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Registered number: 00411176

**STEPHENS AND GEORGE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**



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**STEPHENS AND GEORGE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A L G Jones D J Debattista N A Pressling S Davies V A Jones
<b>Company secretary</b>	C Mathias
<b>Registered number</b>	00411176
<b>Registered office</b>	Goat Mill Road Dowlais Merthyr Tydfil CF48 3TD
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 11/13 Penhill Road Cardiff South Glamorgan CF11 9UP

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**STEPHENS AND GEORGE LIMITED**

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STEPHENS AND GEORGE LIMITED

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GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018

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**Introduction**

The Directors present their Strategic Report for the year.

**Business review**

The Stephens and George Print Group saw a period of consolidation in the year to 31st March 2018 as the work of the Enfield Printing Company was further bedded in to the Merthyr Tydfil site and the company focused its attention to making the investment in finishing machinery made over the last three years produce quality product even more efficiently.

That is not to say our capital investment programme has in any way stopped or even slowed down, with further substantial infrastructure and machinery investment taking place after the Balance Sheet date, and set to continue in to 2019.

Turnover declined very slightly in the year (down 1.4%), which resulted in Gross Margins falling from 34.8% to 34.2% as input prices continued to rise against flat or reducing sales prices, reflecting a market continuing to suffer from over capacity.

The Company's balance sheet remains strong however and cash balances very healthy, and the Directors are anticipating increasing activity levels moving forward, utilising the investment made in people and assets to achieve greater quality and productivity.

**Principal risks and uncertainties**

The print market is highly competitive and this remains a continuing threat to the business.

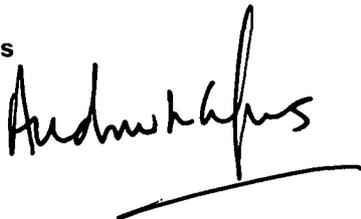
Availability of and the increasing costs of materials supplied from Europe has become a growing issue affecting print companies in the last 9 months, but Stephens and George has worked hard to mitigate both by ensuring continued long term relationships with those in its supply chains and is in the strongest position to minimise any further potential threats from both supply and cost given the uncertainties in the wider economy.

**Financial key performance indicators**

The financial key performance indicators are turnover and gross profit percentage referenced above.

This report was approved by the board on 13/12/18 and signed on its behalf.

A L G Jones  
Director



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## STEPHENS AND GEORGE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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

#### Results and dividends

The profit for the year, after taxation, amounted to £628,144 (2017: £1,036,219).

No ordinary dividends were declared or paid during the year (2017: £Nil).

#### Directors

The directors who served during the year were:

A L G Jones  
D J Debattista  
N A Pressling  
S Davies  
V A Jones

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Future developments

Despite tough trading conditions within the group's markets, the directors are satisfied with the performance of the group for the financial year and consider its future prospects to be favourable. In order to maintain its competitive position for the future, wherever it is deemed necessary or advantageous, the business will continue with its policy of investing in its people, technology and plant and machinery.

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**STEPHENS AND GEORGE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

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**Financial instruments**

The Directors have reviewed the financial risk management objectives and policies of the group. The directors do not believe there to be significant risks in this area. The group does not enter into any hedging instruments, as there are not believed to be any material exposures. The group does not enter into any financial instruments for speculative purposes.

Appropriate terms are negotiated with suppliers and customers. Management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. The group prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the overall Stephens and George Limited group financing arrangements.

**Post balance sheet events**

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

**Disclosure of information to auditor**

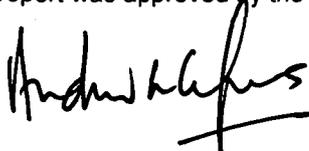
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

**Auditor**

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

This report was approved by the board on 13/12/18 and signed on its behalf.



**A L G Jones**  
Director



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEPHENS AND GEORGE LIMITED

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### Opinion

We have audited the financial statements of Stephens and George Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2018, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company 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 Group's and of the parent Company's affairs as at 31 March 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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.

### Who we are reporting to

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.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEPHENS AND GEORGE LIMITED  
(CONTINUED)**

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**Other information**

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

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

We have nothing to report in this regard.

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

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

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

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

**Matters on which we are required to report by exception**

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEPHENS AND GEORGE LIMITED  
(CONTINUED)**

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**Responsibilities of directors for the financial statements**

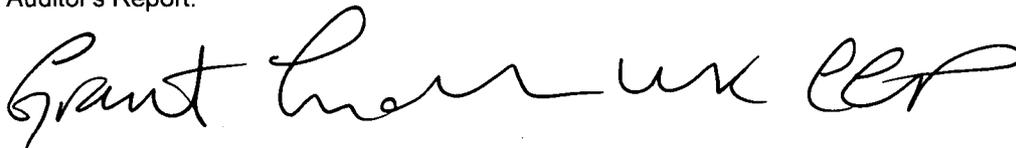
As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the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

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.



Rhian Owen (Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Chartered Accountants, Statutory Auditor  
Cardiff

Date: 13 December 2018

STEPHENS AND GEORGE LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	4	28,371,201	28,764,829
Cost of sales		(18,676,664)	(18,746,314)
<b>Gross profit</b>		<b>9,694,537</b>	<b>10,018,515</b>
Distribution costs		(345,457)	(361,223)
Administrative expenses		(8,400,741)	(8,112,746)
<b>Operating profit</b>	5	<b>948,339</b>	<b>1,544,546</b>
Interest receivable and similar income	9	81,393	71,173
Interest payable and expenses	10	(204,304)	(245,340)
<b>Profit before taxation</b>		<b>825,428</b>	<b>1,370,379</b>
Tax on profit	11	(197,284)	(334,160)
<b>Profit for the financial year</b>		<b>628,144</b>	<b>1,036,219</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		628,144	1,036,219
		<b>628,144</b>	<b>1,036,219</b>

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

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

The notes on pages 15 to 39 form part of these financial statements.

**STEPHENS AND GEORGE LIMITED**  
**REGISTERED NUMBER:00411176**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Intangible assets	12		827,864		1,054,674
Tangible assets	14		15,453,467		16,113,092
Investments	15		60,000		60,000
			<u>16,341,331</u>		<u>17,227,766</u>
<b>Current assets</b>					
Stocks	16	921,165		685,163	
Debtors	17	7,235,290		7,519,852	
Cash at bank and in hand	18	3,086,566		3,026,542	
			<u>11,243,021</u>	<u>11,231,557</u>	
Creditors: amounts falling due within one year	19	<u>(8,391,835)</u>		<u>(8,063,764)</u>	
<b>Net current assets</b>			<u>2,851,186</u>		<u>3,167,793</u>
<b>Total assets less current liabilities</b>			<u>19,192,517</u>		<u>20,395,559</u>
Creditors: amounts falling due after more than one year	20		(7,004,961)		(8,731,549)
<b>Provisions for liabilities</b>					
Deferred taxation	24	(429,995)		(534,593)	
			<u>(429,995)</u>	<u>(534,593)</u>	
<b>Net assets</b>			<u><u>11,757,561</u></u>		<u><u>11,129,417</u></u>

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STEPHENS AND GEORGE LIMITED  
REGISTERED NUMBER:00411176

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CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2018

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	Note	2018 £	2017 £
<b>Capital and reserves</b>			
Called up share capital	25	48,300	48,300
Capital redemption reserve	26	40,100	40,100
Profit and loss account	26	11,666,944	11,038,800
<b>Equity attributable to owners of the parent Company</b>		<u>11,755,344</u>	<u>11,127,200</u>
Non-controlling interests		2,217	2,217
		<u>11,757,561</u>	<u>11,129,417</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13/12/18

  
A L G Jones  
Director

The notes on pages 15 to 39 form part of these financial statements.

**STEPHENS AND GEORGE LIMITED**  
**REGISTERED NUMBER:00411176**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Intangible assets	12		266,237		282,971
Tangible assets	14		15,419,455		16,060,887
Investments	15		582,467		582,467
			<u>16,268,159</u>		<u>16,926,325</u>
<b>Current assets</b>					
Stocks	16	921,165		685,163	
Debtors	17	7,057,734		7,571,787	
Cash at bank and in hand	18	2,985,057		2,944,899	
			<u>10,963,956</u>	<u>11,201,849</u>	
Creditors: amounts falling due within one year	19	(8,170,612)		(7,861,207)	
<b>Net current assets</b>			<u>2,793,344</u>		<u>3,340,642</u>
<b>Total assets less current liabilities</b>			<u>19,061,503</u>		<u>20,266,967</u>
Creditors: amounts falling due after more than one year	20		(6,688,144)		(8,171,170)
<b>Provisions for liabilities</b>					
Deferred taxation	24	(428,403)		(534,593)	
			<u>(428,403)</u>	<u>(534,593)</u>	
<b>Net assets</b>			<u><u>11,944,956</u></u>		<u><u>11,561,204</u></u>

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STEPHENS AND GEORGE LIMITED  
REGISTERED NUMBER:00411176

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COMPANY BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2018

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	Note	2018 £	2017 £
<b>Capital and reserves</b>			
Called up share capital	25	48,300	48,300
Capital redemption reserve	26	40,100	40,100
Profit and loss account brought forward		11,472,804	9,996,707
Profit for the year		383,752	1,476,097
Profit and loss account carried forward		<u>11,856,556</u>	<u>11,472,804</u>
		<u>11,944,956</u>	<u>11,561,204</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13/12/18

  
A L G Jones  
Director

The notes on pages 15 to 39 form part of these financial statements.

**STEPHENS AND GEORGE LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
<b>At 1 April 2016</b>	48,300	40,100	10,002,581	10,090,981	2,217	10,093,198
Profit for the year	-	-	1,036,219	1,036,219	-	1,036,219
<b>At 1 April 2017</b>	48,300	40,100	11,038,800	11,127,200	2,217	11,129,417
Profit for the year	-	-	628,144	628,144	-	628,144
<b>At 31 March 2018</b>	48,300	40,100	11,666,944	11,755,344	2,217	11,757,561

The notes on pages 15 to 39 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2016</b>	48,300	40,100	9,996,707	10,085,107
Profit for the year	-	-	1,476,097	1,476,097
<b>At 1 April 2017</b>	48,300	40,100	11,472,804	11,561,204
Profit for the year	-	-	383,752	383,752
<b>At 31 March 2018</b>	48,300	40,100	11,856,556	11,944,956

The notes on pages 15 to 39 form part of these financial statements.

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STEPHENS AND GEORGE LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018

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	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	628,144	1,036,219
<b>Adjustments for:</b>		
Amortisation of intangible assets	226,810	174,291
Depreciation of tangible assets	3,106,564	2,910,409
Profit on disposal of tangible assets	(156,278)	(421,598)
Interest paid	204,304	245,350
Interest received	(81,393)	(71,173)
Taxation charge	197,284	334,160
(Increase)/decrease in stocks	(236,002)	79,751
Decrease/(increase) in debtors	284,562	(1,022,356)
(Decrease)/increase in creditors	(191,892)	1,531,449
Corporation tax (paid)	(411,575)	(200,043)
<b>Net cash generated from operating activities</b>	<b>3,570,528</b>	<b>4,596,459</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(2,613,310)	(2,104,613)
Sale of tangible fixed assets	322,649	2,108,296
Purchase of unlisted and other investments	-	(449,176)
Interest received	81,393	71,173
HP interest paid	(184,672)	(210,005)
<b>Net cash from investing activities</b>	<b>(2,393,940)</b>	<b>(584,325)</b>

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STEPHENS AND GEORGE LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018

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	2018 £	2017 £
<b>Cash flows from financing activities</b>		
Repayment of loans	(354,584)	139,773
Repayment of finance leases	(742,348)	(2,765,196)
Interest paid	(19,632)	(35,335)
<b>Net cash used in financing activities</b>	<b>(1,116,564)</b>	<b>(2,660,758)</b>
<b>Net increase in cash and cash equivalents</b>	<b>60,024</b>	<b>1,351,376</b>
Cash and cash equivalents at beginning of year	3,026,542	1,675,166
<b>Cash and cash equivalents at the end of year</b>	<b>3,086,566</b>	<b>3,026,542</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,086,566	3,026,542
	<b>3,086,566</b>	<b>3,026,542</b>

The notes on pages 15 to 39 form part of these financial statements.

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**STEPHENS AND GEORGE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**1. General information**

Stephens and George Limited is a private company limited by shares and incorporated in England and Wales. The registered office is shown on the Company Information page.

The group and company's principal activity is that of printing and finishing.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

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

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

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

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

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

**2.3 Revenue**

Turnover comprises amounts derived from ordinary activities, after trade discounts and excluding value added tax, in respect of the sale of goods and services to customers. Revenue is recognised on despatch of goods.

The directors do not consider that segmental disclosures are required as it is considered that the group has one class of business that provides a group of related products, all of which are sold within the United Kingdom.

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**STEPHENS AND GEORGE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**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 the Group's share 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 Consolidated Statement of Comprehensive Income over its useful economic life.

**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 ten years.

The estimated useful lives range as follows:

Titles	-	20 years straight line
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**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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight-line
Plant and machinery	- 10% - 33% straight-line
Motor vehicles	- 25% - 33% straight-line
Fixtures and fittings	- 25% - 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 Consolidated Statement of Comprehensive Income.

**2.6 Operating leases: the Group as lessee**

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

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**STEPHENS AND GEORGE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Investments held as fixed assets are shown at cost less accumulated impairment.

**2.8 Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2.9 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.

**2.10 Cash and cash equivalents**

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

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

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## STEPHENS AND GEORGE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.11 Financial instruments

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

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

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

##### 2.12 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.

##### 2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

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**STEPHENS AND GEORGE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.14 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

**2.15 Finance costs**

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

**2.16 Leased assets: the Group as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.17 Pensions**

**Defined contribution pension plan**

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

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

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**STEPHENS AND GEORGE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.18 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**2.19 Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

**2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group 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 Consolidated Statement of Comprehensive Income in the year that the Group 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.

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STEPHENS AND GEORGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the *Consolidated 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

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STEPHENS AND GEORGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements. The key areas are summarised below:

**Depreciation**

Management exercise judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

**Amortisation**

Management exercise judgement to determine useful lives of intangible fixed assets. The assets are amortised over their estimated useful life.

**Provisions**

A provision has been calculated for trade debtors and stock. The provisions are estimates of balances that may not be collected/recovered. The actual costs and timing of future cash flows are dependant on future events. The difference between the provision and the actual future liability will be accounted for in the period when such determination is made.

**Allocation of labour to stock**

Management allocate labour cost into the valuation of stock using labour rates. Labour rates have been calculated using mock production runs as an estimate of actual production.

4. Turnover

The whole of the turnover is attributable to printing and finishing.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	3,106,564	2,836,674
Amortisation of intangible assets, including goodwill	226,810	174,291
Exchange differences	(1,219)	(2,463)
	<u>                    </u>	<u>                    </u>

**STEPHENS AND GEORGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**6. Auditor's remuneration**

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	23,000	23,800
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Other services	5,500	5,500

**7. Employees**

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	7,047,544	7,260,390	6,769,790	6,533,030
Social security costs	661,849	657,506	633,654	611,639
Cost of defined contribution scheme	131,845	180,491	129,756	180,491
	<b>7,841,238</b>	<b>8,098,387</b>	<b>7,533,200</b>	<b>7,325,160</b>

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

	Group 2018 No.	Group 2017 No.	Company 2018 No.	Company 2017 No.
Management	14	9	5	5
Production and sales	156	170	156	146
Administration	53	66	53	56
	<b>223</b>	<b>245</b>	<b>214</b>	<b>207</b>

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STEPHENS AND GEORGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	657,252	672,339
Company contributions to defined contribution pension schemes	24,489	33,144
	<u>681,741</u>	<u>705,483</u>

During the year retirement benefits were accruing to 3 directors (2017 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £244,976 (2017: £271,363).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2017: £Nil).

9. Interest receivable

	2018 £	2017 £
Other interest receivable	<u>81,393</u>	<u>71,173</u>

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	19,632	31,988
Finance leases and hire purchase contracts	184,672	210,005
Other interest payable	-	3,347
	<u>204,304</u>	<u>245,340</u>

STEPHENS AND GEORGE LIMITED

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	301,000	411,000
Adjustments in respect of previous periods	882	(3,654)
<b>Total current tax</b>	<b>301,882</b>	<b>407,346</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(104,598)	(73,186)
<b>Total deferred tax</b>	<b>(104,598)</b>	<b>(73,186)</b>
<b>Taxation on profit on ordinary activities</b>	<b>197,284</b>	<b>334,160</b>

**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	<b>825,428</b>	<b>1,370,379</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	<b>156,831</b>	<b>274,076</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	13,028	47,673
Non-qualifying depreciation	17,907	18,563
Change in deferred tax rate	8,933	11,940
Adjustments to corporation tax charge in respect of prior periods	882	(3,654)
Adjustments to deferred tax charge in respect of prior periods	(2,350)	(29,705)
Goodwill amortisation and fair value adjustments	25,284	4,430
Deferred tax not provided	(26,315)	10,774
Other tax differences	3,084	63
<b>Total tax charge for the year</b>	<b>197,284</b>	<b>334,160</b>

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STEPHENS AND GEORGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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12. Intangible assets

Group

	Titles £	Goodwill £	Total £
<b>Cost</b>			
At 1 April 2017	334,673	929,260	1,263,933
At 31 March 2018	<u>334,673</u>	<u>929,260</u>	<u>1,263,933</u>
<b>Amortisation</b>			
At 1 April 2017	51,702	157,557	209,259
Charge for the year	16,734	210,076	226,810
At 31 March 2018	<u>68,436</u>	<u>367,633</u>	<u>436,069</u>
<b>Net book value</b>			
At 31 March 2018	<u>266,237</u>	<u>561,627</u>	<u>827,864</u>
<i>At 31 March 2017</i>	<u>282,971</u>	<u>771,703</u>	<u>1,054,674</u>

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STEPHENS AND GEORGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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12. Intangible assets (continued)

Company

	Titles £
<b>Cost</b>	
At 1 April 2017	334,673
At 31 March 2018	<u>334,673</u>
<b>Amortisation</b>	
At 1 April 2017	51,702
Charge for the year	16,734
At 31 March 2018	<u>68,436</u>
<b>Net book value</b>	
At 31 March 2018	<u>266,237</u>
At 31 March 2017	<u>282,971</u>

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £383,752 (2017: £1,476,097).

**STEPHENS AND GEORGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**14. Tangible fixed assets**

**Group**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 April 2017	5,027,455	23,868,432	698,844	376,771	29,971,502
Additions	15,255	2,404,058	193,997	-	2,613,310
Disposals	-	(2,790,334)	(117,031)	-	(2,907,365)
At 31 March 2018	<u>5,042,710</u>	<u>23,482,156</u>	<u>775,810</u>	<u>376,771</u>	<u>29,677,447</u>
<b>Depreciation</b>					
At 1 April 2017	1,679,768	11,425,133	380,598	372,911	13,858,410
Charge for the year on owned assets	99,249	2,845,130	161,768	417	3,106,564
Disposals	-	(2,642,207)	(98,787)	-	(2,740,994)
At 31 March 2018	<u>1,779,017</u>	<u>11,628,056</u>	<u>443,579</u>	<u>373,328</u>	<u>14,223,980</u>
<b>Net book value</b>					
At 31 March 2018	<u>3,263,693</u>	<u>11,854,100</u>	<u>332,231</u>	<u>3,443</u>	<u>15,453,467</u>
At 31 March 2017	<u>3,347,687</u>	<u>12,443,299</u>	<u>318,246</u>	<u>3,860</u>	<u>16,113,092</u>

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

	2018 £	2017 £
Plant and machinery	11,221,627	11,614,983
Motor vehicles	286,788	284,459
	<u>11,508,415</u>	<u>11,899,442</u>

**STEPHENS AND GEORGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**14. Tangible fixed assets (continued)**

**Company**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 April 2017	5,027,455	23,889,435	674,677	376,771	29,968,338
Additions	15,255	2,404,058	193,997	-	2,613,310
Disposals	-	(2,790,334)	(117,031)	-	(2,907,365)
At 31 March 2018	<u>5,042,710</u>	<u>23,503,159</u>	<u>751,643</u>	<u>376,771</u>	<u>29,674,283</u>
<b>Depreciation</b>					
At 1 April 2017	1,679,768	11,481,770	373,002	372,911	13,907,451
Charge for the year on owned assets	99,249	2,835,085	153,620	417	3,088,371
Disposals	-	(2,642,207)	(98,787)	-	(2,740,994)
At 31 March 2018	<u>1,779,017</u>	<u>11,674,648</u>	<u>427,835</u>	<u>373,328</u>	<u>14,254,828</u>
<b>Net book value</b>					
At 31 March 2018	<u><u>3,263,693</u></u>	<u><u>11,828,511</u></u>	<u><u>323,808</u></u>	<u><u>3,443</u></u>	<u><u>15,419,455</u></u>
At 31 March 2017	<u><u>3,347,687</u></u>	<u><u>12,407,665</u></u>	<u><u>301,675</u></u>	<u><u>3,860</u></u>	<u><u>16,060,887</u></u>

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STEPHENS AND GEORGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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15. Fixed asset investments

Group

	<b>Other fixed asset investments £</b>
<b>Cost or valuation</b>	
At 1 April 2017	60,000
At 31 March 2018	<u>60,000</u>
<b>Net book value</b>	
At 31 March 2018	<u>60,000</u>
At 31 March 2017	<u>60,000</u>

**STEPHENS AND GEORGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**15. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Stephens and George Magazines Limited	Ordinary	100 %	Dormant
Woodforce Limited	Ordinary	100 %	Dormant
Stephens and George Commercial Limited	Ordinary	100 %	Dormant
DRH Business Systems Limited	Ordinary	75 %	Dormant
Foxgate Limited	Ordinary	100 %	Dormant
The Enfield Printing Company Limited	Ordinary	100 %	Magazine printers

**Company**

	<b>Investments in subsidiary companies £</b>	<b>Other fixed asset investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2017	522,467	60,000	582,467
At 31 March 2018	522,467	60,000	582,467
<b>Net book value</b>			
At 31 March 2018	522,467	60,000	582,467
At 31 March 2017	522,467	60,000	582,467

**16. Stocks**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Raw materials and consumables	677,420	536,109	677,420	536,109
Work in progress	243,745	149,054	243,745	149,054
	921,165	685,163	921,165	685,163

**STEPHENS AND GEORGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**17. Debtors**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
<b>Due after more than one year</b>				
Amounts owed by related parties	1,686,667	1,886,667	1,686,667	1,886,667
	<u>1,686,667</u>	<u>1,886,667</u>	<u>1,686,667</u>	<u>1,886,667</u>
<b>Due within one year</b>				
Trade debtors	3,877,582	4,067,465	3,347,960	3,457,945
Amounts owed by related parties	1,143,075	851,987	1,544,384	1,551,343
Other debtors	178,474	394,270	160,122	387,311
Prepayments and accrued income	349,492	319,463	318,601	288,521
	<u>7,235,290</u>	<u>7,519,852</u>	<u>7,057,734</u>	<u>7,571,787</u>

**18. Cash and cash equivalents**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Cash at bank and in hand	3,086,566	3,026,542	2,985,057	2,944,899
	<u>3,086,566</u>	<u>3,026,542</u>	<u>2,985,057</u>	<u>2,944,899</u>

**STEPHENS AND GEORGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**19. Creditors: Amounts falling due within one year**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Bank loans	269,460	269,107	215,451	215,451
Trade creditors	2,804,602	3,252,491	2,798,041	3,240,479
Amounts owed to group undertakings	-	-	8,558	8,558
Amounts owed to related parties	1,922	36,906	1,922	36,906
Corporation tax	301,000	410,693	250,000	410,693
Other taxation and social security	165,381	192,493	157,785	176,512
Obligations under finance lease and hire purchase contracts	2,927,003	2,407,751	2,927,003	2,397,135
Other creditors	133,052	130,740	28,622	25,955
Accruals and deferred income	1,789,415	1,363,583	1,783,230	1,349,518
	<b>8,391,835</b>	<i>8,063,764</i>	<b>8,170,612</b>	<i>7,861,207</i>

The bank loans are secured by fixed and floating charges on the assets of the company.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

**20. Creditors: Amounts falling due after more than one year**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Bank loans	224,220	579,157	53,863	269,313
Net obligations under finance leases and hire purchase contracts	6,420,166	7,681,766	6,420,166	7,681,766
Other creditors	146,460	250,535	-	-
Accruals and deferred income	214,115	220,091	214,115	220,091
	<b>7,004,961</b>	<i>8,731,549</i>	<b>6,688,144</b>	<i>8,171,170</i>

The bank loans are secured by fixed and floating charges on the assets of the company.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

**STEPHENS AND GEORGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**21. Loans**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
<b>Amounts falling due within one year</b>				
Bank loans	269,460	269,107	215,451	215,451
<b>Amounts falling due 1-2 years</b>				
Bank loans	107,683	267,850	53,863	215,450
<b>Amounts falling due 2-5 years</b>				
Bank loans	116,537	285,107	-	53,863
<b>Amounts falling due after more than 5 years</b>				
Bank loans	-	26,200	-	-
	<u>493,680</u>	<u>848,264</u>	<u>269,314</u>	<u>484,764</u>

**22. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Within one year	2,927,003	2,407,751	2,927,003	2,397,135
Between 1-2 years	2,477,832	2,366,134	2,477,832	2,366,134
Between 2-5 years	3,942,334	5,315,632	3,942,334	5,315,632
	<u>9,347,169</u>	<u>10,089,517</u>	<u>9,347,169</u>	<u>10,078,901</u>

STEPHENS AND GEORGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

23. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>9,793,890</u>	<u>9,832,661</u>	<u>9,564,068</u>	<u>9,840,854</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(14,599,762)</u>	<u>(15,972,036)</u>	<u>(13,967,541)</u>	<u>(15,225,081)</u>

Financial assets measured at amortised cost include trade debtors, related party debtors and cash.

Financial liabilities measured at amortised cost include trade creditors, directors loans, related party creditors, hire purchase creditors, loans and accruals.

24. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	(534,593)	(591,892)
Charged to profit or loss	104,598	57,299
<b>At end of year</b>	<u>(429,995)</u>	<u>(534,593)</u>

**STEPHENS AND GEORGE LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2018**

**24. Deferred taxation (continued)**

**Company**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>(534,593)</b>	<b>(591,892)</b>
Charged to profit or loss	<b>106,190</b>	<b>57,299</b>
<b>At end of year</b>	<b><u>(428,403)</u></b>	<b><u>(534,593)</u></b>

The provision for deferred taxation is made up as follows:

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2018</b>	<i>2017</i>	<b>2018</b>	<i>2017</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Accelerated capital allowances	<b>(470,096)</b>	<i>(572,009)</i>	<b>(468,376)</b>	<i>(572,009)</i>
Other	<b>40,101</b>	<i>37,416</i>	<b>39,973</b>	<i>37,416</i>
	<b><u>(429,995)</u></b>	<i><u>(534,593)</u></i>	<b><u>(428,403)</u></b>	<i><u>(534,593)</u></i>

**25. Share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
48,300 (2017 - 48,300) Ordinary shares of £1.00 each	<b>48,300</b>	<b>48,300</b>

**26. Reserves**

**Capital redemption reserve**

The capital redemption reserve is a non-distributable reserve which represents paid up share capital.

**Profit and loss account**

The profit and loss account includes all current and prior periods retained profits and losses.

**STEPHENS AND GEORGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**27. Capital commitments**

At 31 March 2018 the Group and Company had capital commitments as follows:

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Contracted for but not provided in these financial statements	<b>54,478</b>	<i>1,558,500</i>	<b>54,478</b>	<i>1,558,500</i>

**28. Pension commitments**

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

**29. Commitments under operating leases**

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

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Not later than 1 year	<b>39,656</b>	<i>65,937</i>	<b>39,656</b>	<i>65,937</i>
Later than 1 year and not later than 5 years	<b>66,838</b>	<i>106,170</i>	<b>66,838</b>	<i>106,170</i>
Later than 5 years	<b>-</b>	<i>324</i>	<b>-</b>	<i>324</i>
	<b>106,494</b>	<i>172,431</i>	<b>106,494</b>	<i>172,431</i>

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STEPHENS AND GEORGE LIMITED

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30. Related party transactions

**Ignition Sports Media Limited (formerly O-Publishing & Media Limited)**

During the year, the company received income from sales made to Ignition Sports Media Limited, a company related by common control, being 76% owned by Pennar Holdings Limited which in turn is jointly controlled by A L G Jones and V A Jones, to the value of £1,386,467 (2017: £1,207,822), with amounts outstanding as at 31 March 2018 of £578,079 (2017: £371,932).

During the year, the company incurred expenditure of £3,840 (2017: £2,700) with Ignition Sports Media Limited (formerly O-Publishing & Media Limited) during the financial year, with amounts outstanding as at 31 March 2018 of £Nil (2017: £Nil).

The company made a secured loan to Ignition Sports Media Limited (formerly O-Publishing & Media Limited) in the year ended 31 March 2014 which was amended in the year ended 31 March 2017, with amounts outstanding at 31 March 2018 of £1,766,667 (2017: £2,060,447).

**The Handwork Finishing Company LLP**

During the year, the company purchased hand work and finishing services from The Handwork Finishing Company LLP (THFC) a Limited Liability Partnership owned by A L G Jones, D J Debattista and Mrs V A Jones, to the value of £554,878 (2017: £614,925). As at 31 March 2018, the company was owed £17,569 (2017: £1,667) by THFC.

During the year, the company received income from sales made to The Handwork Finishing Company LLP (THFC) a Limited Liability Partnership owned by A L G Jones, D J Debattista and Mrs V A Jones, to the value of £20,000 (2017: £18,200).

At 31 March 2018, THFC were owed an amount of £Nil (2017: £38,571).

**Caric Press Limited**

During the year, the company received income from sales made to Caric Press Limited, a company owned by Pennar Holdings Limited, of £327,599 (2017: £254,895), with amounts outstanding as at 31 March 2018 of £34,204 (2017: £47,886).

At 31 March 2018 Caric Press Limited owed an amount in respect of a loan of £526 (2017: £47).

**Pennar Properties Limited**

During the year, the company incurred expenditure of £21,800 (2017: £4,132) with Pennar Properties Limited, a company which A L G Jones and Mrs V A Jones are both directors and shareholders.

The company has also made a secured loan to Pennar Properties Limited with amounts outstanding as at 31 March 2018 of £75,120 (2017: £84,184).

**Good Things Media & Publishing Limited**

The company received income in the year from sales to Good Things Media & Publishing Limited (GTM), a company for which Mrs V A Jones is a director, of £4,434 (2017: £14,434), with amounts outstanding as at 31 March 2018 of £Nil (2017: £47,765).

The company owes Good Things Media & Publishing Limited at 31 March 2018 an amount of £Nil (2017: £1,560).

The company had an unsecured loan to GTM with amounts outstanding as at 31 March 2018 of £1,848 (2017: £1,497).

GTM went into liquidation on 6 April 2018.

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STEPHENS AND GEORGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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**JLD Media Limited**

During the year ended 31 March 2014, the company acquired publishing titles from JLD Media Limited, a publishing company owned 100% by Mrs V A Jones. The consideration due was offset against outstanding debts from JLD Media Limited and a further loan of £300,000 was made on the same date. The amounts outstanding on the loan was £120,000 at 31 March 2018 (2017: £120,000). This loan was secured against assets of JLD Media Limited.

During the year, the company received income from JLD Media Limited of £57,087 (2017: £Nil), with amounts outstanding as at 31 March 2018 of £198,093 (2017: £Nil).

**Stephens & George Retirement Benefit Scheme**

A L G Jones is a trustee of Stephens & George Retirement Benefit Scheme (SGRBS). SGRBS has made various loans to the company pursuant to purchasing capital equipment. The amount outstanding on these loans at year end was £129,921 (2017: £98,134).

Under Section 33 of FRS 102, the company is not required to disclose related party transactions with other entities that are wholly owned subsidiaries of Stephens and George Limited.

Key management personnel are the directors.

**31. Controlling party**

The ultimate controlling party is A L G Jones by virtue of his majority shareholding.