

**Registered number: 00927578**

**Woodmansterne Publications Limited**

**Annual report and financial statements**

**For the Year Ended 31 March 2018**

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## **Woodmansterne Publications Limited**

### **Company Information**

<b>Directors</b>	P A Woodmansterne B S Woodmansterne
<b>Company secretary</b>	J R Britton
<b>Registered number</b>	00927578
<b>Registered office</b>	The Old Rectory Rectory Lane Hastings Northamptonshire NN7 1EW
<b>Independent auditors</b>	Kreston Reeves LLP Statutory Auditor & Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
<b>Bankers</b>	National Westminster Bank Plc PO Box 237 72/74 High Street Hertfordshire WD1 2BQ

## **Woodmansterne Publications Limited**

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## **Woodmansterne Publications Limited**

### **Strategic report For the Year Ended 31 March 2018**

#### **Introduction**

The directors of Woodmansterne Publications Limited present their Strategic Report for the year ended 31 March 2018.

#### **Business review**

Woodmansterne's better co-ordinated publishing programme enabled the company to find growth this year, despite the general decline in high street retail. In-house production, although providing a speed-to-market advantage, has nevertheless required heavy investment as outdated equipment is replaced to maintain production capacity on more highly-finished cards. The company continued to replace its old, heavy machines with more lightly-engineered equipment with front-end electronics. Consequently, old kit now generally has to be scrapped and new kit depreciates faster. The sales team was tasked with acquiring new outlets, but these have turned out to be replacements rather than additions.

#### **Principal risks and uncertainties**

##### **Business risk**

In light of Brexit, handwork is once again concentrated on the UK. The company has had to engage more permanent low-skilled labour, which now requires it to smooth out the seasonal production peaks over 12-18 months. As a consequence, it holds seasonal materials for longer and must anticipate production requirements without the previous advantage of sell-in data. The new everyday publishing programme increases the turn of SKUs. Together, these changes carry a consequent increased risk in stock redundancy. The company follows closely the performance of all its trading partners. A modest increase in debtor days is down to good management, however, it is anticipated that the number of bad debts and poor payers is bound to match the continued high street decline. Future growth seems possible through increased exposure in grocers, but the sector being brokered by others, carries with it a squeeze on margin, greater volatility, and no long-term security. One factor, that has not yet been fully appreciated by the greeting card sector as a whole, is the potential impact of a sustained media attack on clear polypropylene bags and waste disposal of film. Whereas polypropylene is eminently recyclable, council waste management and consumer understanding fall woefully behind. The company is working with the Greeting Card Association to tackle this.

##### **Financial Instruments**

The company finances its operations through various financial instruments including trade creditors, trade debtors, loan and cash balances.

In respect of loans these comprise loans from financial institutions. The interest rates on the loans from financial institutions are variable – larger loans are insured through cap and collar agreements, smaller loans through fixed monthly repayments. The company manages its liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

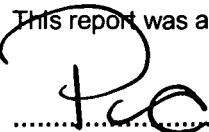
#### **Financial key performance indicators**

The company uses a range of measures to ensure that the business is properly controlled; these include financial budgets and key performance indicators covering all areas of the company. Specifically, the key performance indicators include: monthly gross profit, staff utilisation, waste reduction and continuous improvement.

**Woodmansterne Publications Limited**

**Strategic report (continued)**  
**For the Year Ended 31 March 2018**

This report was approved by the board on 6 August 2018 and signed on its behalf.



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**P A Woodmansterne**  
Director

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## **Woodmansterne Publications Limited**

### **Directors' report For the Year Ended 31 March 2018**

The directors present their report and the financial statements for the year ended 31 March 2018.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activity**

The company's principal activity during the period was the publishing, manufacture and distribution of greeting cards.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £85,434 (2017 - £237,748).

During the year the company paid dividends totalling £Nil (2017: £Nil).

The directors do not recommend a further dividend.

#### **Directors**

The directors who served during the year were:

P A Woodmansterne  
B S Woodmansterne

#### **Future developments**

In recognition of the general lack-lustre performance of all greeting cards online, the contraction of bricks-and-mortar retail, and yet encouraged by the resurgence of interest in Advent calendars, the company is looking to create other opportunities using paper-based products in other market sectors, whilst continuing to maximise opportunities in greeting cards.

**Woodmansterne Publications Limited**

**Directors' report (continued)  
For the Year Ended 31 March 2018**

**Matters covered in the strategic report**

For information regarding principal risks and uncertainties please refer to the Strategic Report.

**Disclosure of information to auditors**

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's auditors are 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's auditors are aware of that information.

**Post balance sheet events**

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

**Auditors**

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 6 August 2018 and signed on its behalf.



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**P A Woodmansterne**  
Director

## **Woodmansterne Publications Limited**

### **Independent auditors' report to the shareholders of Woodmansterne Publications Limited**

#### **Opinion**

We have audited the financial statements of Woodmansterne Publications Limited (the 'Company') for the year ended 31 March 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 31 March 2018 and of its 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 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 United Kingdom, including the Financial Reporting Council'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.

#### **Use of our report**

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

#### **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 included in the Annual Report, other than the financial statements and our Auditors' 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.



**Independent auditors' report to the shareholders of Woodmansterne Publications Limited (continued)**

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.

**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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**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 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.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

**Independent auditors' report to the shareholders of Woodmansterne Publications Limited (continued)**

**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 an Auditors' 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Kreston Reeves LLP*

Nigel Fright FCCA (Senior statutory auditor)

for and on behalf of  
**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

Canterbury

6 August 2018

**Woodmansterne Publications Limited**

**Statement of comprehensive income  
For the Year Ended 31 March 2018**

	Note	2018 £	2017 £
Turnover	4	13,770,945	12,422,397
Cost of sales		(6,342,981)	(5,767,199)
<b>Gross profit</b>		<b>7,427,964</b>	<b>6,655,198</b>
Administrative expenses		(7,250,514)	(6,356,883)
<b>Operating profit</b>	5	<b>177,450</b>	<b>298,315</b>
Interest receivable and similar income	9	512	6,311
Interest payable and expenses	10	(8,126)	(8,506)
<b>Profit before tax</b>		<b>169,836</b>	<b>296,120</b>
Tax on profit	11	(84,402)	(58,372)
<b>Profit for the financial year</b>		<b>85,434</b>	<b>237,748</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 12 to 28 form part of these financial statements.

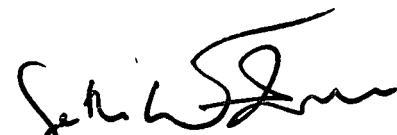
**Woodmansterne Publications Limited**  
**Registered number: 00927578**

**Balance sheet**  
**As at 31 March 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	12	-	24,000
Tangible assets	13	3,288,821	2,610,599
		<u>3,288,821</u>	<u>2,634,599</u>
<b>Current assets</b>			
Stocks	14	915,760	847,105
Debtors: amounts falling due within one year	15	3,025,879	2,652,483
Cash at bank and in hand	16	983,486	975,660
		<u>4,925,125</u>	<u>4,475,248</u>
Creditors: amounts falling due within one year	17	(3,323,640)	(2,435,944)
<b>Net current assets</b>		<u>1,601,485</u>	<u>2,039,304</u>
<b>Total assets less current liabilities</b>		<u>4,890,306</u>	<u>4,673,903</u>
Creditors: amounts falling due after more than one year	18	(505,788)	(364,221)
<b>Provisions for liabilities</b>			
Deferred tax	22	(13,932)	(24,530)
		<u>(13,932)</u>	<u>(24,530)</u>
<b>Net assets</b>		<u>4,370,586</u>	<u>4,285,152</u>
<b>Capital and reserves</b>			
Called up share capital	23	19,500	19,500
Capital redemption reserve	24	533	533
Profit and loss account	24	4,350,553	4,265,119
		<u>4,370,586</u>	<u>4,285,152</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 August 2018.

  
.....  
**P A Woodmansterne**  
Director

  
.....  
**B S Woodmansterne**  
Director

The notes on pages 12 to 28 form part of these financial statements.

**Woodmansterne Publications Limited**

**Statement of changes in equity  
For the Year Ended 31 March 2018**

	<b>Called up share capital</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
At 1 April 2017	19,500	533	4,265,119	4,285,152
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	85,434	85,434
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	85,434	85,434
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 March 2018</b>	<b>19,500</b>	<b>533</b>	<b>4,350,553</b>	<b>4,370,586</b>

The notes on pages 12 to 28 form part of these financial statements.

**Statement of changes in equity  
For the Year Ended 31 March 2017**

	<b>Called up share capital</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
At 1 April 2016	19,500	533	4,027,371	4,047,404
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	237,748	237,748
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	237,748	237,748
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 March 2017</b>	<b>19,500</b>	<b>533</b>	<b>4,265,119</b>	<b>4,285,152</b>

The notes on pages 12 to 28 form part of these financial statements.

**Woodmansterne Publications Limited**

**Statement of cash flows  
For the Year Ended 31 March 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	85,434	237,748
<b>Adjustments for:</b>		
Amortisation of intangible assets	24,000	24,000
Depreciation of tangible assets	225,795	93,720
Loss on disposal of tangible assets	36,599	4,699
Interest paid	8,126	8,506
Interest received	(512)	(6,311)
Taxation charge	84,402	106,114
(Increase) in stocks	(68,655)	(130,221)
(Increase) in debtors	(373,396)	(30,533)
Increase in creditors	774,487	493,171
Corporation tax (paid)	(71,990)	(100,598)
<b>Net cash generated from operating activities</b>	<u>724,290</u>	<u>700,295</u>
<b>Cash flows from investing activities</b>		
Sale of intangible assets	-	(30)
Purchase of tangible fixed assets	(941,624)	(316,310)
Sale of tangible fixed assets	1,008	3,501
Sale of share in associates	-	30
Interest received	512	6,311
<b>Net cash from investing activities</b>	<u>(940,104)</u>	<u>(306,498)</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	(72,639)	(71,664)
Repayment of/new finance leases	304,405	112,145
Interest paid	(8,126)	(8,506)
<b>Net cash used in financing activities</b>	<u>223,640</u>	<u>31,975</u>
<b>Net increase in cash and cash equivalents</b>	<u>7,826</u>	<u>425,772</u>
Cash and cash equivalents at beginning of year	975,660	549,888
<b>Cash and cash equivalents at the end of year</b>	<u><u>983,486</u></u>	<u><u>975,660</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	983,486	975,660
	<u><u>983,486</u></u>	<u><u>975,660</u></u>

The notes on pages 12 to 28 form part of these financial statements.

## **Woodmansterne Publications Limited**

### **Notes to the financial statements For the Year Ended 31 March 2018**

#### **1. Company information**

Woodmansterne Publications Limited is a limited liability company incorporated in England. The company's registered office is The Old Rectory, Rectory Lane, Hastings, Northamptonshire, NN7 1EW.

The company's principal activity during the period was the publishing, manufacture and distribution of greeting cards.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£).

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

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the directors report on page 2. In addition, the business review includes the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

The company has considerable financial resources and continues to trade with a number of different customers and suppliers. As a consequence the directors believe the company is well placed to manage its business risks successfully. The directors accordingly, continue to adopt the going concern basis in preparing the annual report and accounts.

**Notes to the financial statements  
For the Year Ended 31 March 2018**

**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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 Company 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.

**2.4 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life of 5 years.

**Other 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 five years.



**Notes to the financial statements  
For the Year Ended 31 March 2018**

**2. Accounting policies (continued)**

**2.5 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, using both the straight-line and reducing balance method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant & Machinery	- 15% reducing balance and over 3 - 6 years
Motor Vehicles	- 25% reducing balance
Fixtures & Fittings	- 20-25% reducing balance and over 3 - 6 years
Computer Equipment	- 33% 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 Statement of comprehensive income.

**2.6 Impairment of fixed assets**

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 is tested for impairment. An impairment loss is recognised for the amount by which the the asset's carrying amount exceeds its recoverable amount.

**2.7 Research and development costs**

Research and development expenditure is written off in the year in which it is incurred unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period which the company is expected to benefit.

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.9 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 on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 profit or loss.

**Notes to the financial statements  
For the Year Ended 31 March 2018**

**2. Accounting policies (continued)**

**2.10 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.

**2.11 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 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 Company's cash management.

**2.12 Financial instruments**

The Company 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.

**2.13 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.

**2.14 Operating leases: the Company as lessee**

Rentals applicable to operating leases, where substantially all benefits and risks of ownership remain with the lessor, are charged to the profit and loss account on a straight line basis over the lease term.

**2.15 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan 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 in the 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 Company in independently administered funds.

**2.16 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

**2.17 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**Notes to the financial statements  
For the Year Ended 31 March 2018**

**2. Accounting policies (continued)**

**2.18 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.20 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the financial statements  
For the Year Ended 31 March 2018**

**2. Accounting policies (continued)**

**2.21 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**Notes to the financial statements  
For the Year Ended 31 March 2018**

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

**Introduction**

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

**Lease commitments**

The company has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these lease as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the company has acquired the risks and rewards associated with the ownership of the underlying assets.

The following are the company's key sources of estimation uncertainty:

**Goodwill and intangible assets**

The company has recognised goodwill and other intangible assets arising from business combinations with a carrying value of £Nil at the reporting date (see note 12). On acquisition the company determines a reliable estimate of the useful life of goodwill and intangible assets based upon factors such as the expected use of the acquired business, forecasts of expected future results and cash flows, and any legal, regulatory or contractual provisions that can limit useful life. At each subsequent reporting date the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the useful life of goodwill and intangible assets.

**Tangible fixed assets**

The company has recognised tangible fixed assets with a carrying value of £3,288,821 at the reporting date (see note 13). These assets are stated at their cost less provision for depreciation and impairment. The company's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the company determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the company undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the company's forecasts for the foreseeable future which do not include any restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

**Taxation**

Provision has been made in the financial statements for deferred tax amounting to £13,932 at the reporting date (see note 22). This provision is based upon estimates of the availability of future taxable profits, the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of future tax planning strategies.

## Woodmansterne Publications Limited

### Notes to the financial statements For the Year Ended 31 March 2018

#### 4. Turnover

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

	2018 £	2017 £
Publishing, manufacture and distribution of greeting cards	13,770,945	12,422,397
	<u>13,770,945</u>	<u>12,422,397</u>

All turnover arose within the United Kingdom.

#### 5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Research & development charged as an expense	65,504	37,041
Depreciation of tangible fixed assets	225,795	93,720
Amortisation of intangible assets, including goodwill	24,000	24,000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,550	13,150
Other operating lease rentals	127,253	156,680
Defined contribution pension cost	100,649	97,834
	<u>100,649</u>	<u>97,834</u>

#### 6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	13,550	13,150
	<u>13,550</u>	<u>13,150</u>

## Woodmansterne Publications Limited

### Notes to the financial statements For the Year Ended 31 March 2018

#### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	3,580,106	3,451,691
Social security costs	383,282	361,665
Cost of defined contribution scheme	100,649	97,834
	<u>4,064,037</u>	<u>3,911,190</u>

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

	2018 No.	2017 No.
	<u>95</u>	<u>94</u>

#### 8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	326,345	310,753
	<u>326,345</u>	<u>310,753</u>

The highest paid director received remuneration of £231,184 (2017 - £221,653).

#### 9. Interest receivable

	2018 £	2017 £
Other interest receivable	512	6,311
	<u>512</u>	<u>6,311</u>

#### 10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	8,126	8,506
	<u>8,126</u>	<u>8,506</u>

**Notes to the financial statements  
For the Year Ended 31 March 2018**

**11. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	95,000	72,652
Adjustments in respect of previous periods	-	(3,952)
	<u>95,000</u>	<u>68,700</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	-	124
	<u>-</u>	<u>124</u>
<b>Total current tax</b>	<u>95,000</u>	<u>68,824</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(10,598)	(10,452)
<b>Total deferred tax</b>	<u>(10,598)</u>	<u>(10,452)</u>
<b>Taxation on profit on ordinary activities</b>	<u>84,402</u>	<u>58,372</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>169,836</u>	<u>296,120</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	32,269	59,224
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	59,093	768
Adjustments to tax charge in respect of prior periods	-	(3,182)
Other timing differences leading to an increase (decrease) in taxation	(6,960)	1,562
<b>Total tax charge for the year</b>	<u>84,402</u>	<u>58,372</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.



**Notes to the financial statements  
For the Year Ended 31 March 2018**

**12. Intangible assets**

	<b>Other Intangibles £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2017	17,500	120,000	137,500
Disposals	-	(120,000)	(120,000)
At 31 March 2018	17,500	-	17,500
<b>Amortisation</b>			
At 1 April 2017	17,500	96,000	113,500
Charge for the year	-	24,000	24,000
On disposals	-	(120,000)	(120,000)
At 31 March 2018	17,500	-	17,500
<b>Net book value</b>			
At 31 March 2018	-	-	-
At 31 March 2017	-	24,000	24,000

Notes to the financial statements  
For the Year Ended 31 March 2018

13. Tangible fixed assets

	Freehold property £	Plant & Machinery £	Motor Vehicles £	Fixtures & Fittings £	Total £
<b>Cost or valuation</b>					
At 1 April 2017	2,114,059	1,731,233	6,400	521,432	4,373,124
Additions	-	827,874	37,250	76,500	941,624
Disposals	-	(243,799)	-	(281,969)	(525,768)
At 31 March 2018	2,114,059	2,315,308	43,650	315,963	4,788,980
<b>Depreciation</b>					
At 1 April 2017	45,786	1,270,562	(1,298)	447,475	1,762,525
Charge for the year on owned assets	4,656	138,542	1,154	51,557	195,909
Charge for the year on financed assets	-	29,886	-	-	29,886
Disposals	-	(209,607)	-	(278,554)	(488,161)
At 31 March 2018	50,442	1,229,383	(144)	220,478	1,500,159
<b>Net book value</b>					
At 31 March 2018	2,063,617	1,085,925	43,794	95,485	3,288,821
At 31 March 2017	2,068,273	460,671	7,698	73,957	2,610,599

Included in land and buildings is freehold land at a cost of £950,000 (2017: £950,000) which is not depreciated.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	481,076	149,213
	<u>481,076</u>	<u>149,213</u>

# Woodmansterne Publications Limited

## Notes to the financial statements For the Year Ended 31 March 2018

### 14. Stocks

	2018 £	2017 £
Raw materials and consumables	99,166	86,312
Work in progress (goods to be sold)	236,686	353,064
Finished goods and goods for resale	579,908	407,729
	<u>915,760</u>	<u>847,105</u>

### 15. Debtors

	2018 £	2017 £
Trade debtors	2,643,851	2,217,439
Other debtors	25,294	160,003
Prepayments and accrued income	356,734	275,041
	<u>3,025,879</u>	<u>2,652,483</u>

### 16. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	983,486	975,660
	<u>983,486</u>	<u>975,660</u>

### 17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	73,881	73,057
Trade creditors	1,750,442	1,297,183
Corporation tax	94,589	71,579
Other taxation and social security	92,628	172,617
Obligations under finance lease and hire purchase contracts	141,275	51,900
Other creditors	463,197	404,728
Accruals and deferred income	707,628	364,880
	<u>3,323,640</u>	<u>2,435,944</u>

The company has a bank overdraft facility and a trade supplier agreement which are secured by way of fixed charges over certain freehold property.

Notes to the financial statements  
For the Year Ended 31 March 2018

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

	2018 £	2017 £
Bank loans	230,513	303,976
Net obligations under finance leases and hire purchase contracts	275,275	60,245
	<u>505,788</u>	<u>364,221</u>

**Secured loans**

The bank loans are secured on the freehold property of the company.

The bank loan comprises of a 15 year loan on £1,000,000 on which interest is payable at base rate plus 1%. The loan is repayable by instalments by 2022.

19. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
<b>Amounts falling due within one year</b>		
Bank loans	73,881	73,057
	<u>73,881</u>	<u>73,057</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	74,771	74,214
	<u>74,771</u>	<u>74,214</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	155,742	229,591
	<u>155,742</u>	<u>229,591</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	171
	<u>-</u>	<u>171</u>
	<u>304,394</u>	<u>377,033</u>

**Woodmansterne Publications Limited**

**Notes to the financial statements  
For the Year Ended 31 March 2018**

**20. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	141,275	51,900
Between 1-5 years	186,400	60,245
Over 5 years	88,875	-
	<u>416,550</u>	<u>112,145</u>

**21. Financial instruments**

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	2,669,145	2,377,442
	<u>2,669,145</u>	<u>2,377,442</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(3,320,228)	(2,362,235)
	<u>(3,320,228)</u>	<u>(2,362,235)</u>

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, accruals, bank loans and other creditors.

**22. Deferred taxation**

	2018 £
At beginning of year	(24,530)
Charged to the profit or loss	10,598
<b>At end of year</b>	<u>(13,932)</u>

## Woodmansterne Publications Limited

### Notes to the financial statements For the Year Ended 31 March 2018

#### 22. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(13,932)	(24,530)
	<u>(13,932)</u>	<u>(24,530)</u>

#### 23. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
19,500 Ordinary shares of £1 each	19,500	19,500
	<u>19,500</u>	<u>19,500</u>

#### 24. Reserves

##### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

##### Profit & loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

#### 25. Pension commitments

The company operates a defined contributions pension scheme for staff. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £100,649 (2017: £97,834). Contributions totalling £14,001 (2017: £13,477) were payable to the fund at the balance sheet date and are included in other creditors.

#### 26. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	93,242	89,840
Later than 1 year and not later than 5 years	86,759	86,083
	<u>180,001</u>	<u>175,923</u>

## **Woodmansterne Publications Limited**

### **Notes to the financial statements For the Year Ended 31 March 2018**

#### **27. Related party transactions**

The premises occupied by the company is owned by the shareholders Small Self Administered Scheme pension fund in which P A Woodmansterne and J R Britton are Trustees. The rent paid in the period of £351,994 (2017: £326,994) is considered to be a fair market rent.

Cardmix Limited is a company controlled by P A Woodmansterne and Mrs J R Britton, shareholders of Woodmansterne Publications Limited. During the year the company sold cards to Cardmix Limited totalling £Nil (2017: £546,470). In addition cards valued at £197,000 (2017: £168,811) were purchased from Cardmix Limited. Management and service charges, design studio charges and recharges of various administrative costs totalling £Nil (2017: £270,986) were charged by the company to Cardmix Limited.

At 31 March 2018 Cardmix Limited owed the company a balance of £Nil (2017: £93,811) by way of a structured loan. Interest of £Nil (2017: £5,297) has been charged on this balance. In addition, Woodmansterne Publications Limited were owed £Nil (2017: £129,138) from Cardmix Limited included within trade debtors and owed to Cardmix Limited £123,133 (2017: £11,421) included within trade creditors.

In the current and prior year no dividends have been declared. All directors' remuneration paid by the company during the year was done so under normal market conditions.

#### **28. Controlling party**

Day to Day operational control of the company is undertaken by the directors, P A Woodmansterne and B S Woodmansterne.

No individual shareholder is able to exercise control by virtue of their shareholding.