

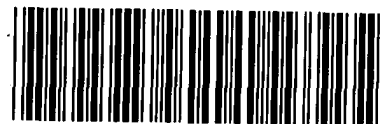
AGA Print Limited (trading as Solopress)

Annual report and financial statements

Registered number 04717223

Year ended 31 December 2021

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Contents

Company information	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities in respect of the annual report and the financial statements	5
Independent auditor's report to the members of AGA Print Limited	6
Profit and Loss Account and Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes	13

Company information

Directors	S Cooper D Muller
Company number	04717223
Registered office	9 Stock Road Southend-on-Sea Essex SS2 5QF
Auditor	KPMG LLP Botanic House 100 Hills Road Cambridge CB2 1AR
Business address	9 Stock Road Southend-on-Sea Essex SS2 5QF
Banker	National Westminster Bank Plc Corporate Banking & Financial Markets PO Box 138 4th Floor, High Street Southend-on-Sea Essex SS1 1BS

Strategic report

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

Fair review of the business

The principal activity of the company continued to be that of printing and design, trading under the name of Solopress.

During the year, the company has seen a significant increase in turnover which has largely been achieved through its marketing strategy as the effects of Covid-19 ease. The Directors believe that overall market prospects are good and the company will be able to continue to grow in the coming year.

Significant risks faced by the business

The key business risks and uncertainties affecting the company are considered to relate to competition from other design and print businesses and general price erosion in the market.

The directors effectively manage these risks by monitoring our competitors' actions and the prices charged within the market and respond accordingly.

Energy costs around the globe have increased significantly in the past year. Due to the company agreeing a long-term fixed rate contract there is no effect to the company in the short to medium term.

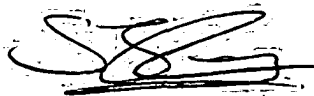
Key performance indicators

The key performance indicators used to review and monitor the company are shown below:

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Sales	£21,683,357	£18,460,285
Gross profit	£7,608,248	£4,612,555
Gross profit margin	35%	25%

By order of the board

Simon Cooper
Managing Director



27th May 2022

Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2021

Directors

The directors who held office during the year were as follows:

D Müller
S Cooper

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were not paid (2020: £nil). The directors do not recommend payment of a final dividend.

Financial instruments

Treasury operations and financial instruments

The company operates a treasury function which is responsible for managing the liquidity and interest risk associated with the company's activities.

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

The company is exposed to interest rate risk on bank loans.

In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations. In accordance with the company's treasury policy, derivatives are not entered into for speculative purposes.

Liquidity risk

The company manages its cash and borrowing requirements in order to meet its day-to-day business and operating needs.

Interest rate risk

The company is exposed to fair value interest rates risk on its borrowing and continually manages this risk to reduce the company's exposure in this area.

Credit risk

Customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision for doubtful debts made where necessary.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



Simon Cooper
Managing Director

27th May 2022

9 Stock Road
Southend-on-Sea
Essex
SS2 5QF

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of AGA Print Limited (trading as Solopress)

Opinion

We have audited the financial statements of AGA Print Limited ("the Company") for the year ended 31 December 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Independent auditor's report to the members of AGA Print Limited (trading as Solopress) (continued)

Fraud and breaches of laws and regulations – ability to detect

As required by auditing standards, we perform procedures to address the risk of management override of controls and in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition as revenue comprises of income relating to the express design and printing services for customers. Income is recognised when the item is dispatched from the warehouse and is delivered to customers within 24 hours. As such the risk that the revenues are recognised in the incorrect period is considered remote.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation of the design and implementation of fraud risk management controls.

We also performed the following procedures:

- Review of journals posted as part of the year end accounts preparation process.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequence of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, laws and regulations relating to fraud, corruption and bribery and money laundering. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Independent auditor's report to the members of AGA Print Limited (trading as Solopress) (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of AGA Print Limited (trading as Solopress) (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



Mark Prince (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100, Hills Road
Cambridge
CB2 1AR

27 May 2022

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2021

	Note	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Turnover	3	21,683,357	18,460,285
Cost of sales		(14,075,109)	(13,847,730)
Gross profit		7,608,248	4,612,555
Administrative expenses	4	(7,642,885)	(8,034,453)
Other Operating Income		329,778	1,769,633
Operating profit / (loss)		295,141	(1,652,265)
Interest receivable and similar income	7	65	1,625
Interest payable and similar expenses	8	(35,016)	-
Profit / (loss) before taxation		260,190	(1,650,640)
Taxation	9	(272,298)	313,719
(Loss) after tax		(12,108)	(1,336,921)
Total comprehensive (expense) for the financial year		(12,108)	(1,336,921)

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

Balance Sheet
at 31 December 2021

	Note	31 Dec 2021		31 Dec 2020	
		£	£	£	£
Fixed assets					
Tangible assets	10	1,287,487		290,049	
Intangible Assets		56,517		-	
			1,344,004		290,049
Current assets					
Stocks	11	993,308		850,284	
Debtors (including £4,360,948 (2020 £8,392,341) due more than one year)	12	5,245,765		9,006,751	
Cash at bank and in hand		1,480,856		1,773,789	
		7,719,929		11,630,824	
Creditors: amounts falling due within one year	13	(4,452,618)		(7,067,201)	
Net current assets		3,267,311		4,563,623	
Total assets less current liabilities		4,611,315		4,853,672	
Creditors: Amounts falling due after more than one year	14	(1,666,662)		(2,166,664)	
Provisions for liabilities	15	(258,940)		10,813	
Net Assets		2,685,713		2,697,821	
Capital and reserves					
Called up share capital	17	6		6	
Profit and Loss account		2,685,707		2,697,815	
Shareholders' funds		2,685,713		2,697,821	

These financial statements, along with the notes which make up the financial statements, were approved by the board of directors on 27th May 2022 and were signed on its behalf by:



Simon Cooper
Managing Director

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2020	6	4,034,736	4,034,742
Total comprehensive (expense) for the year Profit or loss	-	(1,336,921)	(1,336,921)
Total comprehensive (expense) for the year	-	(1,336,921)	(1,336,921)
Balance at 31 December 2020	6	2,697,815	2,697,821
Balance at 1 January 2021	6	2,697,815	2,697,821
Total comprehensive (expense) for the year Profit or loss	-	(12,108)	(12,108)
Total comprehensive (expense) for the year	-	(12,108)	(12,108)
Balance at 31 December 2021	6	2,685,707	2,685,713

Notes

(forming part of the financial statements)

1 Accounting Policies

AGA Print Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 04717223 and the registered address is 9 Stock Road, Southend-on-Sea, Essex SS2 5QF.

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 £.

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 33 'Related Party Disclosures' – Disclosure of related party transactions;
- Section 33.6 'Key Management Personnel' – Key management personnel compensation.

These financial statements present information about the Company as an individual undertaking and not about its group. The company's ultimate parent undertaking, Online Printers Holdings GmbH, a company incorporated in Germany, includes the company in its consolidated financial statements. Copies of its group financial statements are available from Online Printers Holdings GmbH, Rudolf-Diesel-Str. 10, 91413 Neustadt a. d.

1.1 Going concern

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

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts include a base case and a severe plausible downside scenario which both show the company having adequate cash resources to continue trading.

The company is part of the UK group headed by OP UK Bidco Limited, and ultimately owned by Online Printers Holdings GmbH. Forecasts for that group have also been prepared which show trading continues for the for the period of at least 12 months from the date of approval of financial statements.

The whole group is funded by a loan which has strict covenants. Similar forecasts for the whole group showing a base case and downside scenario have been prepared which both show the covenants having sufficient headroom.

The Directors are confident that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Notes (continued)

1 Accounting policies (continued)

1.2 Turnover (continued)

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.3 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.4 Tangible fixed assets

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

Depreciation is charged to the profit and loss account and 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% straight line
Fixtures, fittings and equipment	- 25% to 33% straight line
Property improvements	- 15% straight line
Motor vehicles	- 25% 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 recognised in the profit and loss account.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Notes (continued)

1 Accounting policies (continued)

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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

Notes (continued)

1 Accounting policies (continued)

1.8 Financial instruments

The group 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 group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, and 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.

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 group 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.

Notes (continued)

1 Accounting policies (continued)

1.8 Financial instruments (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group 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.

Derecognition of financial liabilities

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

1.9 Taxation

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

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 if, and only if, there is 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.

Notes (continued)

1 Accounting policies (continued)

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

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 the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 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.

Notes (continued)

3 Turnover and other revenue

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

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Sale of goods	21,683,357	18,460,285

All revenue is generated in the United Kingdom.

4 Expenses and auditor's remuneration

Included in profit/loss are the following:

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Depreciation of owned tangible fixed assets	176,273	165,746
Cost of stocks recognised as an expense	6,027,155	5,190,904

Auditor's remuneration:

Audit of these financial statements	62,135	65,420
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Notes (continued)

5 Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	Number of employees	Number of employees
Production	110	169
Sales	20	19
Administration	33	47
	<u>163</u>	<u>235</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	4,454,377	4,339,911
Social security costs	443,295	518,097
Pension costs	90,637	90,027
Other benefits	2,045	2,440
	<u>4,990,354</u>	<u>4,950,475</u>

6 Directors' remuneration

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	£	£
Directors' remuneration	<u>122,991</u>	<u>111,123</u>

The Directors are remunerated and paid by the ultimate UK parent company, OP UK Bidco Limited. Their Remuneration has been allocated on a percentage basis, based on the level of services provided to each group company.

7 Interest receivable and similar income

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	£	£
Other interest	<u>65</u>	<u>1,625</u>

8 Interest payable and similar expenses

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	£	£
Interest on financial liabilities measured at amortised cost:		
On finance leases and hire purchase contracts	<u>35,016</u>	<u>-</u>
Total finance costs	<u>35,016</u>	<u>-</u>

Notes (continued)

9 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Current tax		
Current tax on income for the period	-	-
Prior period adjustments	2,545	(304,523)
Total current tax	2,545	(304,523)
Deferred tax (see note 16)		
Origination and reversal of timing differences	269,753	(9,196)
Total deferred tax	269,753	(9,196)
Total tax	272,298	(313,719)

Reconciliation of effective tax rate

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
(Loss) for the year	(12,108)	(1,336,921)
Total tax expense	272,298	(313,719)
Profit / (loss) excluding taxation	260,190	(1,650,640)
Tax using the UK corporation tax rate of 19% (2020: 19%)	49,436	(313,622)
Depreciation in excess of capital allowances	33,674	-
Disallowable expenses	9	-
Other allowances	(12)	-
Reversal of time differences on deferred tax	269,753	(9,196)
Prior period withholding tax adjustment	230,380	(304,523)
Capital items expensed	(310,942)	-
Non-deductible	-	313,622
Total tax expense included in profit or loss	272,298	(313,719)

Notes (continued)

10 Tangible fixed assets

	Plant and Machinery £	Fixtures Fittings & equipment £	Property £	Vehicles £	Total £
Cost					
At beginning of year	328,699	1,085,026	-	-	1,413,725
Additions	718,837	402,280	22,704	29,890	1,173,711
At end of year	1,047,536	1,487,306	22,704	29,890	2,587,436
Depreciation and impairment					
At beginning of year	240,468	883,208	-	-	1,123,676
Depreciation charge for the year	40,438	133,178	2,032	625	176,273
At end of year	280,906	1,016,386	2,032	625	1,299,949
Net book value					
At 31 December 2021	766,630	470,920	20,672	29,265	1,287,487
At 31 December 2020	88,231	201,818	-	-	290,049

11 Stocks

	31 Dec 2021 £	31 Dec 2020 £
Raw materials in stock	993,308	850,284

12 Debtors

	31 Dec 2021 £	31 Dec 2020 £
Trade debtors	283,385	166,256
Other debtors	10,821	25
Corporation Tax	204,089	304,522
Prepayments and accrued income	386,522	143,606
	884,817	614,410

Debtors due in over 1 year	31 Dec 2021 £	31 Dec 2020 £
Amounts due from group undertakings	4,360,948	8,392,341
	5,245,765	9,006,751

Notes (continued)

13 Creditors: amounts falling due within one year

	31 Dec 2021 £	31 Dec 2020 £
Bank loans	500,005	333,336
Trade creditors	-	1,797,632
Amounts owed to group undertakings	2,778,157	3,982,308
Taxation and social security	561,625	553,645
Other creditors	15,757	14,643
Accruals and deferred income	597,074	385,638
	<u>4,452,618</u>	<u>7,067,201</u>

14 Creditors: amounts falling after more than one year

	31 Dec 2021 £	31 Dec 2020 £
Bank loans	1,666,662	2,166,664
	<u>1,666,662</u>	<u>2,166,664</u>

Term and debt repayment schedule

Group	Currency	Nominal interest rate	Year of Maturity	Principle repayment schedule	31 Dec 2021 £	31 Dec 2020 £
Bank Loan	GBP	Base + 2.33%	2026	Monthly - Over term	2,166,667	2,500,000

Notes (continued)

15 Provisions

	31 Dec 2021 £	31 Dec 2020 £
Deferred tax (liabilities) / asset	(258,940)	10,813
	<u>(258,940)</u>	<u>10,813</u>

16 Deferred tax assets and liabilities

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

	Liabilities 31 Dec 2021 £
Accelerated capital allowances	258,940
Movement in the year:	
	£
Asset at beginning of year	10,813
Credit to profit and loss	(269,753)
Asset at end of year	<u>(258,940)</u>

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

Notes (continued)

17 Capital and reserves

Share capital

	31 Dec 2021	31 Dec 2020
	£	£
Issued and fully paid		
3 ordinary A shares of £1 each	3	3
3 ordinary B shares of £1 each	3	3
	<u>6</u>	<u>6</u>

The company has Class A ordinary shares in issue which carry one vote and no right to fixed income.

The company has Class B ordinary shares in issue which carry one vote and no right to fixed income.

18 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the Group.

19 Controlling party

The immediate parent company is ASAP Print Limited which is owned by OP UK Bidco Ltd, both of which are companies registered in England and Wales. OP UK Bidco Limited is owned and controlled by Online Printers Holdings GmbH. Copies of the consolidated financial statements of Online Printers Holdings GmbH are available from Onlineprinters GmbH Rudolf-Diesel-Str. 10, 91413 Neustadt a. d. Aisch, Germany.