

**Datagraphic Group Limited**  
**Filleted Financial Statements**  
**31st October 2018**

**JOHN P HARDY LLP**  
Chartered accountants & statutory auditor  
Market Place  
Ossett  
West Yorkshire  
WF5 8BQ



# Datagraphic Group Limited

## Statement of Financial Position

31st October 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	7	104,269	104,269
Tangible assets	8	<u>704,514</u>	<u>611,325</u>
		<b>808,783</b>	<b>715,594</b>
<b>Current assets</b>			
Stocks		97,011	98,807
Debtors	9	2,400,257	2,582,560
Cash at bank and in hand		<u>165</u>	<u>149</u>
		<b>2,497,433</b>	<b>2,681,516</b>
<b>Creditors: amounts falling due within one year</b>	10	<u>2,472,721</u>	<u>2,495,917</u>
<b>Net current assets</b>		<b>24,712</b>	<b>185,599</b>
<b>Total assets less current liabilities</b>		<b>833,495</b>	<b>901,193</b>
<b>Creditors: amounts falling due after more than one year</b>	11	339,715	373,715
<b>Provisions</b>			
Taxation including deferred tax	12	<u>8,986</u>	<u>10,484</u>
<b>Net assets</b>		<u><b>484,794</b></u>	<u><b>516,994</b></u>
<b>Capital and reserves</b>			
Called up share capital	14	25,000	25,000
Share premium account	15	8,250	8,250
Revaluation reserve	15	106,160	—
Profit and loss account	15	<u>345,384</u>	<u>483,744</u>
<b>Shareholders funds</b>		<u><b>484,794</b></u>	<u><b>516,994</b></u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.  
The notes on pages 3 to 11 form part of these financial statements.

**Datagraphic Group Limited**  
**Statement of Financial Position** *(continued)*  
**31st October 2018**

These financial statements were approved by the board of directors and authorised for issue on 25th July 2019, and are signed on behalf of the board by:



Mr. E. Wells  
Director

Company registration number: 1215380

The notes on pages 3 to 11 form part of these financial statements.

**Datagraphic Group Limited**  
**Notes to the Financial Statements**  
**Year ended 31st October 2018**

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Ireland Industrial Estate, Adelphi Way, Staveley, Chesterfield, Derbyshire, S43 3LS.

**2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity, and are rounded to the nearest £1.

**Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Datagraphic Holdings Limited. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: No cash flow statement has been presented for the company.

Disclosures in respect of financial instruments have not been presented.

No disclosure has been given for the aggregate remuneration of key management personnel.

**Judgements and key sources of estimation uncertainty**

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

**Revenue recognition**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Turnover and operating profits are derived mainly from the UK and from the company's principal activities.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

# Datagraphic Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st October 2018

### 3. Accounting policies *(continued)*

#### Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	4 to 8 years
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% straight line
Fixtures & Fittings	-	5 to 10 years
Motor Vehicles	-	33% straight line
Machinery & Computer Equip	-	2 to 5 years

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

#### Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of overheads. Net realisable value is based on estimated selling price, less further costs expected to be incurred on completion and disposal.

# Datagraphic Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st October 2018

### 3. Accounting policies *(continued)*

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 32 (2017: 32).

### 5. Tax on profit

#### Major components of tax expense

	2018 £	2017 £
<b>Current tax:</b>		
UK current tax expense	83,320	132,691
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(1,498)	720
<b>Tax on profit</b>	<u>81,822</u>	<u>133,411</u>

# Datagraphic Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31st October 2018

#### 5. Tax on profit *(continued)*

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.41%).

	2018 £	2017 £
Profit on ordinary activities before taxation	<b>414,700</b>	626,714
Profit on ordinary activities by rate of tax	<b>78,793</b>	121,645
Effect of capital allowances and depreciation	–	1,756
Disallowable expenses	<b>3,029</b>	10,010
Tax on profit	<b>81,822</b>	133,411

#### 6. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018 £	2017 £
Equity dividends on ordinary shares	<b>471,238</b>	482,458

#### 7. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1st November 2017 and 31st October 2018	<b>717,191</b>
<b>Amortisation</b>	
At 1st November 2017 and 31st October 2018	<b>612,922</b>
<b>Carrying amount</b>	
At 31st October 2018	<b>104,269</b>
At 31st October 2017	104,269

The directors carry out an annual assessment of the carrying value of the purchased goodwill. Due to the benefits of the acquisition of Knights Business Forms Limited in 2016 exceeding expectations, the directors feel that the goodwill has been over-amortised and will have a longer useful life than originally estimated. As a result, they have not amortised it in the current year, and will continue to review the situation on an on-going basis.

# Datagraphic Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st October 2018

### 8. Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost or valuation</b>					
At 1st November 2017	578,550	105,853	13,874	176,172	<b>874,449</b>
Additions	–	–	19,074	2,253	<b>21,327</b>
Disposals	–	–	(13,874)	–	<b>(13,874)</b>
Revaluations	71,450	–	–	–	<b>71,450</b>
<b>At 31st October 2018</b>	<b><u>650,000</u></b>	<b><u>105,853</u></b>	<b><u>19,074</u></b>	<b><u>178,425</u></b>	<b><u>953,352</u></b>
<b>Depreciation</b>					
At 1st November 2017	34,710	64,808	9,249	154,357	<b>263,124</b>
Charge for the year	–	11,276	3,709	14,688	<b>29,673</b>
Disposals	–	–	(9,249)	–	<b>(9,249)</b>
Revaluations	(34,710)	–	–	–	<b>(34,710)</b>
<b>At 31st October 2018</b>	<b><u>–</u></b>	<b><u>76,084</u></b>	<b><u>3,709</u></b>	<b><u>169,045</u></b>	<b><u>248,838</u></b>
<b>Carrying amount</b>					
<b>At 31st October 2018</b>	<b><u>650,000</u></b>	<b><u>29,769</u></b>	<b><u>15,365</u></b>	<b><u>9,380</u></b>	<b><u>704,514</u></b>
At 31st October 2017	<u>543,840</u>	<u>41,045</u>	<u>4,625</u>	<u>21,815</u>	<u>611,325</u>

#### Tangible assets held at valuation

In December 2018 the Land & Buildings were revalued by Mark Jenkinson & Son, Independent Property Professionals, of Dunston Innovation Centre, Chesterfield, S41 8NG. The valuation is based on the open market value with vacant possession.

### 9. Debtors

	2018 £	2017 £
Trade debtors	<b>1,097,992</b>	1,137,781
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<b>1,269,440</b>	1,269,447
Other debtors	<b>32,825</b>	175,332
	<b><u>2,400,257</u></b>	<b><u>2,582,560</u></b>

The debtors above include the following amounts falling due after more than one year:

	2018 £	2017 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<b><u>1,269,440</u></b>	<b><u>1,269,447</u></b>



# Datagraphic Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31st October 2018

#### 9. Debtors *(continued)*

Included in the amounts owed by group undertakings is an amount of £50,078 that the company has loaned to an Employee Benefit Trust, of which Prolog Trustees Limited is the Trustee, to enable it to buy back shares in the company from former employees.

In the period to 31st October 2014 the company loaned £1,008,565 to Datagraphic Holdings Limited to assist in the purchase of Datagraphic Limited. The repayment terms of this loan are such that it is not possible to be certain when the loan will be repaid in full, but this will not be in the next twelve months.

The company has advanced monies to a director, Mr. R.G. King. Further details are given in notes 21 and 22. By 31st October 2018, the loan had been fully repaid and the company owed money to Mr. King.

#### 10. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	357,480	465,250
Trade creditors	292,392	387,711
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,429,155	1,261,434
Corporation tax	83,320	132,691
Social security and other taxes	130,400	117,746
Other creditors	179,974	131,085
	<u>2,472,721</u>	<u>2,495,917</u>

The company has a £470,000 loan facility with Svenska Handelsbanken AB, over a three year term, with an annual interest rate of 1.95% over LIBOR. In January 2016, the company drew down an amount of £467,215. Repayment of the loan is by quarterly instalments of £8,500. The balance is due for repayment or re-negotiation on maturity. The company also has an invoice discounting facility and a credit card facility with Svenska Handelsbanken AB. All facilities are secured by (i) a First Mortgage Debenture dated 25 January 2016; (ii) a First Legal Charge over Ireland Industrial Estate dated 25 January 2016; and (iii) a Charge over the Book Debts of the company dated 17 December 2016.

#### 11. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	<u>339,715</u>	<u>373,715</u>

The company has a £470,000 loan facility with Svenska Handelsbanken AB, over a three year term, as detailed above.

# Datagraphic Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st October 2018

### 12. Provisions

	Deferred tax (note 13) £
At 1st November 2017	10,484
Unused amounts reversed	<u>(1,498)</u>
<b>At 31st October 2018</b>	<b><u>8,986</u></b>

### 13. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018 £	2017 £
Included in provisions (note 12)	<u>8,986</u>	<u>10,484</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018 £	2017 £
Accelerated capital allowances	<u>8,986</u>	<u>10,484</u>

### 14. Called up share capital

#### Authorised share capital

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

#### Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

### 15. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

# Datagraphic Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31st October 2018

#### 16. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Not later than 1 year	40,633	9,425
Later than 1 year and not later than 5 years	16,707	33,245
	<u>57,340</u>	<u>42,670</u>

#### 17. Events after the end of the reporting period

In January 2019, the company has acquired the goodwill, IP, equipment and customer base of NEC Security Forms Limited for an initial consideration of £120,000, with further amounts payable subject to sales achievements, up to a maximum of £20,000.

#### 18. Summary audit opinion

The auditor's report for the year dated 25th July 2019 was unqualified.

The senior statutory auditor was John Hardy BA FCA, for and on behalf of John P Hardy LLP.

#### 19. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2018			
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
Mr. E. Wells	(5,200)	(75,000)	71,137	(9,063)
Mr. R.G. King	145,721	(305,111)	148,670	(10,720)
	<u>140,521</u>	<u>(380,111)</u>	<u>219,807</u>	<u>(19,783)</u>
	2017			
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
Mr. E. Wells	(20,200)	(105,000)	120,000	(5,200)
Mr. R.G. King	101,883	(225,000)	268,838	145,721
	<u>81,683</u>	<u>(330,000)</u>	<u>388,838</u>	<u>140,521</u>

# **Datagraphic Group Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31st October 2018**

### **20. Related party transactions**

The company is a wholly owned subsidiary of Datagraphic Holdings Limited. Datagraphic Holdings Limited is not controlled by any one individual. Datagraphic Holdings Limited also has another wholly owned subsidiary company, Datagraphic Limited, with which Datagraphic Group Limited trades. During the year, the company has made sales to Datagraphic Limited of £51,623 and purchases from Datagraphic Limited of £3,178,897. At 31 October 2018 the company owed £1,429,155 to Datagraphic Limited.

Datagraphic Holdings Limited also has another wholly owned subsidiary company, Trading Transformations Limited. At 31 October 2018 the company was owed £180,000 by Trading Transformations Limited.

Mr. R.G. King and Mr. E. Wells, both directors of the company and shareholders in the parent company are also directors of Prolog Trustees Limited a company which acts as a Trustee for the company's Employee Benefit Trust.

Further monies were advanced to Mr. King during the year. The balance at the start of the year of £145,721 was repaid by Mr. King during the year, and further advances were made to him, the maximum outstanding amount during the year being £158,885. At 31st October 2018, the full amount had been repaid.

In the directors' opinion, no other transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standards.

### **21. Controlling party**

The company is a wholly owned subsidiary undertaking of Datagraphic Holdings Limited, a company registered in England & Wales.