i) Short Term Benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Group Personal Pension Plan
The company operates a group person pension plan for its employees. This is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown as a creditor on the balance sheet. The assets of the scheme are held separately from the company in independently administered funds.

4. **EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	**3,677,830**	3,772,747
Social security costs	**330,101**	332,671
Other pension costs	**38,364**	45,441
	4,046,295	4,150,859

The average number of employees during the year was as follows:

	2018	2017
Production	**76**	77
Selling and distribution	**6**	7
Administration	**6**	6
	88	90

	2018	2017
	£	£
Directors' remuneration	**676,609**	694,717
Directors' pension contributions to money purchase schemes	**11,439**	18,360

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	**4**	5

Information regarding the highest paid director is as follows:

	2018	2017
	£	£
Emoluments etc	**244,232**	241,304
Pension contributions to money purchase schemes	**1,815**	7,027

continued...

5. OPERATING LOSS

The operating loss is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	578,082	587,504
Depreciation - assets on hire purchase contracts	341,229	316,014
Loss on disposal of fixed assets	90,299	-
Audit fees	17,000	17,000
Auditors' remuneration for non audit work	3,458	2,833
Operating leases - rent	212,700	212,700

Key Management Remuneration

Key management includes the Directors and members of the senior management team. The compensation paid to key management for employee services is shown below:

	2018	2017
	£	£
Salaries and other short term benefits	751,321	751,832
Post-employment benefits- pension	12,186	18,735
	763,507	770,567

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Factoring interest	37,739	36,372
Hire purchase interest	55,079	64,096
	92,818	100,468

7. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	(6,787)	6,787
Deferred tax	(80,252)	(80,951)
Tax on loss	(87,039)	(74,164)

UK corporation tax has been charged at 19% (2017 - 20%).

continued...

7. TAXATION - continued

Reconciliation of total tax credit included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Loss before tax	**(449,157)**	(203,339)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	**(85,340)**	(40,668)
Effects of:		
Expenses not deductible for tax purposes	**1,495**	1,685
Depreciation in excess of capital allowances	**77,058**	45,770
Deferred tax	**(80,252)**	(80,951)
Total tax credit	**(87,039)**	(74,164)

8. EXCEPTIONAL ITEMS

During the prior year the company suffered an exceptional charge in relation to bad debts of £181,245. This charge had a significant impact on the result for the prior year and has been shown on the face of the statement of comprehensive income to ensure that the accounts show a true and fair view.

9. TANGIBLE FIXED ASSETS

	Short leasehold property	**Plant and machinery**	**Fixtures and fittings**
	£	**£**	**£**
COST			
At 1 March 2017	**11,866**	**14,851,902**	**19,855**
Additions	**-**	**492,342**	**453**
Disposals	**-**	**(798,032)**	**-**
At 28 February 2018	**11,866**	**14,546,212**	**20,308**
DEPRECIATION			
At 1 March 2017	**4,119**	**9,065,903**	**14,384**
Charge for year	**2,373**	**843,572**	**2,800**
Eliminated on disposal	**-**	**(493,039)**	**-**
At 28 February 2018	**6,492**	**9,416,436**	**17,184**
NET BOOK VALUE			
At 28 February 2018	**5,374**	**5,129,776**	**3,124**
At 28 February 2017	7,747	5,785,999	5,471

continued...

9. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 March 2017	17,600	462,737	15,363,960
Additions	-	7,124	499,919
Disposals	(17,600)	(14,615)	(830,247)
At 28 February 2018	-	455,246	15,033,632
DEPRECIATION			
At 1 March 2017	17,550	191,269	9,293,225
Charge for year	8	70,558	919,311
Eliminated on disposal	(17,558)	(14,615)	(525,212)
At 28 February 2018	-	247,212	9,687,324
NET BOOK VALUE			
At 28 February 2018	-	208,034	5,346,308
At 28 February 2017	50	271,468	6,070,735

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 March 2017	4,014,946
Additions	486,565
Disposals	(124,184)
At 28 February 2018	4,377,327
DEPRECIATION	
At 1 March 2017	1,162,451
Charge for year	341,229
Eliminated on disposal	(36,323)
At 28 February 2018	1,467,357
NET BOOK VALUE	
At 28 February 2018	2,909,970
At 28 February 2017	2,852,495

Plant and machinery additions include £205,000 which relate to a binding machine acquired on a sale and lease back contract.

10. STOCKS

	2018 £	2017 £
Stocks	415,017	378,046
Work-in-progress	204,047	245,709
	619,064	623,755

Stocks recognised in cost of sales during the year as an expense were £8,930,169 (2017 - £8,924,582).

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	**2,546,829**	2,850,679
Corporation tax recoverable	**6,787**	-
VAT	**116,336**	308,481
Prepayments and accrued income	**69,072**	150,820
	2,739,024	3,309,980

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other loans (see note 14)	**60,500**	71,000
Hire purchase contracts (see note 15)	**591,027**	584,728
Trade creditors	**2,657,592**	2,814,599
Amounts owed to parent company	**17,434**	17,434
Corporation tax	**-**	6,787
Social security and other taxes	**73,029**	92,648
Other creditors and accruals	**396,239**	356,109
Finance company advances	**1,105,122**	1,356,798
	4,900,943	5,300,103

The company has an invoice discounting agreement with the principal bankers where it receives amounts in advance. Amounts due to the principal bankers are secured on the related trade debtors.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Other loans (see note 14)	**-**	60,500
Hire purchase contracts (see note 15)	**462,413**	854,144
	462,413	914,644

14. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Other loans	**60,500**	71,000
Amounts falling due between one and two years:		
Other loans	**-**	60,500

Other loans are interest free and repayable monthly.

continued...

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	**625,727**	627,835
Between one and five years	**475,500**	882,611
	1,101,227	1,510,446
Finance charges repayable:		
Within one year	**34,700**	43,107
Between one and five years	**13,087**	28,467
	47,787	71,574
Net obligations repayable:		
Within one year	**591,027**	584,728
Between one and five years	**462,413**	854,144
	1,053,440	1,438,872

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	**226,068**	178,127
Between one and five years	**7,131**	20,221
	233,199	198,348

16. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Other loans	**60,500**	131,500
Hire purchase contracts	**1,053,440**	1,438,872
Finance company advances	**1,105,122**	1,356,798
	2,219,062	2,927,170

Bank overdraft is secured by a fixed charge over selected plant together with a floating charge over the remaining assets of the company.
Other loans are secured on specific fixed assets.
The finance company advances is secured by a floating charge over the book debts of the company.

17. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax		
Accelerated capital allowances	**658,837**	739,089

continued...

17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 March 2017	739,089
Credit to Statement of Comprehensive Income during year	(80,252)
Balance at 28 February 2018	658,837

The amount of the net reversal of deferred tax expected to occur next year is £63,080 (2017: £66,219), relating to the reversal of existing timing differences on tangible fixed assets.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
50,000	Ordinary	£1	50,000	50,000

19. RESERVES

	Retained earnings £	Capital reserves £	Totals £
At 1 March 2017	2,994,051	13,815	3,007,866
Deficit for the year	(362,118)		(362,118)
At 28 February 2018	2,631,933	13,815	2,645,748

20. ULTIMATE PARENT COMPANY

The company's holding company is Ancient House Printing Group Limited, incorporated in England. A copy of the group accounts may be obtained from Companies House.

21. RELATED PARTY DISCLOSURES

During the year the company was charged a market rate rent of £105,000 (2017: £105,000) by The Berry and Underdown Pension Scheme, a pension scheme in which the Directors A J Berry and M J Underdown are members.

22. ULTIMATE CONTROLLING PARTY

The company is jointly controlled by A J Berry and M J Underdown.