

The Big Issue Company Limited

Report and Financial Statements

53 Week Period Ended

31 March 2019

Company Number 02612480



The Big Issue Company Limited

Company Information

Directors	S F Shafiq P Bird J L Evans P A Scales S F Todd
Registered number	02612480
Registered office	113-115 Fonthill Road London England N4 3HH
Independent Auditor	BDO LLP 55 Baker Street London W1U 7EU

The Big Issue Company Limited

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The Big Issue Company Limited

Directors' Report for the 53 Week Period Ended 31 March 2019

The directors present their report and the financial statements for the 53 week period ended 31 March 2019.

Directors' responsibilities

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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; and
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Big Issue is a self-help business, whose principal activity is the production of publications that give people affected by homelessness the chance of making an income.

The Company's principal activity is the production and distribution of a publication for sale by the homeless.

Results

The loss for the 53 week period, after taxation, amounted to £114,208 (2018 - profit £101,532).

No dividend was paid during the year and the directors do not recommend payment of a dividend (2018 - £Nil).

Directors

The directors who served during the period were:

S F Shafiq (appointed 29 March 2019)
J L Evans (appointed 29 March 2019)
P Bird (resigned 28 May 2019)
P A Scales (appointed on 4 September 2018)
S F Todd (appointed 29 March 2019)
S Canham (resigned 28 May 2019)

The Big Issue Company Limited

Directors' Report (continued)
for the 53 Week Period Ended 31 March 2019

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Disclosure of information to Auditor

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

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

Auditor

The Auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



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Director SHEHRYAR SHAFIQ

Date: 17 December 2019

The Big Issue Company Limited

Independent Auditor's Report to the Members of The Big Issue Company Limited

Opinion

We have audited the financial statements of The Big Issue Company Limited ("the company") for the period ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the period 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.

The Big Issue Company Limited

Independent Auditor's Report to the Members of The Big Issue Company Limited (continued)

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 material misstatement of the other information. If based on the work we have performed, we required to report that fact. statements or a, conclude that there is a material misstatement of this other information, we are

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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 director's 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;
- 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

The Big Issue Company Limited

Independent Auditor's Report to the Members of The Big Issue Company Limited (continued)

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 SAs (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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

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Vanessa-Jayne Bradley (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 17 December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Big Issue Company Limited

Statement of Comprehensive Income for the 53 Week Period Ended 31 March 2019

	Note	53 week period ended 31 March 2019 £	52 week period ended 25 March 2018 £
Turnover	4	4,854,878	4,379,189
Cost of sales		(1,688,133)	(1,138,541)
Gross profit		3,166,745	3,240,648
Administrative expenses		(3,289,253)	(3,122,331)
Operating (loss)/profit	5	(122,508)	118,317
Interest receivable and similar income		4,773	5
(Loss)/profit before tax		(117,735)	118,322
Tax on (loss)/profit	9	3,527	(16,790)
(Loss)/profit for the financial 53 week period		(114,208)	101,532

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 9 to 22 form part of these financial statements.

The Big Issue Company Limited

Registered number: 02612480

Statement of Financial Position as at 31 March 2019

	Note	31 March 2019 £	25 March 2018 £
Fixed assets			
Intangible assets	10	15,109	-
Tangible assets	11	291,395	302,113
Investments	12	26	19
		<u>306,530</u>	<u>302,132</u>
Current assets			
Stocks	14	9,937	11,237
Debtors	15	542,136	418,541
Cash and cash equivalents		<u>1,206,731</u>	<u>1,292,683</u>
		1,758,804	1,722,461
Creditors: amounts falling due within one year	16	<u>(1,088,669)</u>	<u>(933,720)</u>
Net current assets		<u>670,135</u>	<u>788,741</u>
Total assets less current liabilities		<u>976,665</u>	<u>1,090,873</u>
Net assets		<u>976,665</u>	<u>1,090,873</u>
Capital and reserves			
Share capital	18	3	3
Profit and loss account	19	<u>976,662</u>	<u>1,090,870</u>
		<u>976,665</u>	<u>1,090,873</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Director SHEHRYAR SHAFIQ

Date: 17 December 2019

The notes on pages 9 to 22 form part of these financial statements.

The Big Issue Company Limited

Statement of Changes in Equity for the 53 Week Period Ended 31 March 2019

	Share capital	Profit and loss account	Total equity
	£	£	£
At 26 March 2018	3	1,090,870	1,090,873
Comprehensive loss for the period			
Loss for the period	-	(114,208)	(114,208)
At 31 March 2019	3	976,662	976,665

Statement of Changes in Equity for the 52 Week Period Ended 25 March 2018

	Share capital	Profit and loss account	Total equity
	£	£	£
At 27 March 2017	3	989,338	989,341
Comprehensive income for the period			
Profit for the period	-	101,532	101,532
At 25 March 2018	3	1,090,870	1,090,873

The notes on pages 9 to 22 form part of these financial statements.

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

1. General information

The Big Issue Company Limited (the 'company') is a private company, limited by shares incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Big Issue Group Limited as at 31 March 2019 and these financial statements may be obtained from the company's registered office at 113-115 Fonthill Road, London, N4 3HH.

2.3 Investment in associates

Investment in associates are held at cost less impairment.

2.4 Going concern

The directors have prepared projected cash flow information for the period ending 12 months from the date of approval of these financial statements. On the basis of this cash flow information, the directors consider that the group will continue to meet its liabilities as they fall due.

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

2. Accounting policies (continued)

2.5 Turnover

Turnover represents amounts receivable in the ordinary course of business in respect of advertising turnover, the sale of publications and other complementary activities, excluding value added tax.

Turnover is recognised in line with the time period in which the publication or service is delivered.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 10% per annum
Fixtures, fittings and computer equipment	- 33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of shares issued together with the fair value of any additional consideration paid.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

2.9 Intangible assets

Website development costs are capitalised and amortised from completion over a 5 year period where the company expects to generate economic benefits from the development.

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

2. Accounting policies (continued)

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.13 Creditors

Short term creditors are measured at the transaction price.

2.14 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.15 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

2. Accounting policies (continued)

2.16 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within the United Kingdom.

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	53 weeks period ended 31 March 2019 £	52 week period ended 25 March 2018 £
Depreciation of tangible fixed assets	56,152	53,484
Other operating lease rentals	184,495	174,970

6. Auditor's remuneration

	53 weeks period ended 31 March 2019 £	52 week period ended 25 March 2018 £
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	24,303	23,595
Fees payable to the Company's Auditor and its associates in respect of:		
All other services	5,891	5,650

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

7. Employees

	53 weeks period ended 31 March 2019 £	52 week period ended 25 March 2018 £
Wages and salaries	2,417,823	1,931,776
Social security costs	234,735	191,605
Cost of defined contribution scheme	49,954	13,304
	<u>2,702,512</u>	<u>2,136,685</u>

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

	53 weeks period ended 31 March 2019 No.	52 week period ended 25 March 2018 No.
Employees	<u>87</u>	<u>80</u>

8. Directors' remuneration

	53 weeks period ended 31 March 2019 £	52 week period ended 25 March 2018 £
Directors' emoluments	178,134	174,505
Company contributions to defined contribution pension schemes	2,917	945
	<u>181,051</u>	<u>175,450</u>

During the period retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

9. Taxation

	53 weeks period ended 31 March 2019 £	52 week period ended 25 March 2018 £
Corporation tax		
Current tax on (loss)/profits for the year	-	320
Adjustments in respect of previous periods	(2,421)	2,143
	<u>(2,421)</u>	<u>2,463</u>
Total current tax	<u>(2,421)</u>	<u>2,463</u>
Deferred tax		
Origination and reversal of timing differences	(11,149)	8,683
Adjustments in respect of prior periods	10,043	5,644
	<u>(1,106)</u>	<u>14,327</u>
Taxation on (loss)/profit on ordinary activities	<u>(3,527)</u>	<u>16,790</u>

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

9. Taxation (continued)

Factors affecting tax charge for the 53 week period

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.01%). The differences are explained below:

	53 weeks period ended 31 March 2019 £	52 week period ended 25 March 2018 £
(Loss)/profit on ordinary activities before tax	<u>(117,735)</u>	<u>118,322</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.01%)	(22,370)	22,493
Effects of:		
Fixed asset differences	2,501	4,306
Expenses not deductible for tax purposes	4,766	3,897
Other tax adjustments, reliefs and transfers	-	2,416
Group relief claimed	-	(22,979)
Other permanent differences	2,280	-
Losses carried back	363	-
Adjustments to tax charge in respect of prior periods	(2,421)	2,143
Adjustments to tax charge in respect of previous periods - deferred tax	10,043	5,644
Changes to tax rates	1,311	(1,130)
Total tax charge for the period	<u><u>(3,527)</u></u>	<u><u>16,790</u></u>

No deferred tax asset relating to taxable losses was recognised during the period. In the prior period, a deferred tax asset balance relating to taxable losses of £22,499 was not recognised because there was insufficient future profits to utilise them.

Factors that may affect future tax charges

The main rate of UK corporation tax will decrease from 19% to 17% from 1 April 2020. As these changes had not been substantially enacted at the statement of financial position date, their effects are not included in the financial statements.

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

10. Intangible assets

	Website development £
Cost	
At 26 March 2018	-
Additions	18,500
At 31 March 2019	<u>18,500</u>
Amortisation	
At 26 March 2018	-
Charge for the year	3,391
At 31 March 2019	<u>3,391</u>
Net book value	
At 31 March 2019	<u>15,109</u>
At 25 March 2018	<u>-</u>

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

11. Tangible fixed assets

	Leasehold improvements £	Fixtures, fitting and computer equipment £	Total £
Cost			
At 26 March 2018	299,941	96,422	396,363
Additions	17,060	28,374	45,434
Transfers between classes	10,000	(10,000)	-
At 31 March 2019	<u>327,001</u>	<u>114,796</u>	<u>441,797</u>
Depreciation			
At 26 March 2018	50,169	44,081	94,250
Charge for the period	31,739	24,413	56,152
Transfers between classes	2,462	(2,462)	-
At 31 March 2019	<u>84,370</u>	<u>66,032</u>	<u>150,402</u>
Net book value			
At 31 March 2019	<u>242,631</u>	<u>48,764</u>	<u>291,395</u>
At 25 March 2018	<u>249,772</u>	<u>52,341</u>	<u>302,113</u>

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

12. Fixed asset investments

	Shares in subsidiary undertakings £	Investments in associates £	Total £
Cost			
At 26 March 2018	18	1	19
Additions	7	-	7
Reclassification	1	(1)	-
At 31 March 2019	<u>26</u>	<u>-</u>	<u>26</u>
Net book value			
At 31 March 2019	<u>26</u>	<u>-</u>	<u>26</u>
At 25 March 2018	<u>18</u>	<u>1</u>	<u>19</u>

13. Subsidiary undertaking

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Nature of business
The Big Issue in Scotland Limited	Scotland	Ordinary	100%	Publishing
The Big Issue Cymru (Wales) Limited	England and Wales	Ordinary	100%	Publishing
The Social Brokers Foundation	England and Wales	Ordinary	100%	Dormant

The directors consider the value of the investments to be supported by their underlying assets.

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

14. Stocks

	31 March 2019 £	25 March 2018 £
Paper stock	9,937	11,237

Stock recognised in cost of sales during the period as an expense was £206,844 (2018 - £189,134).

There is no material difference between the replacement cost of stocks and the amounts stated above.

15. Debtors

	31 March 2019 £	25 March 2018 £
Trade debtors	233,118	211,955
Amounts owed by group undertakings	149,671	95,438
Other debtors	54,106	35,016
Prepayments and accrued income	103,198	75,195
Deferred taxation	2,043	937
	<u>542,136</u>	<u>418,541</u>

All amounts shown under debtors fall due for payment within one year.

Amounts owed by group undertakings are unsecured, repayable on demand and bear no interest.

16. Creditors: Amounts falling due within one year

	31 March 2019 £	25 March 2018 £
Trade creditors	160,846	133,195
Amounts owed to group undertakings	474,156	382,583
Corporation tax	14,006	2,464
Other taxation and social security	60,009	87,097
Other creditors	75,698	67,133
Accruals and deferred income	303,954	261,248
	<u>1,088,669</u>	<u>933,720</u>

Amounts owed by subsidiary undertakings are unsecured, repayable on demand and bear no interest.

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

17. Deferred taxation

	2019 £	2018 £
At beginning of year	937	15,264
Charged to profit or loss	1,106	(14,327)
At end of year	2,043	937

The deferred tax asset is made up as follows:

	31 March 2019 £	25 March 2018 £
Accelerated capital allowances	(16,364)	563
Losses and other deductions	18,407	-
Short term timing differences	-	374
	2,043	937

18. Share capital

	31 March 2019 £	25 March 2018 £
Allotted, called up and fully paid		
1 Ordinary A share of £1.00	1	1
2 Ordinary B shares of £1.00 each	2	2
	3	3

19. Reserves

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

The Big Issue Company Limited

Notes to the Financial Statements for the 53 Week Period Ended 31 March 2019

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £49,954 (2018 - £13,304). Contributions totalling £Nil were payable to the fund at the reporting date and are included in creditors (2018 - £2,074).

21. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 March 2019 £	25 March 2018 £
Not later than 1 year	201,888	171,086
Later than 1 year and not later than 5 years	356,100	330,120
Later than 5 years	<u>161,109</u>	<u>127,200</u>

22. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

The group recharged expenses to a connected entity, The Big Issue Foundation, during the year of £245,806 (2018 - £206,099). Outstanding amount at the year end is £6,429 (2018 - £128).

23. Ultimate parent company

The ultimate party undertaking and controlling party is The Big Issue Group Limited, a company incorporated in England, and is the largest group of undertakings to consolidate these financial statements at 31 March 2019. The consolidated financial statements of The Big Issue Group Limited are available from The Big Issue Group, 113-115 Fonthill Road, London, N4 3HH.