

Company Registration No. 01274236 (England and Wales)

GEOFF NEAL LITHO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

GEOFF NEAL LITHO LIMITED

COMPANY INFORMATION

Directors	Mr S J Neal Mr C D Fidge
Secretary	Mr S J Neal
Company number	01274236
Registered office	7 Pier Road Feltham Middlesex TW14 OTW
Auditor	Beatty & Co Suites 3 and 4 63-67 Athenaeum Place Muswell Hill London N10 3HL
Business address	7 Pier Road Feltham Middlesex TW14 OTW
Bankers	Barclays Bank plc 72-74 High Street Feltham London TW13 4DD

GEOFF NEAL LITHO LIMITED

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GEOFF NEAL LITHO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2019

The directors present the strategic report for the year ended 31 October 2019.

Fair review of the business

The company's turnover decreased by 2.6% in the year to £15,055,717 (2018 - £15,459,301). The gross profit % fell slightly by .3% and a net profit after tax of £234,974 (2018 - £85,964) was achieved. The company made a retrospective claim for research and development costs for the 2018 financial year, which generated a corporation tax refund of the original 2018 tax liability. A claim for research and development has also been made for the 2019 financial year generating a corporation tax refundable amount of £58,041.

Conditions remained difficult throughout the 2019 year due to continued post-Brexit uncertainty. Almost all existing clients reduced their marketing spend, particularly in high value, specialist projects. Through its ongoing business strategy the company continues to win new customers to build upon for the forthcoming years.

The Covid-19 pandemic has taken its toll on the company's 2020 year to date sales figures. The factory remained open during the lock down phase, operating on a reduced staff level. Many employees remain on furlough and unfortunately the company will need to make a number of redundancies, as the depressed economic climate is likely to remain for many more months. The company has taken appropriate action by cutting its variable costs as best it can and by deferring loan repayments. A Coronavirus Business Interruption Loan has been arranged to ensure that sufficient cashflow will be available to trade through this crisis.

The company is fully aware of its social and corporate responsibilities, particularly with regard to environmental issues and is continually striving to reduce its carbon footprint. The company has been accredited with ISO 9001, ISO 14001 and ISO 27001 standards, the FSC trademark and has now held carbon neutral status since 2006.

Principal risks and uncertainties

The print industry remains an extremely competitive environment with constant pressure on margins. The company continues to adapt as best it can to the current market demands and requirements as demonstrated by its continued profitability. Trading conditions in the current year continue to be badly affected by the Covid-19 situation. It is very difficult to predict how long it will take for customer demand to recover and at what speed.

Development and performance

The results for the year are considered satisfactory as is the financial position at the year end.

Key performance indicators

The net profit before tax as a % of turnover increased to .94% (£141,052 / £15,055,717) compared to .61% in 2018 (£94,479 / £15,459,301). The gross profit % achieved was 27.45% compared to 27.75% in 2018.

On behalf of the board

Mr S J Neal
Director
31 July 2020

GEOFF NEAL LITHO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2019

The directors present their annual report and financial statements for the year ended 31 October 2019.

Principal activities

The principal activities of the company continued to be that of litho printing and direct mail.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S J Neal

Mr C D Fidge

Results and dividends

The results for the year are set out on page 7.

Interim dividends of £374,830 (2018 - £384,960) were paid during the year to the parent company.

Fixed assets

In the opinion of the directors the current open market value of the company's interests in land and buildings is reflected in the revalued book amounts.

Financial instruments

Treasury operations and financial instruments

The company's principal financial instruments include bank overdrafts and loans, the main purpose of which is to raise finance for the company's operations. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

Post reporting date events

There have not been any events since the year end of such significance that require reference to in this report.

Future developments

The company shall continue to strive for greater productivity and efficiency while ensuring the business keeps up to date with all technological advances.

Auditor

The auditor, Beatty & Co, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

GEOFF NEAL LITHO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr S J Neal

Director

31 July 2020

GEOFF NEAL LITHO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2019

The directors are responsible for preparing the annual 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

GEOFF NEAL LITHO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GEOFF NEAL LITHO LIMITED

Opinion

We have audited the financial statements of Geoff Neal Litho Limited (the 'company') for the year ended 31 October 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 October 2019 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 our 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.

GEOFF NEAL LITHO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GEOFF NEAL LITHO LIMITED

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 and the directors' report.

We have nothing to report in respect of the following matters where 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Peter Edwards (Senior Statutory Auditor)
for and on behalf of Beatty & Co

31 July 2020

Chartered Certified Accountants
Statutory Auditor

Suites 3 and 4
63-67 Athenaeum Place
Muswell Hill
London
N10 3HL

GEOFF NEAL LITHO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	2019 £	2018 £
Turnover	3	15,055,717	15,459,301
Cost of sales		(10,922,051)	(11,168,559)
Gross profit		<u>4,133,666</u>	<u>4,290,742</u>
Distribution costs		(147,175)	(150,991)
Administrative expenses		(3,771,548)	(3,930,912)
Operating profit	4	<u>214,943</u>	<u>208,839</u>
Interest receivable and similar income	7	804	1,132
Interest payable and similar expenses	8	(74,695)	(115,492)
Profit before taxation		<u>141,052</u>	<u>94,479</u>
Tax on profit	9	93,922	(8,515)
Profit for the financial year		<u><u>234,974</u></u>	<u><u>85,964</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

GEOFF NEAL LITHO LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2019

	2019	2018
	£	£
Profit for the year	234,974	85,964
Other comprehensive income	-	-
Total comprehensive income for the year	<u>234,974</u>	<u>85,964</u>

GEOFF NEAL LITHO LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		2,113,393		2,451,891
Current assets					
Stocks	12	342,341		280,656	
Debtors	13	5,124,587		4,777,206	
Cash at bank and in hand		531,774		314,102	
		<u>5,998,702</u>		<u>5,371,964</u>	
Creditors: amounts falling due within one year	14	<u>(4,243,604)</u>		<u>(3,653,122)</u>	
Net current assets			1,755,098		1,718,842
Total assets less current liabilities			<u>3,868,491</u>		<u>4,170,733</u>
Creditors: amounts falling due after more than one year	15		(827,477)		(1,016,764)
Provisions for liabilities	17		(173,259)		(146,358)
Net assets			<u>2,867,755</u>		<u>3,007,611</u>
Capital and reserves					
Called up share capital	20		500		500
Capital redemption reserve			500		500
Profit and loss reserves			2,866,755		3,006,611
Total equity			<u>2,867,755</u>		<u>3,007,611</u>

The financial statements were approved by the board of directors and authorised for issue on 31 July 2020 and are signed on its behalf by:

Mr S J Neal
Director

Company Registration No. 01274236

GEOFF NEAL LITHO LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 November 2017		500	875,045	500	2,430,562	3,306,607
Year ended 31 October 2018:						
Profit and total comprehensive income for the year		-	-	-	85,964	85,964
Dividends	10	-	-	-	(384,960)	(384,960)
Transfers		-	-	-	875,045	875,045
Other movements		-	(875,045)	-	-	(875,045)
Balance at 31 October 2018		500	-	500	3,006,611	3,007,611
Year ended 31 October 2019:						
Profit and total comprehensive income for the year		-	-	-	234,974	234,974
Dividends	10	-	-	-	(374,830)	(374,830)
Balance at 31 October 2019		500	-	500	2,866,755	2,867,755

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

Company information

Geoff Neal Litho Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7 Pier Road, Feltham, Middlesex, TW14 OTW.

1.1 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.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of JPO Communications Ltd. These consolidated financial statements are available from its registered office address.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. This in effect is when the job has been completed and the goods have been dispatched and received by the customer. A sales invoice is raised and the revenue is recorded based on the contracted price at the time of the sale i.e. when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Plant and equipment is stated at cost less accumulated depreciation and any recognised 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:

Plant and machinery	10-25% Reducing balance/Straight line
Fixtures, fittings & equipment	25% Reducing balance/Straight line
Motor vehicles	25% Reducing balance/Straight line

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 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.

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

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.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets 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. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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 in the company's balance sheet 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 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 balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The most material accounting estimate in the financial statements is depreciation. When assessing the depreciation method and rate to apply, the directors estimate the useful life and residual value of the assets. The outcome of historic disposals of similar assets is a key source of information when making assumptions and judgements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
Turnover analysed by class of business		
Sales of goods	15,055,717	15,459,301
	<u> </u>	<u> </u>
	2019 £	2018 £
Other significant revenue		
Interest income	804	1,132
	<u> </u>	<u> </u>

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	19,000	19,000
Depreciation of owned tangible fixed assets	300,303	149,629
Depreciation of tangible fixed assets held under finance leases	239,760	433,186
Profit on disposal of tangible fixed assets	(108,274)	(1,000)
Cost of stocks recognised as an expense	7,390,667	7,037,843
Operating lease charges	103,220	87,161
	<u> </u>	<u> </u>

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Sales, production and administration	84	83

	2019 £	2018 £
Wages and salaries	4,067,284	4,070,724
Social security costs	393,053	393,484
Pension costs	84,951	64,384
	4,545,288	4,528,592

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	153,550	135,835
Company pension contributions to defined contribution schemes	1,104	633
	154,654	136,468

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	804	1,132

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	1,887	13,624
Interest on finance leases and hire purchase contracts	72,808	101,868
	74,695	115,492

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	(58,041)	62,782
Adjustments in respect of prior periods	(62,782)	-
Total current tax	<u>(120,823)</u>	<u>62,782</u>
Deferred tax		
Origination and reversal of timing differences	26,901	(54,267)
Total tax (credit)/charge	<u>(93,922)</u>	<u>8,515</u>

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>141,052</u>	<u>94,479</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	26,800	17,951
Tax effect of expenses that are not deductible in determining taxable profit	6,126	5,045
Tax effect of utilisation of tax losses not previously recognised	(14,860)	-
Unutilised tax losses carried forward	(1,349)	-
Adjustments in respect of prior years	(62,782)	-
Effect of change in corporation tax rate	17,218	-
Group relief	14,860	-
Permanent capital allowances in excess of depreciation	-	4,188
Research and development tax credit	(79,935)	-
Deferred tax on land & buildings	-	(18,669)
Taxation (credit)/charge for the year	<u>(93,922)</u>	<u>8,515</u>

In 2018 the deferred tax provision was calculated using a corporation tax rate of 17% as the rate was due to change on 1 April 2020. As this reduction did come into effect, the prevailing rate of 19% has been applied this year.

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

10 Dividends

	2019 £	2018 £
Interim paid	374,830	384,960

11 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 2018	5,298,529	458,261	26,669	5,783,459
Additions	194,130	33,535	-	227,665
Disposals	(607,458)	(5,040)	-	(612,498)
At 31 October 2019	4,885,201	486,756	26,669	5,398,626
Depreciation and impairment				
At 1 November 2018	2,875,830	445,540	10,198	3,331,568
Depreciation charged in the year	521,668	12,383	6,012	540,063
Eliminated in respect of disposals	(581,358)	(5,040)	-	(586,398)
At 31 October 2019	2,816,140	452,883	16,210	3,285,233
Carrying amount				
At 31 October 2019	2,069,061	33,873	10,459	2,113,393
At 31 October 2018	2,422,699	12,721	16,471	2,451,891

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £	2018 £
Plant and machinery	1,536,209	2,247,849
Fixtures, fittings & equipment	23,876	-
Motor vehicles	10,458	14,507
	1,570,543	2,262,356

Finance leases or hire purchase contracts are secured on the specific assets financed. The book value of the assets secured is disclosed above.

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

12 Stocks

	2019 £	2018 £
Raw materials and consumables	79,447	100,919
Work in progress	262,894	179,737
	<u>342,341</u>	<u>280,656</u>

13 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	2,859,360	3,037,600
Corporation tax recoverable	120,824	-
Amounts owed by group undertakings	1,617,360	1,602,000
Other debtors	427,881	64,074
Prepayments and accrued income	99,162	73,532
	<u>5,124,587</u>	<u>4,777,206</u>

14 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Obligations under finance leases	16	348,144	505,162
Trade creditors		3,055,721	2,706,963
Corporation tax		-	62,782
Other taxation and social security		88,192	94,688
Other creditors		411,791	18,578
Accruals and deferred income		339,756	264,949
		<u>4,243,604</u>	<u>3,653,122</u>

15 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases	16	<u>827,477</u>	<u>1,016,764</u>

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

16 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	405,718	576,705
In two to five years	884,272	1,120,961
	<u>1,289,990</u>	<u>1,697,666</u>
Less: future finance charges	(114,369)	(175,740)
	<u>1,175,621</u>	<u>1,521,926</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery or other fixed assets. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is approx. 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	18	173,259	146,358

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	174,608	146,358
Tax losses	(1,349)	-
	<u>173,259</u>	<u>146,358</u>
Movements in the year:		2019 £
Liability at 1 November 2018		146,358
Charge to profit or loss		9,683
Effect of change in tax rate - profit or loss		17,218
Liability at 31 October 2019		<u>173,259</u>

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

18 Deferred taxation (Continued)

The deferred tax liability set out above is expected to reverse by £57,152 in the next financial year and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	84,951	64,384

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
500 Ordinary shares of £1 each	500	500

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	55,905	15,550
Between two and five years	115,897	12,438
In over five years	18,425	-
	190,227	27,988

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

22 Related party transactions

Remuneration of key management personnel

Remuneration of key management personnel

The directors are regarded as the key management personnel. Directors' remuneration is disclosed in another note.

Transactions with related parties

During the year the director Mr S. Neal acquired a 50% stake in the companies listed below and became a director of each of the entities. The balances and trading transactions with Geoff Neal Litho Ltd since the period of ownership to the year end date were as follows:

	Sale of goods	Purchase of goods	Trade Debtor	Trade Creditor
	or services	or services	balance at	balance at
	in period	in period	year end	year end
	(including Vat)	(including Vat)		
	£	£	£	£
Evoteam Ltd	102,386	353,871	22,148	89,108
(shares held via S&S				
Printing & Finishing Ltd)				

Greywell Press Ltd 1,613 25,613 1,613 25,613

Print Unlimited Ltd - 40,000 - -

Standard trading terms and conditions apply to the above transactions and there is no security attaching to the outstanding balances.

GEOFF NEAL LITHO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

23 Ultimate controlling party

The parent company of Geoff Neal Litho Limited is JPO Communications Ltd and its registered office is 7 Pier Road, Feltham, Middlesex, TW14 0TW. The parent company is owned and controlled by its directors, Mr. S. Neal and Mrs. C. Neal.

JPO Communications Ltd prepares consolidated group accounts. The only subsidiary of the group is Geoff Neal Litho Ltd.

Parent undertaking

At the start of the year Geoff Neal Litho Ltd ('GNL') was owed £1,602,000 by JPO Communications Ltd ('JPO'). During the year GNL made net loans of £15,360 to JPO, leaving a balance owing to GNL of £1,617,360 at 31 October 2019. This is an unsecured non-interest bearing loan repayable on demand.

Rent of £124,080 (2018 - £51,700) was paid during the year by GNL to JPO in respect of the occupation of the business premises owned by JPO.

Guarantees and Security

Geoff Neal Litho Ltd continues to give a cross guarantee to Barclays Bank plc in respect of a bank loan owing by JPO Communications Ltd which was taken out in 2018 to finance the purchase of the business premises at 7 & 11 Pier Road.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.