

**Company Registration No. 05159642 (England and Wales)**

**PHILIP MYERS WEB (NESTON) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

# PHILIP MYERS WEB (NESTON) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr C J Howard Mr R J Sandman Mr G M Glynn	(Appointed 1 June 2018)
<b>Company number</b>	05159642	
<b>Registered office</b>	Unit 2 Navigation Park Lockside Road Leeds LS10 1EP	
<b>Auditor</b>	DJH Accountants Limited Porthill Lodge High Street Wolstanton Newcastle under Lyme Staffordshire ST5 0EZ	

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# **PHILIP MYERS WEB (NESTON) LIMITED**

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# **PHILIP MYERS WEB (NESTON) LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 MARCH 2019***

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

### **Fair review of the business**

The directors would like to take the opportunity to highlight that the year to 31 March 2019 was the first full year of trading following a two year period of restructure.

The results of the restructure have now been seen and the reduction in turnover to £10.6m in 2019 compared to £14.5m in 2018 has meant that percentage margins have increased due to the company only producing work for customers at the correct level of sales pricing and efforts to reduce cost of sales which has been led by using more cost effective suppliers for paper and ink have further increased percentage margins. Distribution costs have reduced significantly to £615k in 2019 from £1.1m in 2018 as have administrative expenses which reduced to £2.2m in 2019 from £2.9m in 2018.

The company strategy is to concentrate on high margin work and obtaining the lowest cost of sales level possible and keep overheads at a very low level.

The company continues to operate the environmental system BS EN ISO 14001:2004, quality system BS EN ISO 9001, FSC Chain of Custody and PEFC Chain of Custody.

The company strategy has now been proved to work, as can be seen in the year end accounts to 31 March 2019. The company intends to continue to pursue this strategy going forward and is confident that the level of profitability in the year end accounts to 31 March 2020 will show further improved results.

### **Risk Management**

The management of the business and the execution of the company's strategy are subject to a number of risks and have been considered by the directors.

Qualifying third party indemnity provision is in place for the benefit of all directors in the company.

On behalf of the board

Mr G M Glynn

**Director**

30 August 2019

**Date**

# **PHILIP MYERS WEB (NESTON) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2019***

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

### **Principal activities**

The principal activity of the company continued to be that of the production of printed materials.

### **Directors**

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

Mr C J Howard

Mr R J Sandman

Mr G M Glynn

(Appointed 1 June 2018)

### **Results and dividends**

The results for the year are set out on page 6.

No Ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Auditor**

In accordance with the company's articles, a resolution proposing that DJH Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

## **PHILIP MYERS WEB (NESTON) LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2019***

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#### **Statement of disclosure to auditor**

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

On behalf of the board

Mr G M Glynn

**Director**

30 August 2019

**Date**

# PHILIP MYERS WEB (NESTON) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PHILIP MYERS WEB (NESTON) LIMITED

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#### Opinion

We have audited the financial statements of Philip Myers Web (Neston) Limited (the 'company') for the year ended 31 March 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **PHILIP MYERS WEB (NESTON) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF PHILIP MYERS WEB (NESTON) LIMITED**

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##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

##### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

##### **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.

Porthill Lodge  
High Street  
Wolstanton  
Newcastle under Lyme  
Staffordshire  
ST5 0EZ

**30 August 2019**

**Paul David Hulme FCCA  
(Senior Statutory Auditor)  
for and on behalf of  
DJH ACCOUNTANTS LIMITED**

Chartered Certified Accountants  
Statutory Auditor

# PHILIP MYERS WEB (NESTON) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	10,676,652	14,506,133
Cost of sales		(7,407,232)	(10,485,229)
<b>Gross profit</b>		3,269,420	4,020,904
Distribution costs		(615,147)	(1,116,532)
Administrative expenses		(2,221,914)	(2,991,335)
Other operating income		14,750	-
<b>Operating profit/(loss)</b>	<b>4</b>	447,109	(86,963)
Interest payable and similar expenses	<b>5</b>	(82,129)	(122,610)
Exceptional Non-operating items	<b>6</b>	-	(144,886)
<b>Profit/(loss) before taxation</b>		364,980	(354,459)
Tax on profit/(loss)	<b>9</b>	-	-
<b>Profit/(loss) for the financial year</b>		364,980	(354,459)

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

**PHILIP MYERS WEB (NESTON) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 MARCH 2019***

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	364,980	(354,459)
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>364,980</u>	<u>(354,459)</u>

# PHILIP MYERS WEB (NESTON) LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	10		1,049,384		1,095,107
<b>Current assets</b>					
Stocks	12	605,478		694,159	
Debtors	13	2,573,156		3,845,061	
Cash at bank and in hand		279,321		8,250	
		<u>3,457,955</u>		<u>4,547,470</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(4,285,477)</u>		<u>(5,709,624)</u>	
<b>Net current liabilities</b>			<u>(827,522)</u>		<u>(1,162,154)</u>
<b>Total assets less current liabilities</b>			221,862		(67,047)
<b>Creditors: amounts falling due after more than one year</b>	15		(541,911)		(617,982)
<b>Provisions for liabilities</b>	18		<u>(39,712)</u>		<u>(39,712)</u>
<b>Net liabilities</b>			<u><u>(359,761)</u></u>		<u><u>(724,741)</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		200,004		200,004
Profit and loss reserves			<u>(559,765)</u>		<u>(924,745)</u>
<b>Total equity</b>			<u><u>(359,761)</u></u>		<u><u>(724,741)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 August 2019 and are signed on its behalf by:

Mr G M Glynn  
Director

Company Registration No. 05159642

# **PHILIP MYERS WEB (NESTON) LIMITED**

## **STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 31 MARCH 2019**

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 April 2017</b>	200,004	240,874	(811,160)	(370,282)
<b>Year ended 31 March 2018:</b>				
Loss and total comprehensive income for the year	-	-	(354,459)	(354,459)
Transfers	-	(240,874)	240,874	-
<b>Balance at 31 March 2018</b>	200,004	-	(924,745)	(724,741)
<b>Year ended 31 March 2019:</b>				
Profit and total comprehensive income for the year	-	-	364,980	364,980
<b>Balance at 31 March 2019</b>	200,004	-	(559,765)	(359,761)

# PHILIP MYERS WEB (NESTON) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	£	2019 £	£	2018 £
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	26		1,314,631		(222,020)
Interest paid			(82,129)		(122,610)
Income taxes (paid)/refunded			-		66,126
<b>Net cash inflow/(outflow) from operating activities</b>			<u>1,232,502</u>		<u>(278,504)</u>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(10,227)		(12,584)	
Proceeds on disposal of tangible fixed assets		-		900,441	
<b>Net cash (used in)/generated from investing activities</b>			<u>(10,227)</u>		<u>887,857</u>
<b>Financing activities</b>					
Repayment of borrowings		(33,000)		(71,070)	
Repayment of bank loans		-		(481,879)	
Payment of finance leases obligations		(131,090)		(488,890)	
<b>Net cash used in financing activities</b>			<u>(164,090)</u>		<u>(1,041,839)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<u>1,058,185</u>		<u>(432,486)</u>
Cash and cash equivalents at beginning of year			<u>(2,727,419)</u>		<u>(2,294,933)</u>
<b>Cash and cash equivalents at end of year</b>			<u><u>(1,669,234)</u></u>		<u><u>(2,727,419)</u></u>
<b>Relating to:</b>					
Cash at bank and in hand			279,321		8,250
Bank overdrafts included in creditors payable within one year			<u>(1,948,555)</u>		<u>(2,735,669)</u>

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **1 Accounting policies**

#### **Company information**

Philip Myers Web (Neston) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2 Navigation Park, Lockside Road, Leeds, LS10 1EP.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of leasehold properties. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Philip Myers Web (Neston) Limited is a wholly owned subsidiary of PM Web Print Limited and the results of Philip Myers Web (Neston) Limited are included in the consolidated financial statements of PM Web Print Limited which are publicly available from Companies house.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, due to the continued financial support from the group directors and day to day working capital requirements through invoice discounting facilities. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 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.

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.

#### **1.4 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.

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	10% - 20% per annum of cost
Fixtures, fittings and equipment	12.5% - 20% per annum of cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

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

##### **Impairment of financial assets**

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

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

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

##### **Derecognition of financial assets**

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

##### **Classification of financial liabilities**

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

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

#### **Other financial liabilities**

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

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

#### **Derecognition of financial liabilities**

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

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 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.

### 1.11 Retirement benefits

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

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### 1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

#### 1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 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.

### 3 Turnover and other revenue

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

	2019	2018
	£	£
<b>Turnover analysed by class of business</b>		
Sales of printed material	10,676,652	14,506,133

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

<b>3</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Other significant revenue</b>		
	Grants received	14,750	-
		<u>          </u>	<u>          </u>
		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Turnover analysed by geographical market</b>		
	United Kingdom	10,676,652	14,506,133
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Operating profit/(loss)</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Operating profit/(loss) for the year is stated after charging/(crediting):		
	Exchange gains	(95)	-
	Government grants	(14,750)	-
	Fees payable to the company's auditor for the audit of the company's financial statements	17,000	20,713
	Depreciation of owned tangible fixed assets	51,261	68,362
	Depreciation of tangible fixed assets held under finance leases	94,689	91,500
	Profit on disposal of tangible fixed assets	-	(34,667)
	Operating lease charges	375,291	520,296
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable and similar expenses</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts and loans	52,978	91,965
	<b>Other finance costs:</b>		
	Interest on finance leases and hire purchase contracts	29,151	30,645
		<u>          </u>	<u>          </u>
		82,129	122,610
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Exceptional Non-operating Items</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Loss on sale of land and buildings	-	144,886
		<u>          </u>	<u>          </u>
		-	144,886
		<u>          </u>	<u>          </u>

## PHILIP MYERS WEB (NESTON) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

#### 7 Employees

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

	2019 Number	2018 Number
Production	60	111
Sales	3	4
Management and administration	7	12
	<u>70</u>	<u>127</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,984,656	3,175,626
Pension costs	29,195	28,275
	<u>2,013,851</u>	<u>3,203,901</u>

#### 8 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	<u>32,918</u>	<u>30,052</u>

#### 9 Taxation

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

	2019 £	2018 £
Profit/(loss) before taxation	<u>364,980</u>	<u>(354,459)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	69,346	(67,347)
Tax effect of expenses that are not deductible in determining taxable profit	1,504	24,346
Tax effect of utilisation of tax losses not previously recognised	(59,391)	-
Unutilised tax losses carried forward	-	39,587
Depreciation	27,731	30,374
Capital allowances	<u>(39,190)</u>	<u>(26,960)</u>
Taxation for the year	<u>-</u>	<u>-</u>

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 10 Tangible fixed assets

	Plant and fixtures, fittings machinery and equipment		Total
	£	£	£
<b>Cost</b>			
At 1 April 2018	1,664,312	229,219	1,893,531
Additions	98,177	2,050	100,227
	<u>1,762,489</u>	<u>231,269</u>	<u>1,993,758</u>
At 31 March 2019			
<b>Depreciation and impairment</b>			
At 1 April 2018	599,251	199,173	798,424
Depreciation charged in the year	134,491	11,459	145,950
	<u>733,742</u>	<u>210,632</u>	<u>944,374</u>
At 31 March 2019			
<b>Carrying amount</b>			
At 31 March 2019	1,028,747	20,637	1,049,384
	<u>1,065,061</u>	<u>30,046</u>	<u>1,095,107</u>
At 31 March 2018			

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

	2019 £	2018 £
Plant and machinery	824,488	823,500

### 11 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	2,410,848	3,401,086
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,736,431	6,198,949

### 12 Stocks

	2019 £	2018 £
Work in progress	180,004	162,706
Paper stock and consumables	425,474	531,453
	<u>605,478</u>	<u>694,159</u>

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 13 Debtors

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	2,255,726	3,194,964
Corporation tax recoverable	9,830	9,830
Amounts owed by group undertakings	154,340	154,340
Other debtors	53,908	148,089
Prepayments and accrued income	33,095	271,581
	<u>2,506,899</u>	<u>3,778,804</u>
<b>Amounts falling due after more than one year:</b>		
	£	£
Deferred tax asset (note 19)	66,257	66,257
	<u>66,257</u>	<u>66,257</u>
<b>Total debtors</b>	<u>2,573,156</u>	<u>3,845,061</u>

### 14 Creditors: amounts falling due within one year

	Notes	2019	2018
		£	£
Bank loans and overdrafts	16	1,948,555	2,745,569
Obligations under finance leases	17	159,681	145,383
Other borrowings	16	16,308	36,000
Trade creditors		1,551,317	2,130,781
Taxation and social security		31,957	62,282
Government grants	20	7,375	7,375
Other creditors		226,957	330,213
Accruals and deferred income		343,327	252,021
		<u>4,285,477</u>	<u>5,709,624</u>

Included within bank loans and overdrafts are amounts of £1,948,555 (2018 - £2,745,569) in respect of invoice discounting facilities. These amounts are secured by a fixed charge on all purchased debts.

Amounts due under finance lease and hire purchase contracts are secured on assets to which they relate.

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 15 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases	17	490,286	545,674
Other borrowings	16	-	13,308
Government grants	20	51,625	59,000
		<u>541,911</u>	<u>617,982</u>

Amounts due under finance lease and hire purchase contracts are secured on assets to which they relate.

### 16 Loans and overdrafts

	2019 £	2018 £
Bank loans	-	9,900
Invoice discounting facility	1,948,555	2,735,669
Other loans	16,308	49,308
	<u>1,964,863</u>	<u>2,794,877</u>
Payable within one year	1,964,863	2,781,569
Payable after one year	-	13,308
	<u></u>	<u></u>

### 17 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	159,681	145,383
In two to five years	490,286	545,674
	<u>649,967</u>	<u>691,057</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period and no restrictions are placed on the use of the assets. The average lease term is 2-5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 18 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	19	<u>39,712</u>	<u>39,712</u>

## PHILIP MYERS WEB (NESTON) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

#### 19 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
<b>Balances:</b>				
Accelerated capital allowances	39,712	39,712	-	-
Tax losses	-	-	66,257	66,257
	<u>39,712</u>	<u>39,712</u>	<u>66,257</u>	<u>66,257</u>

There were no deferred tax movements in the year.

#### 20 Government grants

Deferred income is included in the financial statements as follows:

	2019 £	2018 £
Current liabilities	7,375	7,375
Non-current liabilities	51,625	59,000
	<u>59,000</u>	<u>66,375</u>

Government Grants of £73,750 were received in the year ended 31 March 2018, in connection with the purchase of Plant and Machinery. These have been deferred over the life of the plant.

#### 21 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	<u>29,195</u>	<u>28,275</u>

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

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 22 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100,002 Ordinary 'A' shares of £1 each	100,002	100,002
100,002 Ordinary 'B' shares of £1 each	100,002	100,002
	<u>200,004</u>	<u>200,004</u>

### 23 Operating lease commitments

#### Lessee

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

	2019 £	2018 £
Within one year	459,960	655,560
Between two and five years	1,839,840	1,311,120
In over five years	153,320	-
	<u>2,453,120</u>	<u>1,966,680</u>

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Remuneration	<u>32,918</u>	<u>30,052</u>

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2019 £	2018 £	2019 £	2018 £
Other related parties	<u>141,297</u>	<u>154,216</u>	<u>329,716</u>	<u>495,435</u>

# PHILIP MYERS WEB (NESTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 24 Related party transactions

(Continued)

	<i>Services provided by</i>		<i>Operating leases provided by</i>	
	2019	2018	2019	2018
	£	£	£	£
Key management personnel	224,050	187,520	-	-
Other related parties	-	-	306,640	448,047
	<u>224,050</u>	<u>187,520</u>	<u>306,640</u>	<u>448,047</u>

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
<b>Amounts owed to related parties</b>		
Other related parties	170,435	238,678
	<u>170,435</u>	<u>238,678</u>

The following amounts were outstanding at the reporting end date:

	2019
	Balance
	£
<b>Amounts owed by related parties</b>	
Other related parties	55,361

There were no amounts owed in the previous period.

### 25 Ultimate controlling party

The ultimate parent company of Philip Myers Web (Neston) Limited is PM Web Print Limited, incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by PM Web Print Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the company.

# **PHILIP MYERS WEB (NESTON) LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2019**

### **26 Cash generated from operations**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the year after tax	364,980	(354,459)
<b>Adjustments for:</b>		
Finance costs	82,129	122,610
Gain on disposal of tangible fixed assets	-	(34,667)
Exceptional loss on disposal of tangible fixed assets	-	144,886
Depreciation and impairment of tangible fixed assets	145,950	159,862
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	88,681	(51,544)
Decrease/(increase) in debtors	1,271,905	(378,732)
(Decrease)/increase in creditors	(631,639)	103,649
(Decrease)/increase in deferred income	(7,375)	66,375
<b>Cash generated from/(absorbed by) operations</b>	<b>1,314,631</b>	<b>(222,020)</b>

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