

**Kolorcraft Group
Limited (formally
known as Kolorcraft
Holdings Limited)**

Registered number: 03652502

**Directors' report and
financial statements**

For the year ended 31 December 2019



KOLORCRAFT GROUP LIMITED
REGISTERED NUMBER: 03652502

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	4	4,715,189	4,715,189
		<u>4,715,189</u>	<u>4,715,189</u>
Creditors: amounts falling due within one year	5	(807,746)	(618,554)
Net current liabilities		<u>(807,746)</u>	<u>(618,554)</u>
Total assets less current liabilities		<u>3,907,443</u>	<u>4,096,635</u>
Creditors: amounts falling due after more than one year	6	(153,456)	(153,456)
Net assets		<u><u>3,753,987</u></u>	<u><u>3,943,179</u></u>
Capital and reserves			
Called up share capital	7	9,868	9,868
Share premium account	8	119,834	119,834
Capital redemption reserve	8	6,472	6,472
Profit and loss account	8	3,617,813	3,807,005
		<u><u>3,753,987</u></u>	<u><u>3,943,179</u></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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with 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 on

30 SEPTEMBER 2020



M Atkinson
Director

The notes on pages 2 to 7 form part of these financial statements.

KOLORCRAFT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Kolorcraft Group Limited ("the Company") is a private company limited by shares and incorporated in England and Wales with registration number 12166250. The address of its registered office and its principal place of business is Concept House, Milner Way, Ossett, West Yorkshire, WF5 9JE.

The principal activity of the Group and Company is the provision of design and printing services.

During the year the Company changed its name from 'Kolorcraft Holdings Limited' to 'Kolorcraft Group Limited'.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report.

The directors have produced forecasts for the group headed by Kolorcraft Holdings Limited that have been sensitised to stress test downside scenarios as a result of the COVID-19 pandemic and its impact on the UK economy. It is assumed within these forecasts that there is a long sluggish U-shaped recovery with continued impact on revenues within the group until the second half of 2021.

The forecasts demonstrate the Group is able to generate profits and cash in the year ending 31 December 2020 and beyond and that the Group has sufficient access to financing facilities via its retained £5m working capital facility to enable it to meet its obligations as they fall due for a period beyond the 12 months from the date of signing of these financial statements.

As such, the directors are satisfied that despite the major variables of the depth and duration of the COVID-19 impact, the Group has adequate resources to continue to operate for the foreseeable future and the group will provide funding to the company as required to meet its obligations as they fall due. On that basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Finance costs

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

KOLORCRAFT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Taxation

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.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 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, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

KOLORCRAFT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Financial instruments (continued)

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

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

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

KOLORCRAFT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	4,715,189
At 31 December 2019	<u>4,715,189</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Kolorcraft Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Kolorcraft Limited	5,539,369	1,240,825

The registered office of the subsidiary is Concept House, Mortimer Rise, Milner Way, Ossett, West Yorkshire, WF5 9JE. The principal activity of the subsidiary is the provision of design and printing services.

5. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	807,746	603,381
Other taxation and social security	-	1,047
Other creditors	-	14,126
	<u>807,746</u>	<u>618,554</u>

KOLORCRAFT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Share capital treated as debt	153,456	153,456

7. Share capital

	2019 £	2018 £
Shares classified as equity		
Allotted, called up and fully paid		
0 (2018 - 7,833) 'A' Ordinary shares of £1.00 each	-	7,833
0 (2018 - 1,617) 'B' Ordinary shares of £1.00 each	-	1,617
0 (2018 - 5) 'C' Ordinary shares of £1.00 each	-	5
0 (2018 - 1) 'D' Ordinary shares of £1.00 each	-	1
0 (2018 - 412) 'E' Ordinary shares of £1.00 each	-	412
9,868 (2018 - 0) Ordinary shares of £1.00 each	9,868	-
	<u>9,868</u>	<u>9,868</u>

On 2nd October 2019 7,833 'A' Ordinary shares of £1.00 each, 1,617 'B' Ordinary shares of £1.00 each, 5 'C' Ordinary shares of £1.00 each, 1 'D' Ordinary share of £1.00 and 412 'E' Ordinary shares of £1.00 each were re-designated as 9,868 Ordinary shares of £1.00 each.

The Ordinary shares have full rights to dividends, votes and surplus on winding up.

The preference shares are not entitled to any further participation in the profits of the company, have no voting rights, on a return of capital on liquidation assets available for distribution shall be applied first to repaying the holders of the preference shares.

	2019 £	2018 £
Shares classified as debt		
Allotted, called up and fully paid		
153,456 (2018 - 153,456) Preference shares of £1.00 each	153,456	153,456

KOLORCRAFT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. Reserves

Share premium account

This reserve represents the excess above nominal value that the company have received for shares issued.

Capital redemption reserve

This reserve represents the nominal value of shares that have been purchased back by the company.

Profit & loss account

This reserve represents cumulative profits and losses.

9. Post balance sheet events

Subsequent to the year end, COVID-19 has resulted in a global pandemic affecting economies globally. The speed and severity of the impact has been unprecedented but many Governments, including within the UK, have introduced considerable measures to help businesses through this extremely challenging time. Post year end the developments and circumstances around COVID-19 have been identified as a non adjusting post balance sheet event.

The advent of the COVID-19 pandemic post year end does not alter the directors' going concern assessment for the entity.

10. Controlling party

The ultimate parent company is Kolorcraft Holdings Limited, a company incorporated in England and Wales. Kolorcraft Holdings Limited is the parent undertaking of the largest and smallest group for which accounts are drawn up and of which the company is a member. Copies of the accounts of Kolorcraft Holdings Limited can be obtained from: Concept House, Milner Way, West Yorkshire, WF5 9JE.

On 2nd October 2019 100% of the share capital of the company was acquired by Kolorcraft Holdings Limited. On the same date the ultimate controlling party changed from Mr P Findley to Mr M Atkinson.

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 30 September 2020 by David Smithson (senior statutory auditor) on behalf of Mazars LLP.