

**REGISTERED NUMBER: 10649756 (England and Wales)**

**ADVANCED DIRECT MAIL HOLDINGS LIMITED**

**Group Strategic Report, Report of the Director and  
Consolidated Financial Statements for the Year Ended 28 February 2023**

Michael Dufty Partnership Limited  
Statutory Auditors  
59-61 Charlotte Street  
St Pauls Square  
Birmingham  
West Midlands  
B3 1PX

THURSDAY



\*ACHD5KA9\*

A36

30/11/2023

#111

COMPANIES HOUSE

**Contents of the Consolidated Financial Statements  
for the Year Ended 28 February 2023**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Director</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Consolidated Income Statement</b>	<b>10</b>
<b>Consolidated Other Comprehensive Income</b>	<b>11</b>
<b>Consolidated Balance Sheet</b>	<b>12</b>
<b>Company Balance Sheet</b>	<b>13</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>14</b>
<b>Company Statement of Changes in Equity</b>	<b>15</b>
<b>Consolidated Cash Flow Statement</b>	<b>16</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>17</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>18</b>

**ADVANCED DIRECT MAIL HOLDINGS LIMITED**

**Company Information  
for the Year Ended 28 February 2023**

**DIRECTOR:**

T R Barratt

**REGISTERED OFFICE:**

Unit 2, The Washington Centre  
Halesowen Road  
Netherton  
Dudley  
West Midlands  
DY2 9RE

**REGISTERED NUMBER:**

10649756 (England and Wales)

**AUDITORS:**

Michael Dufty Partnership Limited  
Statutory Auditors  
59-61 Charlotte Street  
St Pauls Square  
Birmingham  
West Midlands  
B3 1PX

**Group Strategic Report  
for the Year Ended 28 February 2023**

The director presents her strategic report of the company and the group for the year ended 28 February 2023.

**REVIEW OF BUSINESS**

The director considers that the group has performed well considering the level of uncertainty in the wider economic environment caused by brexit and inflationary pressures.

The director measures the performance of the group using KPI's and the key metrics that the director uses are summarised below.

Turnover for the year has increased from £23,460,040 to £23,874,716 which represents a of increase of 1.8%.

Gross profit has increased from £2,202,801 to £2,218,810. The gross margin has reduced from 9.4% to 9.3%, notwithstanding this the group continues to generate an increase in gross profits.

The profit before tax and dividends has decreased from £991,039 to £890,945.

Net assets of the group has decreased from £4,130,486 to £4,020,355.

During the financial year, the group has not increased its bank borrowings and continues to maintain sufficient cash reserves to support the future development plans of the group.

The group continues to engage in research and development activities which aim to improve processes and the service offering to customers.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The key risks and uncertainties faced by the group include cost fluctuations, financial risk, liquidity risk and trade debtor risk.

**Cost Fluctuations -**

This risk has become more prevalent with increases in inflation being felt across the supply chain. The group has established strong relationships with its key supplier base and developed this during the pandemic to support future sales growth and maintain high levels of customer service. This has enabled the group to react promptly to adverse material and service price changes.

**Trade debtor risk -**

Trade Debtor risk is managed and controlled through a disciplined approach to credit management and the extensive screening of all new business prospects. Existing customers are also periodically screened through a recognised credit risk management product provider. The group also has a credit insurance facility in place to help mitigate the effects of any slow or unrecognisable trade debts.

**Financial risk -**

The group is exposed to variety of financial risks and undertakes regular reviews to identify such risks and wherever possible put processes in place to mitigate such risks. The group monitors changes in interest rates to ensure that costs are controlled well.

**Liquidity risk -**

Liquidity risk arises from the group's management of working capital. It is the risk the group will encounter difficulty in meeting its financial obligations as they fall due. The group monitors its performance against budgets and reviews the rolling cashflow position on a regular basis. Debtor and creditor positions are reviewed as are current availability from invoice finance and bank account balances. The financial statements are prepared on a going concern basis as it is expected that the group can meet obligations as they fall due.

Whilst uncertainty still remains, the group remains positive in relation to its strong order book and the strong relationship it has built with its customers and suppliers. Due to the strength of the group and its diverse customer base, the directors consider that there are no material risks in the coming year.

**FUTURE DEVELOPMENTS**

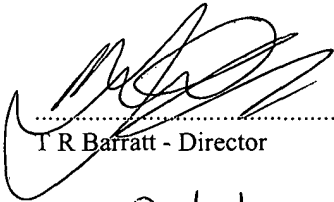
The director is pleased with the continued profitability of the group and anticipates continued success in the future.

**Group Strategic Report  
for the Year Ended 28 February 2023**

**EMPLOYMENT POLICY**

Advanced Direct Mail Holdings Limited is an Equal Opportunities Employer. Our aim is to ensure that no job applicant or employee receives less favourable treatment on the grounds of gender, race, disability, colour, nationality, ethnic or national origin, marital status, sexuality, responsibility for dependents, religion, trade union activity and age. Selection criteria and procedures are kept under review to ensure that individuals are selected, promoted and treated on the basis of their relative merits and abilities. All employees are given equality of opportunity and will be encouraged to progress within the organisation.

**ON BEHALF OF THE BOARD:**



.....  
T R Barratt - Director

Date: 28/11/2023 .....

**Report of the Director  
for the Year Ended 28 February 2023**

The director presents his report with the financial statements of the company and the group for the year ended 28 February 2023.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of providing direct marketing services.

**DIVIDENDS**

The total distribution of interim dividends for the year ended 28th February 2023 will be £846,469.

There are no final dividends which have been declared in the period.

**DIRECTORS**

T R Barratt has held office during the whole of the period from 1 March 2022 to the date of this report.

Other changes in directors holding office are as follows:

Mrs J E Ray ceased to be a director after 28 February 2023 but prior to the date of this report.

**GOING CONCERN**

These financial statements have been prepared on a going concern basis. The director anticipates that the will group continue to be profitable in the forthcoming period and in the foreseeable future.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

During the period, the group had qualifying third party indemnity provisions in force for the benefit of the director, against any liability in respect of proceedings brought by third parties, subject to conditions set out in section 234 of the Companies Act 2006. The indemnity provisions were in force at the date of signing this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

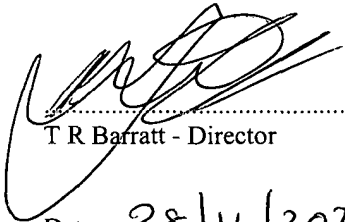
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**Report of the Director  
for the Year Ended 28 February 2023**

**AUDITORS**

The auditors, Michael Dufty Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
T R Barratt - Director  
Date: 28/11/2023.....

## **Report of the Independent Auditors to the Members of Advanced Direct Mail Holdings Limited**

### **Opinion**

We have audited the financial statements of Advanced Direct Mail Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 February 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 28 February 2023 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

### **Other information**

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 the audit:~~

- ~~- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and~~
- ~~- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.~~



**Report of the Independent Auditors to the Members of  
Advanced Direct Mail Holdings Limited**

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

## **Report of the Independent Auditors to the Members of Advanced Direct Mail Holdings Limited**

### **Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which they operate;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation; and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and considering available audit information.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
  - Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
  - Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions; and
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Advanced Direct Mail Holdings Limited**

**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 a Report of the Auditors 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.



Arran Jones FCCA (Senior Statutory Auditor)  
for and on behalf of Michael Dufty Partnership Limited  
Statutory Auditors  
59-61 Charlotte Street  
St Pauls Square  
Birmingham  
West Midlands  
B3 1PX

Date: 28/11/2023

**Consolidated  
Income Statement  
for the Year Ended 28 February 2023**

	Notes	2023 £	2022 £
<b>TURNOVER</b>	4	23,874,716	23,460,040
Cost of sales		21,655,906	21,257,239
<b>GROSS PROFIT</b>		2,218,810	2,202,801
Administrative expenses		1,263,205	1,148,011
<b>OPERATING PROFIT</b>	6	955,605	1,054,790
Interest payable and similar expenses	7	64,660	63,751
<b>PROFIT BEFORE TAXATION</b>		890,945	991,039
Tax on profit	8	154,608	188,686
<b>PROFIT FOR THE FINANCIAL YEAR</b>		736,337	802,353
Profit attributable to: Owners of the parent		736,337	802,353

The notes form part of these financial statements

**ADVANCED DIRECT MAIL HOLDINGS LIMITED (REGISTERED NUMBER: 10649756)**

**Consolidated  
Other Comprehensive Income  
for the Year Ended 28 February 2023**

	2023	2022
Notes	£	£
<b>PROFIT FOR THE YEAR</b>	736,337	802,353
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>736,337</u>	<u>802,353</u>
Total comprehensive income attributable to: Owners of the parent	<u>736,337</u>	<u>802,353</u>

The notes form part of these financial statements

**Consolidated Balance Sheet**  
**28 February 2023**

	Notes	2023	2022
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	11	827,165	774,688
Investments	12	-	-
		<u>827,165</u>	<u>774,688</u>
<b>CURRENT ASSETS</b>			
Stocks	13	73,604	79,869
Debtors	14	7,110,283	5,361,461
Cash at bank		2,223,954	2,893,232
		<u>9,407,841</u>	<u>8,334,562</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	6,023,175	4,845,650
<b>NET CURRENT ASSETS</b>		<u>3,384,666</u>	<u>3,488,912</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,211,831</u>	<u>4,263,600</u>
<b>PROVISIONS FOR LIABILITIES</b>	18	191,477	133,114
<b>NET ASSETS</b>		<u><u>4,020,354</u></u>	<u><u>4,130,486</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	200	200
Retained earnings	20	4,020,154	4,130,286
<b>SHAREHOLDERS' FUNDS</b>		<u><u>4,020,354</u></u>	<u><u>4,130,486</u></u>

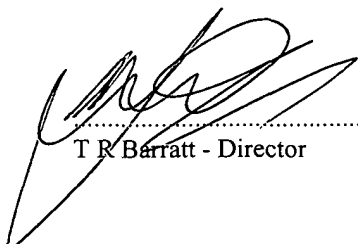
The financial statements were approved by the director and authorised for issue on 28/11/2023 and were signed by:

  
 T R Barratt - Director

**Company Balance Sheet**  
**28 February 2023**

	Notes	2023	2022
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	11	-	-
Investments	12	100	100
		<u>100</u>	<u>100</u>
<b>CURRENT ASSETS</b>			
Debtors	14	200	200
<b>CREDITORS</b>			
Amounts falling due within one year	15	100	100
		<u>100</u>	<u>100</u>
<b>NET CURRENT ASSETS</b>		<u>100</u>	<u>100</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>200</u>	<u>200</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	200	200
<b>SHAREHOLDERS' FUNDS</b>		<u>200</u>	<u>200</u>
Company's profit for the financial year		846,469	796,360
		<u>846,469</u>	<u>796,360</u>

The financial statements were approved by the director and authorised for issue on 28/11/2023 and were signed by:

  
 T R Barratt - Director

**Consolidated Statement of Changes in Equity  
for the Year Ended 28 February 2023**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 March 2021</b>	200	4,124,293	4,124,493
<b>Changes in equity</b>			
Dividends	-	(796,360)	(796,360)
Total comprehensive income	-	802,353	802,353
<b>Balance at 28 February 2022</b>	<u>200</u>	<u>4,130,286</u>	<u>4,130,486</u>
<b>Changes in equity</b>			
Dividends	-	(846,469)	(846,469)
Total comprehensive income	-	736,337	736,337
<b>Balance at 28 February 2023</b>	<u>200</u>	<u>4,020,154</u>	<u>4,020,354</u>

The notes form part of these financial statements



**Company Statement of Changes in Equity  
for the Year Ended 28 February 2023**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 March 2021</b>	200	-	200
<b>Changes in equity</b>			
Dividends	-	(796,360)	(796,360)
Total comprehensive income	-	796,360	796,360
<b>Balance at 28 February 2022</b>	<u>200</u>	<u>-</u>	<u>200</u>
<b>Changes in equity</b>			
Dividends	-	(846,469)	(846,469)
Total comprehensive income	-	846,469	846,469
<b>Balance at 28 February 2023</b>	<u>200</u>	<u>-</u>	<u>200</u>

**Consolidated Cash Flow Statement  
for the Year Ended 28 February 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	536,035	2,443,503
Interest paid		(64,660)	(63,751)
Tax paid		(110,154)	(439,867)
Net cash from operating activities		<u>361,221</u>	<u>1,939,885</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(184,030)</u>	<u>(185,170)</u>
Net cash from investing activities		<u>(184,030)</u>	<u>(185,170)</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		<u>(846,469)</u>	<u>(796,360)</u>
Net cash from financing activities		<u>(846,469)</u>	<u>(796,360)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(669,278)</u>	<u>958,355</u>
<b>Cash and cash equivalents at beginning of year</b>	2	2,893,232	1,934,877
<b>Cash and cash equivalents at end of year</b>	2	<u><u>2,223,954</u></u>	<u><u>2,893,232</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 28 February 2023

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Profit before taxation	890,945	991,039
Depreciation charges	131,559	110,626
Finance costs	64,660	63,751
	<u>1,087,164</u>	<u>1,165,416</u>
Decrease in stocks	6,265	1,812
(Increase)/decrease in trade and other debtors	(1,748,828)	2,854,587
Increase/(decrease) in trade and other creditors	<u>1,191,434</u>	<u>(1,578,312)</u>
<b>Cash generated from operations</b>	<u><u>536,035</u></u>	<u><u>2,443,503</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 28 February 2023

	28.2.23	1.3.22
	£	£
Cash and cash equivalents	<u>2,223,954</u>	<u>2,893,232</u>

Year ended 28 February 2022

	28.2.22	1.3.21
	£	£
Cash and cash equivalents	<u>2,893,232</u>	<u>1,934,877</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.22	Cash flow	At 28.2.23
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>2,893,232</u>	<u>(669,278)</u>	<u>2,223,954</u>
	<u>2,893,232</u>	<u>(669,278)</u>	<u>2,223,954</u>
<b>Total</b>	<u><u>2,893,232</u></u>	<u><u>(669,278)</u></u>	<u><u>2,223,954</u></u>

**Notes to the Consolidated Financial Statements  
for the Year Ended 28 February 2023**

**1. STATUTORY INFORMATION**

Advanced Direct Mail Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

**The following principal accounting policies have been applied:**

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. The following criteria must also be met before turnover is recognised:

- Goods are delivered to the customer
- Performance obligations have been satisfied with the customer

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 10% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 33% on cost

**Stocks**

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

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023

2. **ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that technical, numerical and financial feasibility can be demonstrated.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Employee benefit trust**

The group has established an employee benefit trust ("EBT"), the assets and liabilities of which are solely for the benefit of the employees of the group. The assets and liabilities of the EBT are consolidated within the accounts.

**Discounts received**

Discounts received in the period relate to supplier discounts and are recognised as incurred within the profit and loss account.

**Cash at bank and in hand**

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

**Other creditors**

Other creditors include provisions primarily for postage costs expected to be incurred in future months.

**Prepayments**

Prepayment adjustments have been made for expenses that have been incurred within the period that relate to future months.

**Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

**Going Concern**

These financial statements have been prepared on a going concern basis. The director anticipates that the group will continue to be profitable in the forthcoming period and in the foreseeable future. It is anticipated that the group will maintain positive cash flow, sufficient to meet finance obligations as they fall due.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the group's accounting policies, the director is 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, if the revision affects only that period. It will be recognised in the period of the revision and future periods if the revision affects both current and future periods.

The items in the financial statements where these judgements have been made include the rate of depreciation of tangible fixed assets.

**Depreciation Policy**

The depreciation accounting policy is based on estimates of the useful lives and residual values of the assets involved.

4. **TURNOVER**

The turnover and profit before taxation are attributable to the principal activity of the company.

5. **EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Wages and salaries	1,680,173	1,512,296
Social security costs	107,322	95,633
Other pension costs	21,197	19,453
	<u>1,808,692</u>	<u>1,627,382</u>

The average number of employees during the year was as follows:

	2023	2022
Production	22	21
Management and administration	18	23
	<u>40</u>	<u>44</u>

The wages cost in the year includes £581,238 (2022 - £406,137) of temporary agency labour.

	2023	2022
	£	£
Directors' remuneration	<u>23,440</u>	<u>24,026</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 28 February 2023**

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	2023	2022
	£	£
Hire of plant and machinery	16,103	25,721
Depreciation - owned assets	131,554	110,626
Auditors' remuneration	10,000	10,000
Operating lease charges - Property rent	100,000	100,000
Operating lease charges - Other	24,853	24,853
	<u>24,853</u>	<u>24,853</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

Interest payable is treated as an expense to the profit and loss account in the period to which it relates.

**8. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	96,245	171,791
Deferred tax	58,363	16,895
Tax on profit	<u>154,608</u>	<u>188,686</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Profit before tax	<u>890,945</u>	<u>991,039</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	169,280	188,297
Effects of:		
Expenses not deductible for tax purposes	2,762	-
Capital allowances in excess of depreciation	(14,160)	-
R & D enhancement - Prior Year	(61,637)	-
Disallowables - Permanent	-	389
Deferred tax movements	58,363	-
Total tax charge	<u>154,608</u>	<u>188,686</u>

**Factors that may affect future tax changes**

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has been substantively enacted at the balance sheet date, as a result, deferred tax balances as at 28th February 2023 are measured at 25%.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023

9. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. **DIVIDENDS**

	2023 £	2022 £
Ordinary shares of 1 each		
Interim	846,469	796,360

11. **TANGIBLE FIXED ASSETS**

**Group**

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 March 2022	63,956	1,793,598	81,759	1,939,313
Additions	-	178,068	5,962	184,030
Disposals	(9,088)	(806,426)	(44,308)	(859,822)
At 28 February 2023	54,868	1,165,240	43,413	1,263,521
<b>DEPRECIATION</b>				
At 1 March 2022	31,036	1,081,438	52,151	1,164,625
Charge for year	5,486	112,963	13,105	131,554
Eliminated on disposal	(9,089)	(806,426)	(44,308)	(859,823)
At 28 February 2023	27,433	387,975	20,948	436,356
<b>NET BOOK VALUE</b>				
At 28 February 2023	27,435	777,265	22,465	827,165
At 28 February 2022	32,920	712,160	29,608	774,688

Fixed assets are stated at bought in cost.

12. **FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 March 2022 and 28 February 2023	100
<b>NET BOOK VALUE</b>	
At 28 February 2023	100
At 28 February 2022	100



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023

12. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary**

**Advanced Direct Mail Limited**

Registered office: Unit 2, The Washington Centre, Halesowen Road, Netherton, Dudley, West Midlands, DY2 9RE

Nature of business: Provision of direct marketing services

Class of shares:	% holding
Ordinary	100.00

13. STOCKS

	<b>Group</b>	
	2023	2022
	£	£
Stocks	73,604	79,869

14. DEBTORS

	<b>Group</b>		<b>Company</b>	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	5,352,743	3,693,106	-	-
Amounts owed by associates	480,615	303,618	-	-
Other debtors	200	40,700	200	200
Prepayments and accrued income	104,625	151,937	-	-
	<u>5,938,183</u>	<u>4,189,361</u>	<u>200</u>	<u>200</u>
Amounts falling due after more than one year:				
Other debtors	<u>1,172,100</u>	<u>1,172,100</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>7,110,283</u>	<u>5,361,461</u>	<u>200</u>	<u>200</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group</b>		<b>Company</b>	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	4,869,953	3,258,333	-	-
Tax	157,882	171,791	-	-
Social security and other taxes	30,437	28,629	-	-
VAT	276,429	304,121	-	-
Other creditors	688,474	1,082,776	100	100
	<u>6,023,175</u>	<u>4,845,650</u>	<u>100</u>	<u>100</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

**Group**

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	105,911	105,911
Between one and five years	58,333	58,333
	<u>164,244</u>	<u>164,244</u>

**Company**

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	110,001	110,001
Between one and five years	58,333	58,333
	<u>168,334</u>	<u>168,334</u>

17. SECURED DEBTS

The factoring facility is secured against the trade debtors of the group.

18. PROVISIONS FOR LIABILITIES

	<b>Group</b>	
	2023	2022
	£	£
Deferred tax	<u>191,477</u>	<u>133,114</u>

**Group**

	Deferred tax
	£
Balance at 1 March 2022	133,114
Accelerated capital allowances	<u>58,363</u>
Balance at 28 February 2023	<u>191,477</u>

Movements in the deferred tax liability relate to accelerated capital allowances.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
4	Ordinary	1	4	4
166	A Ordinary	1	166	166
30	B Ordinary	1	30	30
			<u>200</u>	<u>200</u>

All share classes have full voting rights.

20. RESERVES

Group

	Retained earnings £
At 1 March 2022	4,130,286
Profit for the year	736,337
Dividends	(846,469)
	<u>4,020,154</u>
At 28 February 2023	<u>4,020,154</u>

Company

	Retained earnings £
Profit for the year	846,469
Dividends	(846,469)
	<u>-</u>
At 28 February 2023	<u>-</u>

21. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £21,197 (2022 - £19,453). Contributions totalling £2,218 were payable to the fund at the reporting date.

22. RELATED PARTY DISCLOSURES

Other related parties

	2023 £	2022 £
Sales	2,410,442	2,671,537
Purchases	436,068	748,187
Amount due from related party	<u>480,615</u>	<u>303,618</u>

The other related party is a company called Codestorm Limited. This company is under the common control of T R Barratt.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 28 February 2023

23. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is T R Barratt.

24. **EMPLOYEE BENEFIT TRUST**

The company established an employee benefit trust ("EBT") on 24 November 2010. The assets and liabilities of the EBT are solely for the benefit of the employees of the Company.

In accordance with UITF 32 the assets and liabilities of the EBT have been consolidated within the company accounts at 28 February 2023. The company has control over the trust, and hence its assets and so all loans to the EBT are considered recoverable by the company. There is no effect on the company's net assets and result for the year.

The loans to employees are detailed below:

	2023	2022
	£	£
Terry Barratt	937,600	937,600
Julie Ray	234,400	234,400
	<u>          </u>	<u>          </u>