

Company Registration No. 11136065 (England and Wales)

CADMUS DISTRIBUTION GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
PAGES FOR FILING WITH REGISTRAR

·Rickard ·

CADMUS DISTRIBUTION GROUP LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Balance sheet | 1 - 2 |
| Statement of changes in equity | 3 |
| Notes to the financial statements | 4 - 10 |

CADMUS DISTRIBUTION GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|-----------------------|-----------------------|
| Fixed assets | | | |
| Intangible assets | 3 | 305,623 | 317,215 |
| Tangible assets | 4 | 337,895 | 280,056 |
| | | <u>643,518</u> | <u>597,271</u> |
| Current assets | | | |
| Stocks | | 963,056 | 932,212 |
| Debtors | 5 | 451,013 | 518,749 |
| Cash at bank and in hand | | 702,084 | 306,438 |
| | | <u>2,116,153</u> | <u>1,757,399</u> |
| Creditors: amounts falling due within one year | 6 | <u>(1,527,230)</u> | <u>(1,355,619)</u> |
| Net current assets | | <u>588,923</u> | <u>401,780</u> |
| Total assets less current liabilities | | <u>1,232,441</u> | <u>999,051</u> |
| Creditors: amounts falling due after more than one year | 7 | (417,074) | (583,992) |
| Provisions for liabilities | | <u>(10,692)</u> | <u>-</u> |
| Net assets | | <u><u>804,675</u></u> | <u><u>415,059</u></u> |
| Capital and reserves | | | |
| Called up share capital | 8 | 200 | 200 |
| Revaluation reserve | | 41,500 | - |
| Profit and loss reserves | 9 | 762,975 | 414,859 |
| Total equity | | <u><u>804,675</u></u> | <u><u>415,059</u></u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

CADMUS DISTRIBUTION GROUP LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2019

The financial statements were approved by the board of directors and authorised for issue on 1 April 2020 and are signed on its behalf by:

M Boyton
Director

Company Registration No. 11136065

CADMUS DISTRIBUTION GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

| | | Share capital | Revaluation reserve | Profit and loss reserves | Total |
|--|-------|---------------|------------------------|-----------------------------|----------|
| | Notes | £ | £ | £ | £ |
| Balance at 5 January 2018 | | - | - | - | - |
| Period ended 31 December 2018: | | | | | |
| Profit and total comprehensive income for the period | | - | - | 414,859 | 414,859 |
| Issue of share capital | 8 | 200 | - | - | 200 |
| Balance at 31 December 2018 | | 200 | - | 414,859 | 415,059 |
| Period ended 31 December 2019: | | | | | |
| Profit for the period | | - | - | 408,116 | 408,116 |
| Other comprehensive income: | | | | | |
| Revaluation of tangible fixed assets | | - | 41,500 | - | 41,500 |
| Total comprehensive income for the period | | - | 41,500 | 408,116 | 449,616 |
| Dividends | | - | - | (60,000) | (60,000) |
| Balance at 31 December 2019 | | 200 | 41,500 | 762,975 | 804,675 |

CADMUS DISTRIBUTION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Cadmus Distribution Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 32 Writtle Road, Chelmsford, Essex, CM1 3BX.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

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.

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 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is twenty years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

CADMUS DISTRIBUTION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Amortisation 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:

| | |
|-------------|-------------------|
| Domain name | 10% straight line |
|-------------|-------------------|

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

| | |
|-----------------------------|----------------------|
| Freehold land and buildings | Nil |
| Fixtures and fittings | 20-33% 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 credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

CADMUS DISTRIBUTION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.7 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.

1.8 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.

1.9 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.

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.

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.

CADMUS DISTRIBUTION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 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.

1.11 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 when the company has 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.

1.12 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.

1.13 Retirement benefits

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

1.14 Leases

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.

CADMUS DISTRIBUTION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.15 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 Employees

The average monthly number of persons (including directors) employed by the company during the year was 29 (2018 - 23).

3 Intangible fixed assets

| | Goodwill £ | Other £ | Total £ |
|------------------------------------|---------------|------------|------------|
| Cost | | | |
| At 1 January 2019 | 329,633 | 2,736 | 332,369 |
| Additions | - | 5,665 | 5,665 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2019 | 329,633 | 8,401 | 338,034 |
| | <hr/> | <hr/> | <hr/> |
| Amortisation and impairment | | | |
| At 1 January 2019 | 15,108 | 46 | 15,154 |
| Amortisation charged for the year | 16,482 | 775 | 17,257 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2019 | 31,590 | 821 | 32,411 |
| | <hr/> | <hr/> | <hr/> |
| Carrying amount | | | |
| At 31 December 2019 | 298,043 | 7,580 | 305,623 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2018 | 314,525 | 2,690 | 317,215 |
| | <hr/> | <hr/> | <hr/> |

CADMUS DISTRIBUTION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Total |
|------------------------------------|-----------------------|----------------------------|---------|
| | £ | £ | £ |
| Cost or valuation | | | |
| At 1 January 2019 | 275,000 | 6,018 | 281,018 |
| Additions | - | 11,016 | 11,016 |
| Revaluation | 50,000 | - | 50,000 |
| At 31 December 2019 | 325,000 | 17,034 | 342,034 |
| Depreciation and impairment | | | |
| At 1 January 2019 | - | 962 | 962 |
| Depreciation charged in the year | - | 3,177 | 3,177 |
| At 31 December 2019 | - | 4,139 | 4,139 |
| Carrying amount | | | |
| At 31 December 2019 | 325,000 | 12,895 | 337,895 |
| At 31 December 2018 | 275,000 | 5,056 | 280,056 |

The land and buildings were revalued by Brown & Brand chartered surveyors on 16 July 2019 on the basis of market value.

5 Debtors

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 327,198 | 315,898 |
| Other debtors | 123,815 | 202,851 |
| | 451,013 | 518,749 |

6 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|-----------|-----------|
| Bank loans | 171,958 | 155,703 |
| Trade creditors | 455,326 | 389,350 |
| Corporation tax | 100,518 | 100,567 |
| Other taxation and social security | 24,320 | 19,285 |
| Other creditors | 775,108 | 690,714 |
| | 1,527,230 | 1,355,619 |

CADMUS DISTRIBUTION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Creditors: amounts falling due after more than one year

| | 2019 | 2018 |
|---------------------------|---------|---------|
| | £ | £ |
| Bank loans and overdrafts | 417,074 | 583,992 |

The long-term loans are secured by fixed charges over the freehold land at 32 Writtle Road and a fixed and floating charge over the property.

8 Called up share capital

| | 2019 | 2018 |
|--------------------------------|------|------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 200 Ordinary shares of £1 each | 200 | 200 |

9 Profit and loss reserves

Profit and loss reserves are fully distributable.

10 Controlling party

The company is controlled by the Directors, for this and the preceding year, by virtue of their shareholding.

11 Events after the reporting date

In the first quarter of 2020 the COVID-19 pandemic took hold across the globe. As a result governments put in place various restrictions in an attempt to minimise the spread of the virus. The board has monitored the situation closely and considered the impact. The board expects there to be a decrease in turnover as a result of business closures and restrictions on the movement of the general population. The extent of which is difficult to predict given the unprecedented nature of the event. However, the business model and cashflow cycle allows a great deal of flexibility. Several scenarios have been modelled to ensure the business can continue to operate. The board is considering various options to preserve cashflow, which may include refinancing, and the possibility of 'furloughing' employees should it be required.

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.