

**Peters Limited**  
**Financial Statements**  
**30 April 2018**

**DAW WHITE MURRALL**  
Chartered accountant & statutory auditor  
1 George Street  
Snow Hill  
Wolverhampton  
WV2 4DG



**Peters Limited**  
**Financial Statements**  
**Year ended 30 April 2018**

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# **Peters Limited**

## **Strategic Report**

**Year ended 30 April 2018**

The library book supply market continues to be challenging as a direct result of continuous price pressures from public sector buying consortiums and an extremely competitive market which includes large general book wholesalers. This competitive market led to a fall in turnover from 2017 to 2018 of £364,000.

As part of a planned programme of improvement, the company has continued to invest significantly in IT infrastructure and this, coupled with additional, exceptional costs associated with restructuring and re-focusing the business, has affected the performance for the year. The results for the year ending 30 April 2018 have improved from last year but however show a loss of £100,203.

The business continues to develop successful partnerships within the educational sector and these will contribute towards the continued penetration and growth in market share of the school business.

The working capital base continues to provide a strong foundation for the business and the directors are confident that the company will return to profitability and will continue to do so into the future as the planned investment reduces and the improvements made start to impact on the business.

This report was approved by the board of directors on 18 October 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'R J Peters', with a large, sweeping flourish underneath.

R J Peters  
Chairman

Registered office:  
120 Bromsgrove Street  
Birmingham  
B5 6RJ

# **Peters Limited**

## **Directors' Report**

**Year ended 30 April 2018**

The directors present their report and the financial statements of the company for the year ended 30 April 2018.

### **Directors**

The directors who served the company during the year were as follows:

M J Peters MacDougall  
R J Peters  
R F Dyer

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the 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 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 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.

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# **Peters Limited**

## **Directors' Report *(continued)***

**Year ended 30 April 2018**

This report was approved by the board of directors on 18 October 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'R J Peters', written over a horizontal line.

R J Peters  
Chairman

Registered office:  
120 Bromsgrove Street  
Birmingham  
B5 6RJ

# **Peters Limited**

## **Independent Auditor's Report to the Members of Peters Limited**

**Year ended 30 April 2018**

### **Opinion**

We have audited the financial statements of Peters Limited (the 'company') for the year ended 30 April 2018 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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.

# **Peters Limited**

## **Independent Auditor's Report to the Members of Peters Limited *(continued)***

**Year ended 30 April 2018**

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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, 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.

# **Peters Limited**

## **Independent Auditor's Report to the Members of Peters Limited *(continued)***

**Year ended 30 April 2018**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 on the effectiveness of the 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 auditor's 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 auditor's 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.



## **Peters Limited**

### **Independent Auditor's Report to the Members of Peters Limited *(continued)***

**Year ended 30 April 2018**

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.



Philip Daw (Senior Statutory Auditor)

For and on behalf of  
Daw White Murrall  
Chartered accountant & statutory auditor  
1 George Street  
Snow Hill  
Wolverhampton  
WV2 4DG

18 October 2018

**Peters Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 30 April 2018**

	Note	2018 £	2017 £
<b>Turnover</b>	<b>4</b>	<b>12,881,879</b>	13,245,709
Cost of sales		<u>9,579,792</u>	<u>9,725,309</u>
<b>Gross profit</b>		<b>3,302,087</b>	3,520,400
Administrative expenses		<u>3,432,022</u>	<u>3,822,102</u>
<b>Operating loss</b>	<b>5</b>	<b>(129,935)</b>	(301,702)
Other interest receivable and similar income	<b>9</b>	<u>29,732</u>	<u>13,654</u>
<b>Loss before taxation</b>		<b>(100,203)</b>	(288,048)
Tax on loss		<u>-</u>	<u>-</u>
<b>Loss for the financial year and total comprehensive income</b>		<b>(100,203)</b>	(288,048)
<b>Retained earnings at the start of the year</b>		<b>2,578,905</b>	2,866,953
<b>Retained earnings at the end of the year</b>		<b>2,478,702</b>	<u>2,578,905</u>

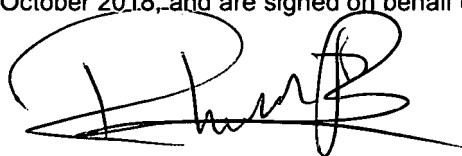
All the activities of the company are from continuing operations.

The notes on pages 11 to 16 form part of these financial statements.

**Peters Limited**  
**Statement of Financial Position**  
**30 April 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	10	47,961	37,142
<b>Current assets</b>			
Stocks	11	519,552	670,401
Debtors	12	1,756,721	1,115,541
Cash at bank and in hand		1,213,310	1,825,381
		<u>3,489,583</u>	<u>3,611,323</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>1,048,842</u>	<u>1,059,560</u>
<b>Net current assets</b>		<u>2,440,741</u>	<u>2,551,763</u>
<b>Total assets less current liabilities</b>		<u>2,488,702</u>	<u>2,588,905</u>
<b>Net assets</b>		<u>2,488,702</u>	<u>2,588,905</u>
<b>Capital and reserves</b>			
Called up share capital	16	10,000	10,000
Profit and loss account	17	<u>2,478,702</u>	<u>2,578,905</u>
<b>Shareholders funds</b>		<u>2,488,702</u>	<u>2,588,905</u>

These financial statements were approved by the board of directors and authorised for issue on 18 October 2018, and are signed on behalf of the board by:



R J Peters  
Chairman

Company registration number: 02452340

The notes on pages 11 to 16 form part of these financial statements.

**Peters Limited**  
**Statement of Cash Flows**  
**Year ended 30 April 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(100,203)	(288,048)
<i>Adjustments for:</i>		
Depreciation of tangible assets	19,890	21,660
Other interest receivable and similar income	(29,732)	(13,654)
Loss on disposal of tangible assets	—	104
Accrued (income)/expenses	(24,814)	18,124
<i>Changes in:</i>		
Stocks	150,849	229,902
Trade and other debtors	(641,180)	(121,425)
Trade and other creditors	14,096	949,813
Cash generated from operations	(611,094)	796,476
Interest received	29,732	13,654
Tax paid	—	(1,305)
Net cash (used in)/from operating activities	<u>(581,362)</u>	<u>808,825</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(30,709)	(8,133)
Net cash used in investing activities	<u>(30,709)</u>	<u>(8,133)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans from group undertakings	—	(749,160)
Net cash used in financing activities	<u>—</u>	<u>(749,160)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(612,071)</b>	<b>51,532</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>1,825,381</u></b>	<b><u>1,773,849</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u>1,213,310</u></b>	<b><u>1,825,381</u></b>

The notes on pages 11 to 16 form part of these financial statements.

**Peters Limited**  
**Notes to the Financial Statements**  
**Year ended 30 April 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 120 Bromsgrove Street, Birmingham, B5 6RJ.

**2. Statement of compliance**

These financial statements have been prepared in compliance with 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.

**Judgements and key sources of estimation uncertainty**

There are no significant judgements or estimates that will affect the financial statements in the current year.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

**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.

# Peters Limited

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

Year ended 30 April 2018

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

#### 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:

Leasehold property	-	Straight line over the period of the lease
Fixtures & fittings	-	20% and 33 1/3% on a straight line basis

#### 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.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# Peters Limited

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

Year ended 30 April 2018

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

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Turnover

Turnover arises from:

	2018 £	2017 £
Sale of goods	<u>12,881,879</u>	<u>13,245,709</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 5. Operating profit

Operating profit or loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible assets	19,890	21,660
Loss on disposal of tangible assets	<u>—</u>	<u>104</u>

### 6. Auditor's remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>9,000</u>	<u>9,950</u>

### 7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018 No.	2017 No.
Production staff	78	92
Administrative staff	12	10
Number of directors	<u>3</u>	<u>3</u>
	<u>93</u>	<u>105</u>

# Peters Limited

## Notes to the Financial Statements (continued)

Year ended 30 April 2018

### 7. Staff costs (continued)

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018 £	2017 £
Wages and salaries	1,960,907	2,135,478
Social security costs	126,325	142,697
Other pension costs	51,689	53,265
	<u>2,138,921</u>	<u>2,331,440</u>

### 8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018 £	2017 £
Remuneration	85,062	87,886
Company contributions to defined contribution pension plans	6,173	5,654
	<u>91,235</u>	<u>93,540</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018 No.	2017 No.
Defined contribution plans	<u>1</u>	<u>1</u>

### 9. Other interest receivable and similar income

	2018 £	2017 £
Interest on cash and cash equivalents	<u>29,732</u>	<u>13,654</u>

### 10. Tangible assets

	Land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 May 2017	154,916	142,190	297,106
Additions	–	30,709	30,709
<b>At 30 April 2018</b>	<u>154,916</u>	<u>172,899</u>	<u>327,815</u>
<b>Depreciation</b>			
At 1 May 2017	154,916	105,048	259,964
Charge for the year	–	19,890	19,890
<b>At 30 April 2018</b>	<u>154,916</u>	<u>124,938</u>	<u>279,854</u>
<b>Carrying amount</b>			
At 30 April 2018	<u>–</u>	<u>47,961</u>	<u>47,961</u>
At 30 April 2017	<u>–</u>	<u>37,142</u>	<u>37,142</u>



# Peters Limited

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

Year ended 30 April 2018

### 11. Stocks

	2018 £	2017 £
Work in progress	129,062	100,682
Finished goods and goods for resale	390,490	569,719
	<u>519,552</u>	<u>670,401</u>

### 12. Debtors

	2018 £	2017 £
Trade debtors	778,176	853,367
Amounts owed by group undertakings	250,606	191,530
Prepayments and accrued income	61,529	69,508
Directors loan account	647,164	—
Other debtors	19,246	1,136
	<u>1,756,721</u>	<u>1,115,541</u>

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

	2018 £	2017 £
Trade creditors	966,245	942,057
Accruals and deferred income	51,095	75,909
Social security and other taxes	31,183	41,166
Other creditors	319	428
	<u>1,048,842</u>	<u>1,059,560</u>

### 14. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £51,689 (2017: £53,265).

### 15. Financial instruments

Financial instruments such as Trade debtors, cash and Trade creditors arise from the company's operations.

### 16. Called up share capital

#### Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

# Peters Limited

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

Year ended 30 April 2018

### 17. Reserves

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

### 18. 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 £	Balance outstanding £
M J Peters MacDougall	—	647,164	647,164
	<u>—</u>	<u>647,164</u>	<u>647,164</u>
	2017		
	Balance brought forward £	Advances/ (credits) to the directors £	Balance outstanding £
M J Peters MacDougall	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>

### 19. Related party transactions

The company was under the control of M J Peters MacDougall throughout the current and previous year.

Included in debtors is a loan to M J Peters MacDougall of £647,164. This loan is unsecured and repayable on demand. Interest is charged by the company on the loan at 3% per annum. It is expected that the loan will be repaid in full before 30 April 2019.

### 20. Controlling party

The company is a wholly owned subsidiary of J S Peters & Son Limited a company incorporated in England.