

**WRATES SCHOLASTIC PHOTOGRAPHS
LIMITED**

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

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WRATES SCHOLASTIC PHOTOGRAPHS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	4		41,587		68,662
Tangible assets	5		156,052		131,979
			<u>197,639</u>		<u>200,641</u>
Current assets					
Stocks		9,628		5,777	
Debtors	6	98,029		103,806	
Cash at bank and in hand		462,473		442,700	
		<u>570,130</u>		<u>552,283</u>	
Creditors: amounts falling due within one year	7	(570,365)		(438,626)	
Net current (liabilities)/assets			(235)		113,657
Total assets less current liabilities			<u>197,404</u>		<u>314,298</u>
Creditors: amounts falling due after more than one year	8		(44,048)		(40,586)
Provisions for liabilities	9		(13,956)		(6,030)
Net assets			<u>139,400</u>		<u>267,682</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss reserves			138,400		266,682
Total equity			<u>139,400</u>		<u>267,682</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

WRATES SCHOLASTIC PHOTOGRAPHS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 15/5/19 and are signed on its behalf by:


K Bagley
Director

WRATES SCHOLASTIC PHOTOGRAPHS LIMITED

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

1 Accounting policies

Company information

Wrates Scholastic Photographs Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Plot 41, Brunel Drive, Newark, Nottinghamshire, NG24 2EG.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The accounts have been prepared on a going concern basis. Having carried out a detailed review of the company's resources and the challenges presented by the current economic climate, the directors are satisfied that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the accounts.

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

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

Intangible fixed assets - goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over 5 years as in the opinion of the directors this represents the period over which the goodwill is effective. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Photographic equipment	15%/20% reducing balance
Plant and equipment	15%/20% reducing balance
Motor vehicles	25% reducing balance

WRATES SCHOLASTIC PHOTOGRAPHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

Tangible fixed assets (continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

WRATES SCHOLASTIC PHOTOGRAPHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

WRATES SCHOLASTIC PHOTOGRAPHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2017 - 38).

3 Directors' remuneration

	2018 £	2017 £
Remuneration paid to directors	53,223	11,099

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 1).

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2018	155,172
Additions	4,526
At 31 December 2018	159,698
Amortisation and impairment	
At 1 January 2018	86,510
Amortisation charged for the year	31,601
At 31 December 2018	118,111
Carrying amount	
At 31 December 2018	41,587
At 31 December 2017	68,662

WRATES SCHOLASTIC PHOTOGRAPHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Tangible fixed assets

	Photographic equipment £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2018	133,421	83,877	184,802	402,100
Additions	18,070	7,287	36,748	62,105
Disposals	-	-	(29,206)	(29,206)
At 31 December 2018	151,491	91,164	192,344	434,999
Depreciation and impairment				
At 1 January 2018	89,046	67,164	113,911	270,121
Depreciation charged in the year	8,332	2,950	19,819	31,101
Eliminated in respect of disposals	-	-	(22,275)	(22,275)
At 31 December 2018	97,378	70,114	111,455	278,947
Carrying amount				
At 31 December 2018	54,113	21,050	80,889	156,052
At 31 December 2017	44,375	16,713	70,891	131,979

6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	14,187	21,920
Amounts owed by group undertakings	65,249	65,249
Other debtors	18,593	16,637
	98,029	103,806

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Obligations under finance leases	29,435	20,802
Trade creditors	112,355	136,299
Amounts due to group undertakings	249,334	92,495
Other taxation and social security	141,575	156,968
Other creditors	31,032	26,042
Accruals and deferred income	6,634	6,020
	570,365	438,626

Included within creditors due within one year are obligations under hire purchase contracts of £29,435 (2017: £20,802) which are secured by fixed charges on the assets concerned.

WRATES SCHOLASTIC PHOTOGRAPHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases		44,048	40,586

Included within creditors due after one year are obligations under hire purchase contracts of £44,048 (2017: £40,586) which are secured by fixed charges on the assets concerned.

9 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Fixed asset timing differences	14,044	6,030
Short term timing differences	(88)	-
	<u>13,956</u>	<u>6,030</u>
Movements in the year:		2018 £
Liability at 1 January 2018		6,030
Charge to profit or loss		7,926
Liability at 31 December 2018		<u>13,956</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

10 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

WRATES SCHOLASTIC PHOTOGRAPHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Related party transactions

During the year recharges of costs amounting to £1,909 (2017: £nil) were charged to Fuji Schools (Wales) Limited.

At the year end, included within other debtors is an amount of £59,930 (2017: £59,930) owed by Fuji Schools (Wales) Limited, a 70% subsidiary of the ultimate parent company Wrates Bagley Limited.

During the year, remuneration of £47,475 (2017: £63,693) was paid to members of the director's family.

The company is related to Wrates Scholastic Photographs Small Self Administered Scheme by virtue of M Wrate, being trustee and member of the scheme. During the year the company paid rent of £11,008 (2017: £5,671) to the scheme.

12 Directors' transactions

As at the year end and included in other creditors is an amount of £27,100 (2017: £26,000) due to M Wrate in respect of his directors loan account. No interest was charged in respect of this balance.

13 Parent company

The immediate parent company is Wrates Holdings Limited and the ultimate parent company is Wrates Bagley Limited, both companies are registered in England and Wales.