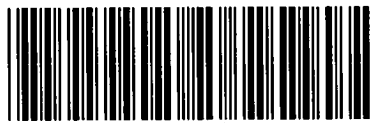


**COMPANY REGISTRATION NUMBER: 00939885**

**PENSORD PRESS LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

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# **PENSORD PRESS LIMITED**

## **FINANCIAL STATEMENTS**

**Year ended 31 December 2021**

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# **PENSORD PRESS LIMITED**

## **STRATEGIC REPORT**

### **Year ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

#### **Principal Activity**

The principal activity of the company is that of printers of high quality printing company.

#### **Review of the Business**

We entered 2021 with further lockdown measures in place in the UK and these would remain common place for much of the first half of the year and come back into place at year end.

The impacts of this continued to be widely felt across our sector with no sign of a return to face to face events and continued home working impacting circulation of B2B publications, lifestyle and community magazines.

Once lockdowns were lifted in the summer of 2021 this created a surge in annual leave requests that put pressure on business due to the sheer volume of absence as people sought a break after 18 months of restrictions; increased absence through quarantine as rules changed frequently and increasing covid symptoms as people began to mix again.

In the latter half of the year further waves of infection and then the omicron variant meant that our business and other partner businesses suffered badly with peaking absence and increasing cost as we attempted to maintain productivity.

In many ways 2021 was worse than 2020 with reducing support from government and increasing anxiety in all walks of life manifested itself - staff; suppliers and clients all suffering fatigue from months and months of challenging living and working conditions.

Indeed as 2021 comes to an end restrictions are once again in place as the Omicron variant takes a grip on the UK.

Our normal patterns of managing people; performance; efficiency; delivering on expected service levels and developing our service offering were once again disrupted to simply managing throughput as best as we could given the restrictions and challenges the world faced.

The business faced financial challenges with increasing running costs to cover daily unplanned absence and so meeting client's needs.

In the latter part of the year increasing energy costs were impacting the supply chain and so costs to the end client were increasing rapidly as paper and other consumable costs rose.

As always we remain optimistic about the coming year, especially having successfully navigated yet another difficult period. It is hoped that an end to the pandemic in early 2022 will see a return to 'normal' demand brought about by an uplift in the economy however we are mindful that this may be tempered by ongoing price rises.

The Pensord plant coped well with a changing mix of work with book work now forming approximately 40% of revenue and the market returning to decent volumes towards the end of the year. The contractual work continued to be the bedrock of income but has been slower to recover for a variety of issues related to the disruption faced over the last 2 years.

Cash management continued to be the main focus ahead of P&L and we were able to return half a million pounds of CBILS unused and convert the remaining loan into an overdraft facility.

We are proud of our business and employees for the way in which we have handled two years of a pandemic and maintaining our presence as one of the UK's leading sheetfed printing businesses.

# **PENSORD PRESS LIMITED**

## **STRATEGIC REPORT** *(continued)*

### **Year ended 31 December 2021**

Pensord continued to stay active in the pursuit of new clients and the support of the Professional Publishers Association remaining visible and supporting publishers with advice and guidance and providing ongoing support to the Independent Publishers Network continuing as Strategic Partner.

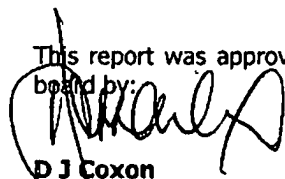
#### **Principal risks and uncertainties**

The risks and uncertainties associated with the printing industry remain unchanged from previous years, with over-capacity and margin pressure still prevalent. The Board believes it has taken the most appropriate steps to meet these challenges and, as far as possible, control the aspects of the business it can control. General instability caused by Brexit continues to be a risk to the business with a concern over the continuing weakening of the pound and the impact on materials that are source predominantly from Europe.

#### **Key performance indicators**

The key financial indicators remain the same - turnover, gross margin and EBITDA. Our ability to achieve the key numbers has been improved by the restructuring, with less capacity to fill and therefore cost to cover and less debt to service. Sales for the full year 2021 increased to £11,157,947, increase of £1.77m (18.86%). Gross profit margin of 36.25% was achieved, increase of 11%. Loss of £458k was reported in the year.

This report was approved by the board of directors on ..... 30.11.2022 ..... and signed on behalf of the board by:



**D J Coxon**  
Director

# **PENSORD PRESS LIMITED**

## **DIRECTORS' REPORT**

### **Year ended 31 December 2021**

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

#### **Directors**

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

Mr D J Coxon  
Mr K Gater

#### **Dividends**

Particulars of recommended dividends are detailed in note 14 to the financial statements.

#### **Future developments**

Expected future developments of the company are outlined within the Strategic Report on pages 1 to 2 of the financial statements.

#### **Financial instruments**

The company's principal financial instruments comprise, bank accounts, trade debtors, trade creditors, loans and lease agreements. The purpose of these instruments is to raise funds and finance the company's operations. Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments is shown below.

In respect of bank balances the liquidity risk is managed by ensuring debtors are collected in accordance with their terms.

The company is a lessee in respect of finance leased assets with monthly fixed payments. The company manages the liquidity risk by ensuring there are sufficient funds to meet payments.

Trade debtors are managed in respect of credit and cash flow risk by internal policies concerning the credit offered to customers and regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet obligations as they fall due.

#### **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.

# **PENSORD PRESS LIMITED**

## **DIRECTORS' REPORT** *(continued)*

### **Year ended 31 December 2021**

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.

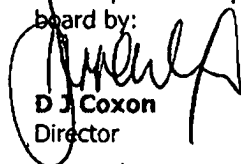
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

This report was approved by the board of directors on .....30.11.2022..... and signed on behalf of the board by:

  
**D J Coxon**  
Director



**KILSBY  
WILLIAMS**  
Chartered Accountants

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENSORD PRESS LIMITED** *(continued)*

**Year ended 31 December 2021**

### **Opinion**

We have audited the financial statements of Pensord Press Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, balance sheet, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

### **Material uncertainty relating to going concern**

We draw your attention to note 3 in the financial statements, which indicates a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **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.



**KILSBY  
WILLIAMS**  
Chartered Accountants

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENSORD PRESS LIMITED** *(continued)*

### **Year ended 31 December 2021**

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.

### **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.





**KILSBY  
WILLIAMS**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENSORD PRESS  
LIMITED** *(continued)*

**Year ended 31 December 2021**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.



**KILSBY  
WILLIAMS**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENSORD PRESS  
LIMITED** *(continued)*

**Year ended 31 December 2021**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

**Simon Tee (Senior Statutory Auditor)**

*Kilsby & Williams LLP*

**For and on behalf of**

Kilsby & Williams LLP  
Chartered Accountants & statutory auditor  
Cedar House  
Hazell Drive  
Newport  
NP10 8FY

01.12.2022

# PENSORD PRESS LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2021

	Note	2021 £	2020 £
<b>TURNOVER</b>	<b>5</b>	<b>11,157,947</b>	<b>9,387,145</b>
Cost of sales		(7,113,135)	(6,319,418)
<b>GROSS PROFIT</b>		<b>4,044,812</b>	<b>3,067,727</b>
Administrative expenses		(4,233,094)	(3,372,000)
Other operating income	<b>6</b>	259,241	648,313
<b>OPERATING PROFIT</b>	<b>7</b>	<b>70,959</b>	<b>344,040</b>
Other interest receivable and similar income	<b>11</b>	5,264	5,301
Interest payable and similar expenses	<b>12</b>	(187,999)	(99,440)
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		<b>(111,776)</b>	<b>249,901</b>
Tax on (loss)/profit	<b>13</b>	(123,507)	(70,211)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(235,283)</b>	<b>179,690</b>
Revaluation of tangible assets		1,151,038	591,561
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>915,755</b>	<b>771,251</b>

All the activities of the company are from continuing operations.

The notes on pages 12 to 25 form part of these financial statements.

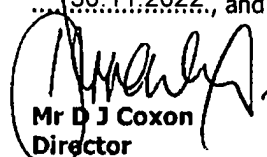
# PENSORD PRESS LIMITED

## BALANCE SHEET

31 December 2021

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	15	736,950	823,650
Tangible assets	16	<u>6,460,187</u>	<u>5,793,485</u>
		7,197,137	6,617,135
<b>CURRENT ASSETS</b>			
Stocks	17	350,249	274,743
Debtors	18	6,062,775	6,033,443
Cash at bank and in hand		<u>8,582</u>	<u>59,274</u>
		6,421,606	6,367,460
<b>CREDITORS: amounts falling due within one year</b>	19	<u>(4,099,519)</u>	<u>(3,977,180)</u>
<b>NET CURRENT ASSETS</b>		<u>2,322,087</u>	<u>2,390,280</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		9,519,224	9,007,415
<b>CREDITORS: amounts falling due after more than one year</b>	20	<u>(3,302,612)</u>	<u>(3,714,994)</u>
<b>PROVISIONS</b>	22	<u>(533,989)</u>	<u>(410,482)</u>
<b>NET ASSETS</b>		<u>5,682,623</u>	<u>4,881,939</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	26	1,630,000	1,630,000
Revaluation reserve	27	1,884,599	733,561
Profit and loss account	27	<u>2,168,024</u>	<u>2,518,378</u>
<b>SHAREHOLDERS FUNDS</b>		<u>5,682,623</u>	<u>4,881,939</u>

These financial statements were approved by the board of directors and authorised for issue on 30.11.2022, and are signed on behalf of the board by:

  
Mr D J Coxon  
Director

Company registration number: 00939885

The notes on pages 12 to 25 form part of these financial statements.

# PENSORD PRESS LIMITED

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
<b>AT 1 JANUARY 2020</b>		1,630,000	142,000	2,378,758	4,150,758
Profit for the year				179,690	179,690
Other comprehensive income for the year:					
Revaluation of tangible assets	16	—	591,561	—	591,561
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		—	591,561	179,690	771,251
Dividends paid and payable	14	—	—	(40,070)	(40,070)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>		—	—	(40,070)	(40,070)
<b>AT 31 DECEMBER 2020</b>		1,630,000	733,561	2,518,378	4,881,939
Loss for the year				(235,283)	(235,283)
Other comprehensive income for the year:					
Revaluation of tangible assets	16	—	1,151,038	—	1,151,038
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		—	1,151,038	(235,283)	915,755
Dividends paid and payable	14	—	—	(115,071)	(115,071)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>		—	—	(115,071)	(115,071)
<b>AT 31 DECEMBER 2021</b>		1,630,000	1,884,599	2,168,024	5,682,623

The notes on pages 12 to 25 form part of these financial statements.

# **PENSORD PRESS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2021**

### **1. GENERAL INFORMATION**

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is The Pensord Press Ltd, Tram Road, Pontllanfraith, Blackwood, NP12 2YA.

### **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.

#### **Going concern**

The accounts have been prepared on a going concern basis which assumes that the company will continue to trade for the foreseeable future despite making losses in the current year. The directors though continue to maintain and update all planning and forecasting tools and they consider the company to be well placed to deal with any challenges ahead.

The uncertainty of energy price increases has affected all UK businesses and presents significant challenges. The level of government support after the initial 6-months ending March 2023, is also uncertain.

The directors have prepared detailed forecasts for a period extending at least 12 months from the date of approval of these financial statements. On the basis of this review, taking into account (i) the general economic position of the sector, (ii) the wider macro-economic environment, particularly inflation and energy costs and (iii) continuing future prospects, they consider that the company will remain in a position to finance its operations and meet all financial obligations as they fall due for the foreseeable future. Post year end the groups directors have arranged a new re-financing package, to reduce committed liability payments and increase available facilities. This has been incorporated into the forecasts and will improve liquidity immediately once signed.

Given the current trading vs budget the directors believe the company is well placed to manage its business risks and working capital cash flows successfully. After reviewing the forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore the directors are satisfied that the company is a going concern based on post year end trading and forecasts prepared. The financial statements have therefore been prepared on a going concern basis. The financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

# **PENSORD PRESS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**Year ended 31 December 2021**

### **3. ACCOUNTING POLICIES *(continued)***

#### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Pensord Twenty10 Limited which can be obtained from Tram Road, Pontllanfraith, Blackwood, Gwent, NP12 2YA. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

#### **Turnover**

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.

#### **Taxation**

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

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

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

#### **Operating leases**

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

#### **Goodwill**

Goodwill arises on acquisition of trade and represents the cost of the acquisition over the company's interest in the related trade from the acquire.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

# **PENSORD PRESS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 31 December 2021**

### **3. ACCOUNTING POLICIES** *(continued)*

#### **Amortisation**

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

Goodwill	- 10 years
----------	------------

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

#### **Tangible assets**

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

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

#### **Depreciation**

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

Freehold property	- 20 years
Plant and machinery	- 5 to 15 years

#### **Invoice discounting facility**

The company has in place an invoice discount facility based on the value of trade receivables. Under this arrangement the company has retained both the credit and late payment risk associated with the receivables. As the company has retained substantially all the risk and rewards of ownership of the receivables, it continues to recognise the receivables in the balance sheet with advances from the facility provider treated as a separate liability.

The expenses associated with this facility are included within interest payable within the profit & loss.

#### **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.



# **PENSORD PRESS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 31 December 2021**

### **3. ACCOUNTING POLICIES** *(continued)*

#### **Impairment of fixed assets** *(continued)*

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.

#### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

# **PENSORD PRESS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 31 December 2021**

### **3. ACCOUNTING POLICIES** *(continued)*

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

# PENSORD PRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

### 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. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

#### *Key sources of estimation uncertainty*

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### *Depreciation*

The company exercises judgement to determine useful lives of tangible fixed assets. These assets are amortised over their useful lives.

#### *Recoverability of trade debtors*

Provisions have been made for trade debtors. This provision is an estimate and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

### 5. TURNOVER

Turnover arises from:

	2021	2020
	£	£
Sale of goods	11,157,947	9,387,145

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

# PENSORD PRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

### 6. OTHER OPERATING INCOME

	2021	2020
	£	£
Government grant income	259,241	565,999
Other operating income	—	82,314
	<u>259,241</u>	<u>648,313</u>

### 7. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Amortisation of intangible assets	86,700	43,350
Depreciation of tangible assets	609,047	493,233
Gains on disposal of tangible assets	—	(32,472)
Impairment of trade debtors	<u>24,996</u>	<u>96,558</u>

### 8. AUDITOR'S REMUNERATION

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>7,500</u>	<u>7,500</u>

### 9. STAFF COSTS

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

	2021	2020
	No.	No.
Production staff	79	81
Administrative staff	32	26
Number of sales staff	<u>6</u>	<u>6</u>
	<u>117</u>	<u>113</u>

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

	2021	2020
	£	£
Wages and salaries	3,698,515	3,367,580
Social security costs	317,946	257,033
Other pension costs	<u>134,352</u>	<u>93,312</u>
	<u>4,150,813</u>	<u>3,717,925</u>

# PENSORD PRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

### 10. DIRECTORS' REMUNERATION

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

	2021 £	2020 £
Remuneration	339,304	379,386
Company contributions to defined contribution pension plans	54,796	21,237
	<u>394,100</u>	<u>400,623</u>

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

	2021 No.	2020 No.
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid director in respect of qualifying services:

	2021 £	2020 £
Aggregate remuneration	<u>143,425</u>	<u>115,087</u>

### 11. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Other interest receivable and similar income	<u>5,264</u>	<u>5,301</u>

### 12. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Interest on banks loans and overdrafts	22,386	15,058
Interest on obligations under finance leases and hire purchase contracts	142,476	60,648
Other interest payable and similar charges	<u>23,137</u>	<u>23,734</u>
	<u>187,999</u>	<u>99,440</u>

### 13. TAX ON (LOSS)/PROFIT

Major components of tax expense

	2021 £	2020 £
<b>Current tax:</b>		
UK current tax income	-	(79,973)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>123,507</u>	<u>150,184</u>
<b>Tax on (loss)/profit</b>	<u>123,507</u>	<u>70,211</u>

# PENSORD PRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

### 13. TAX ON (LOSS)/PROFIT *(continued)*

#### Reconciliation of tax expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
(Loss)/profit on ordinary activities before taxation	(111,776)	249,901
(Loss)/profit on ordinary activities by rate of tax	(21,237)	47,482
Adjustment to tax charge in respect of prior periods	–	(2,059)
Effect of expenses not deductible for tax purposes	16,958	(5,354)
Effect of capital allowances and depreciation	1,976	786
Marginal relief/rate differences	128,157	29,356
Super-deduction	(2,347)	–
Tax on (loss)/profit	123,507	70,211

### 14. DIVIDENDS

	2021 £	2020 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	115,071	40,070

### 15. INTANGIBLE ASSETS

	Goodwill £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	867,000
<b>Amortisation</b>	
At 1 January 2021	43,350
Charge for the year	86,700
<b>At 31 December 2021</b>	<b>130,050</b>
<b>Carrying amount</b>	
At 31 December 2021	736,950
At 31 December 2020	823,650

# PENSORD PRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

### 16. TANGIBLE ASSETS

	Freehold property £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	1,905,357	11,684,715	13,590,072
Additions	25,304	99,407	124,711
Revaluations	–	295,000	295,000
<b>At 31 December 2021</b>	<b>1,930,661</b>	<b>12,079,122</b>	<b>14,009,783</b>
<b>Depreciation</b>			
At 1 January 2021	1,018,067	6,778,520	7,796,587
Charge for the year	12,551	596,496	609,047
Revaluations	(199,957)	(656,081)	(856,038)
<b>At 31 December 2021</b>	<b>830,661</b>	<b>6,718,935</b>	<b>7,549,596</b>
<b>Carrying amount</b>			
<b>At 31 December 2021</b>	<b>1,100,000</b>	<b>5,360,187</b>	<b>6,460,187</b>
At 31 December 2020	887,290	4,906,195	5,793,485

The freehold property valuation was carried out on an open market basis in October 2021 by independent RICS certified valuers. The directors are in the opinion that the value of the revalued property is not materially misstated at the balance sheet date.

Plant and machinery items has been revalued at year end, by external valuers. These have been based on observable market values.

#### Tangible assets held at valuation

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £	Plant and machinery £	Total £
<b>At 31 December 2021</b>			
Aggregate cost	1,930,661	5,083,858	7,014,519
Aggregate depreciation	(1,414,180)	(3,904,939)	(5,319,119)
<b>Carrying value</b>	<b>516,481</b>	<b>1,178,919</b>	<b>1,695,400</b>
<b>At 31 December 2020</b>			
Aggregate cost	1,905,357	3,275,000	5,180,357
Aggregate depreciation	(1,401,628)	(2,875,000)	(4,276,628)
<b>Carrying value</b>	<b>503,729</b>	<b>400,000</b>	<b>903,729</b>

# PENSORD PRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

### 16. TANGIBLE ASSETS *(continued)*

#### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
At 31 December 2021	<u>4,211,356</u>
At 31 December 2020	<u>4,219,423</u>

### 17. STOCKS

	2021 £	2020 £
Stock	<u>350,249</u>	<u>274,743</u>

### 18. DEBTORS

	2021 £	2020 £
Trade debtors	978,596	886,330
Amounts owed by group undertakings	4,526,361	4,526,361
Prepayments and accrued income	123,969	178,544
Corporation tax repayable	66	79,973
Directors loan account	184,975	219,808
Other debtors	248,808	142,427
	<u>6,062,775</u>	<u>6,033,443</u>

### 19. CREDITORS: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	78,650	73,728
Trade creditors	1,652,555	1,387,150
Amounts owed to group undertakings	181,906	484,754
Accruals and deferred income	404,058	371,491
Social security and other taxes	104,509	95,178
Obligations under finance leases and hire purchase contracts	887,549	943,094
Other creditors	790,292	621,785
	<u>4,099,519</u>	<u>3,977,180</u>

The company's banker holds fixed and floating charges over all property, assets and rights of the company. The company and other companies forming part of the group headed by Pensord Twenty10 Limited have cross-guaranteed the bank borrowings of each other.

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.



# PENSORD PRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

### 20. CREDITORS: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	619,704	693,285
Obligations under finance leases and hire purchase contracts	2,682,908	3,021,709
	<u>3,302,612</u>	<u>3,714,994</u>

The company's banker holds fixed and floating charges over all property, assets and rights of the company. The company and other companies forming part of the group headed by Pensord Twenty10 Limited have cross-guaranteed the bank borrowings of each other.

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

### 21. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021	2020
	£	£
Not later than 1 year	887,549	943,094
Later than 1 year and not later than 5 years	2,682,908	2,754,466
Later than 5 years	-	267,243
	<u>3,570,457</u>	<u>3,964,803</u>

### 22. PROVISIONS

	Deferred tax (note 23)
	£
At 1 January 2021	410,482
Additions	123,507
<b>At 31 December 2021</b>	<u>533,989</u>

### 23. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2021	2020
	£	£
Included in provisions (note 22)	<u>533,989</u>	<u>410,482</u>

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

	2021	2020
	£	£
Accelerated capital allowances	630,559	506,296
Deferred tax - other timing differences user defined - desc in a/cs	(96,570)	(95,814)
	<u>533,989</u>	<u>410,482</u>

# PENSORD PRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

### 24. EMPLOYEE BENEFITS

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £134,352 (2020: £93,312).

### 25. GOVERNMENT GRANTS

The amounts recognised in the financial statements for government grants are as follows:

	2021 £	2020 £
Recognised in other operating income:		
Government grants recognised directly in income	<u>259,241</u>	<u>565,999</u>

### 26. CALLED UP SHARE CAPITAL

#### Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £0.05 each	<u>32,600,000</u>	<u>1,630,000</u>	<u>32,600,000</u>	<u>1,630,000</u>

### 27. RESERVES

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

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

### 28. OPERATING LEASES

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

	2021 £	2020 £
Not later than 1 year	37,645	43,356
Later than 1 year and not later than 5 years	37,803	36,227
Later than 5 years	—	13,577
	<u>75,448</u>	<u>93,160</u>

# PENSORD PRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

### 29. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

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

	2021			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr D J Coxon	206,167	4,817	(22,441)	188,543
Mr K Gater	13,641	421	(17,630)	(3,568)
	<u>219,808</u>	<u>5,238</u>	<u>(40,071)</u>	<u>184,975</u>

Interest is charged at 2.4% of the outstanding balance.

### 30. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption, in accordance with paragraph 33.1A of FRS 102, from not disclosing transactions with other wholly owned group companies.

### 31. CONTROLLING PARTY

The company's immediate parent company is Pensord Holdings Limited which is incorporated in England and Wales. The company's ultimate parent undertaking is Pensord Twenty10 Limited which is also incorporated in England and Wales. Pensord Twenty10 Limited heads the smallest and largest group into which the results of this company are consolidated. The consolidated financial statements of this group are available from their offices at Tram Road, Pontllanfraith, Blackwood, Gwent, NP12 2YA.

Pensord Twenty10 Limited is controlled by D Coxon by virtue of his majority shareholding in the voting capital of that entity.

**PENSORD PRESS LIMITED**

**MANAGEMENT INFORMATION**

**Year ended 31 December 2021**

**The following pages do not form part of the financial statements.**

# PENSORD PRESS LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2021

	2021 £	2020 £	£	Variance %
<b>TURNOVER</b>				
Sales	9,942,205	8,279,057	1,663,148	20.09
Carriage Sales	1,215,742	1,108,088	107,654	9.72
	<u>11,157,947</u>	<u>9,387,145</u>	<u>1,770,802</u>	<u>18.86</u>
<b>COST OF SALES</b>				
Purchases	4,167,584	3,327,609	839,975	25.24
Carriage	1,071,138	1,001,920	69,218	6.91
Wages and salaries	1,518,797	1,705,235	(186,438)	(10.93)
Social security costs	280,265	220,180	60,085	27.29
Pension costs - defined contribution	75,351	64,474	10,877	16.87
	<u>7,113,135</u>	<u>6,319,418</u>	<u>793,717</u>	<u>12.56</u>
<b>GROSS PROFIT</b>	<u>4,044,812</u>	<u>3,067,727</u>	<u>977,085</u>	<u>31.85</u>
<b>GROSS PROFIT PERCENTAGE</b>	<u>36.25%</u>	<u>32.68%</u>		
<b>ADMINISTRATIVE EXPENSES</b>				
Rent rates and water	68,987	66,925	2,062	3.08
Light and heat	259,856	226,802	33,054	14.57
Insurance	105,447	81,521	23,926	29.35
Repairs and maintenance	285,231	167,631	117,600	70.15
Waste disposal/cleaning	45,604	45,311	293	0.65
Wages and salaries	1,868,357	1,328,403	539,954	40.65
Staff national insurance contributions	37,681	36,853	828	2.25
Staff pension contributions - defined contribution	4,204	7,601	(3,397)	(44.69)
Motor expenses, Travel and subsistence	89,212	80,207	9,005	11.23
Hire costs	20,608	20,313	295	1.45
Telephone	50,814	54,834	(4,020)	(7.33)
IT costs	51,965	53,086	(1,121)	(2.11)
Printing postage and stationery	23,426	17,640	5,786	32.80
Staff training	609	220	389	176.82
Staff welfare	19,527	17,165	2,362	13.76
Sundry expenses	46,450	42,456	3,994	9.41
Entertaining	415	2,783	(2,368)	(85.09)
Bad debts written off	24,996	96,558	(71,562)	(74.11)
Bank charges	12,889	7,493	5,396	72.01
Management charges payable	4,019	4,813	(794)	(16.50)
Legal and professional fees	125,965	145,882	(19,917)	(13.65)
Accountancy fees	17,427	713	16,714	2,344.18
Auditors remuneration	7,500	7,500	-	-
Directors salaries	311,361	333,942	(22,581)	(6.76)
Directors pension costs - defined contribution	54,797	21,237	33,560	158.03
	<u>3,537,347</u>	<u>2,867,889</u>	<u>669,458</u>	<u>23.34</u>

# PENSORD PRESS LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT *(continued)*

Year ended 31 December 2021

	2021 £	2020 £	£	Variance %
<b>EBITDA</b>	<u>507,465</u>	<u>199,838</u>	<u>307,627</u>	<u>154</u>
<b>EBITDA PERCENTAGE</b>	<u>4.55%</u>	<u>2.13%</u>		
<b>OTHER EXPENSES</b>				
Amortisation of intangible assets	86,700	43,350	43,350	100.00
Depreciation of tangible assets	609,047	493,233	115,814	23.48
(Gain)/loss on disposal of tangible assets	—	(32,472)	32,472	(100.00)
	<u>695,747</u>	<u>504,111</u>	<u>191,636</u>	<u>38.01</u>
<b>OTHER OPERATING INCOME</b>				
Government grants recognised directly in income	259,241	565,999	(306,758)	54.20
Other operating income - intercompany loan write off	—	82,314	(82,314)	100.00
	<u>259,241</u>	<u>648,313</u>	<u>(389,072)</u>	<u>60.01</u>
<b>FINANCE INCOME</b>				
Other interest receivable and similar income	<u>5,264</u>	<u>5,301</u>	<u>(37)</u>	<u>0.70</u>
<b>FINANCE COSTS</b>				
Interest on bank loans and overdrafts	22,386	15,058	7,328	48.67
Interest on hire purchase and finance lease contracts	142,476	60,648	81,828	134.92
Other interest payable and similar charges	23,137	23,734	(597)	(2.52)
	<u>187,999</u>	<u>99,440</u>	<u>88,559</u>	<u>89.06</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	<u>(111,776)</u>	<u>249,901</u>	<u>(361,677)</u>	<u>(144.73)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION PERCENTAGE</b>	<u>(1.00)%</u>	<u>2.66%</u>		
<b>TAXATION ON ORDINARY ACTIVITIES</b>				
Corporation tax charge	—	79,973	(79,973)	(100.00)
Deferred tax	(123,507)	(150,184)	26,677	(17.76)
	<u>(123,507)</u>	<u>(70,211)</u>	<u>(53,296)</u>	<u>75.91</u>
<b>(LOSS)/PROFIT AFTER TAXATION</b>	<u>(235,283)</u>	<u>179,690</u>	<u>(414,973)</u>	<u>(230.94)</u>
<b>(LOSS)/PROFIT AFTER TAXATION PERCENTAGE</b>	<u>(2.11)%</u>	<u>1.91%</u>		