

Company Registration No. SC024552 (Scotland)

**GILMOUR & DEAN LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# GILMOUR & DEAN LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Gianmario Cillario Giuseppe Cillario Luciano Cillario Gian Franco Cillario Steven Thompson
<b>Company number</b>	SC024552
<b>Registered office</b>	Citypoint 3rd Floor 65 Haymarket Terrace EDINBURGH EH12 5HD
<b>Auditor</b>	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND

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# GILMOUR & DEAN LIMITED

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# GILMOUR & DEAN LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

The period ended December 2021 proved to be another successful year in the continued progression of the business

Despite the ongoing presence of COVID and the impact of Brexit taking effect sales rose during the period to £27,443k, an increase of 25.47% from the previous year's £21,872k. Proven security of supply along with our ability to demonstrate an agile and flexible approach to operations has allowed us to service our existing customers and onboard new business.

In terms of revenue, we enjoyed strong growth across all of our print technologies which was particularly pleasing. All of our technologies performed above expectations in particular digital which continues to grow from strength to strength. The expectation and demand from our customers across all three print technologies is strong and we believe we are well positioned to support the market requirements going forward. Future investment plans are in place to support this and are balanced across all three technologies.

Gross profit and net profit before tax are at very acceptable levels reinforcing the confidence in the business and being the driver for further significant group investment. Both local management and the Eurostampa Group Board are satisfied with the financial performance for the period. This is despite seeing a continuation of costs to support our Covid safety protocols as well as as increases in cost across a number of our key input raw materials. It is anticipated that we will see further raw material increases throughout 2022.

#### **Principal risks and uncertainties**

With respect to COVID-19 and the associated risks and impacts the company continued to monitor this and review plans accordingly. The low level of workplace transmissions is evidence of our robust COVID Management Plan and this has allowed us to operate with minimal disruption across the business.

2021 was an encouraging year for the Scotch Whisky Industry with exports up 19% by value and 21% by volume. This is consistent with our performance in terms of sales and growth.

Despite the challenges recently raised by COVID-19 as well as US tariffs the Scotch Whisky the figures released by the SWA demonstrate the industry is recovering in line with expectations although in some areas exports are still below pre-pandemic levels but it is anticipated that by the end of 2022 this will be redressed.

Not unique to our customers sector or our particular industry we expect to see some challenges linked to rising energy costs, inflationary pressures, supply chain disruptions and increasing wages however we have anticipated these and have robust plans in place to mitigate these risks.

#### **Development and performance**

The business continues to build a strong platform for growth and profitability in future years with continued investment at the centre of the company strategy. As well as delivering financial results in excess of budget the business also demonstrated strong performance across all other operational KPIs with some excellent performance particularly in the areas of quality and safety.

As a company we have continued to focus heavily on recruitment and selection across all key areas of the business as well increasing our apprentice pool which has played a pivotal role in developing and retaining the right skills across the business. One of the key recruitments this year has been an additional accountant that has helped to bolster the finance team. This has allowed us to monitor and tightly control both our key areas of costs for the business as well helping us identify areas of opportunities to improve our competitiveness.

During the year we have taken advantage of the previous investment in equipment and recruitment to continue our focus on productivity and quality for the 3rd consecutive year exceeding the targets set in both areas.

## **GILMOUR & DEAN LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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#### **Key performance indicators**

The group recognises the importance of key financial performance indicators and management monitors these on a monthly basis. The main KPIs of the business are turnover and profitability, both of which have been discussed above and are set out on page 9. Balance sheet position remains strong at £8.4m (2020 - £5.4m) as set out on page 10.

On behalf of the board

Steven Thompson

**Director**

29 September 2022

# **GILMOUR & DEAN LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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

#### **Principal activities**

The principal activity of the company is the printing of high quality labels.

#### **Results and dividends**

The results for the year are set out on page 9.

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

#### **Directors**

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

Gianmario Cillario  
Giuseppe Cillario  
Luciano Cillario  
Gian Franco Cillario  
Steven Thompson

#### **Auditor**

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 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;
- state whether applicable UK Accounting Standards have been followed subject to any material departure disclosed and explained in the financial statements;
- 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.

#### **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.

**GILMOUR & DEAN LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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On behalf of the board

Steven Thompson  
**Director**

29 September 2022

# GILMOUR & DEAN LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GILMOUR & DEAN LIMITED

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#### Opinion

We have audited the financial statements of Gilmour & Dean Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity 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 December 2021 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 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

In auditing the financial statements, we have concluded that the directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 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.



## **GILMOUR & DEAN LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GILMOUR & DEAN LIMITED**

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

In the light of our 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 in relation to which 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 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 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.

## GILMOUR & DEAN LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GILMOUR & DEAN LIMITED

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***Extent to which the audit is considered capable of detecting irregularities, including fraud***

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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- FRS 102
- Companies Act 2006
- Corporation tax legislation

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

## **GILMOUR & DEAN LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GILMOUR & DEAN LIMITED**

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#### **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.

**James Hamilton (Senior Statutory Auditor)**  
**For and on behalf of Johnston Carmichael LLP**

29 September 2022

**Chartered Accountants**  
**Statutory Auditor**

227 West George Street  
Glasgow  
G2 2ND

## GILMOUR & DEAN LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	27,443,811	21,872,447
Cost of sales		(19,694,261)	(17,274,208)
<b>Gross profit</b>		<b>7,749,550</b>	<b>4,598,239</b>
Administrative expenses		(3,714,650)	(3,254,406)
Other operating income		78,281	217,533
<b>Operating profit</b>	4	<b>4,113,181</b>	<b>1,561,366</b>
Interest payable and similar expenses	7	(151,653)	(222,292)
<b>Profit before taxation</b>		<b>3,961,528</b>	<b>1,339,074</b>
Tax on profit	8	(964,467)	(343,702)
<b>Profit for the financial year</b>		<b>2,997,061</b>	<b>995,372</b>

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

# GILMOUR & DEAN LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	9		7,426,576		8,697,298
<b>Current assets</b>					
Stocks	10	3,241,178		3,168,843	
Debtors	11	6,203,440		5,410,174	
Cash at bank and in hand		3,893,768		1,478,157	
		13,338,386		10,057,174	
<b>Creditors: amounts falling due within one year</b>	12	(7,920,395)		(6,986,094)	
<b>Net current assets</b>			5,417,991		3,071,080
<b>Total assets less current liabilities</b>			12,844,567		11,768,378
<b>Creditors: amounts falling due after more than one year</b>	13		(3,332,423)		(5,382,270)
<b>Provisions for liabilities</b>					
Deferred tax liability	16	908,938		762,959	
			(908,938)		(762,959)
<b>Deferred Income</b>	17		(166,992)		(183,996)
<b>Net assets</b>			8,436,214		5,439,153
<b>Capital and reserves</b>					
Called up share capital	19		100,000		100,000
Profit and loss reserves	20		8,336,214		5,339,153
<b>Total equity</b>			8,436,214		5,439,153

The financial statements were approved by the board of directors and authorised for issue on 29 September 2022 and are signed on its behalf by:

Steven Thompson  
Director

Company Registration No. SC024552

## GILMOUR & DEAN LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2020	100,000	4,343,781	4,443,781
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	995,372	995,372
Balance at 31 December 2020	100,000	5,339,153	5,439,153
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	2,997,061	2,997,061
Balance at 31 December 2021	100,000	8,336,214	8,436,214

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Gilmour & Dean Limited is a limited company domiciled and incorporated in Scotland. The registered office is Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD.

#### **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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Unicorn Graphics Limited. These consolidated financial statements are available from its registered office, Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD.

#### **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. The directors have assessed the Company's cash flow forecast and existing funding facilities in making the going concern assessment. 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.

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.

Other income, including insurance receipts, are recognised when it is virtually certain the income will be received.

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

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

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

Plant and machinery	4 to 12 years
Motor vehicles	4 years

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 the profit and loss account.

#### 1.5 Impairment of fixed assets

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

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) prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

#### 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.

Work in progress is valued at the lower of cost and net realisable value, and includes direct expenditure and an appropriate proportion of fixed and variable overheads.

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 the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 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 trade and other 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.

##### **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 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 the profit and loss account.

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 the profit and loss account.

##### **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.

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price.

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

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

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

Financial liabilities are derecognised when the 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 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.

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

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

#### 1.13 Leases

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

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

#### 1.14 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.

Government grants are recognised in accordance with the accruals model. Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. 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.

#### 1.15 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 in the period are included in profit or loss.

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 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.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Stock valuation (2021: £3,241,178 ((2020: £3,168,843))

The cost of stock is determined by deducting margins earned from selling prices which the directors believe is a fair approximation of cost. Judgement is applied to elements of excess stock, and whether these items retain value. Excess stock older than one year is fully written off, whilst excess stock less than one year old is written down by 75%.

Finished goods stock which is older than one year is written off with the loss recognised in the profit and loss account. Items may be excluded from write off if the directors believe that there is reasonable certainty that the item will be sold.

#### Useful lives of tangible assets (2021: £7,426,576 (2020: £8,697,298))

The estimated useful lives of assets are outlined in note 1.4, and are based on historical experience and the periods over which management believe that future economic benefits will be derived.

### 3 Turnover and other revenue

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

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Sale of goods	27,443,811	21,872,447
	<u>27,443,811</u>	<u>21,872,447</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	23,613,979	19,259,692
EU	3,820,168	2,550,055
USA	9,664	62,700
	<u>27,443,811</u>	<u>21,872,447</u>
	2021 £	2020 £
<b>Other significant revenue</b>		
Grants received	58,958	183,283
	<u>58,958</u>	<u>183,283</u>

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue

(Continued)

Grants received above includes £41,955 (2020: £166,000) received under the Government's Job Retention Scheme.

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(44,992)	124,215
Government grants	(58,958)	(183,283)
Fees payable to the company's auditor for the audit of the company's financial statements	21,425	13,800
Depreciation of owned tangible fixed assets	1,326,021	1,304,749
Depreciation of tangible fixed assets held under finance leases	209,101	202,916
Loss/(profit) on disposal of tangible fixed assets	13,146	(30,141)
Impairment of stocks recognised or reversed	(428,159)	779,703
Operating lease charges	205,902	175,175

### 5 Employees

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

	2021 Number	2020 Number
Direct factory staff	140	135
Other administrative staff	38	34
	178	169

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	6,111,968	5,291,077
Social security costs	565,231	463,624
Pension costs	140,935	137,468
	6,818,134	5,892,169

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	224,730	208,938
Company pension contributions to defined contribution schemes	6,677	6,381
	<u>231,407</u>	<u>215,319</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	227,069	208,938
Company pension contributions to defined contribution schemes	6,677	6,381
	<u>233,746</u>	<u>215,319</u>

There is one director remunerated through this company, whilst the others are remunerated through the wider Eurostampa group.

### 7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	146,781	215,542
Interest on finance leases and hire purchase contracts	4,872	6,750
	<u>151,653</u>	<u>222,292</u>

### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	831,948	276,748
Adjustments in respect of prior periods	(13,460)	-
Total current tax	<u>818,488</u>	<u>276,748</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(101,624)	(12,076)
Changes in tax rates	242,535	81,582
Adjustment in respect of prior periods	5,068	(2,552)
Total deferred tax	<u>145,979</u>	<u>66,954</u>
Total tax charge	<u>964,467</u>	<u>343,702</u>

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Taxation

(Continued)

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

	2021 £	2020 £
Profit before taxation	3,961,528	1,339,074
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	752,690	254,424
Tax effect of expenses that are not deductible in determining taxable profit	7,486	7,389
Adjustments in respect of prior years	(13,460)	-
Deferred tax adjustments in respect of prior years	5,068	(2,552)
Adjustment to deferred tax in respect of changes to tax rates	218,145	81,583
Fixed asset differences	(5,462)	2,858
Taxation charge for the year	964,467	343,702

### 9 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 January 2021	16,494,027	26,498	16,520,525
Additions	276,022	33,768	309,790
Disposals	(651,987)	-	(651,987)
At 31 December 2021	16,118,062	60,266	16,178,328
<b>Depreciation and impairment</b>			
At 1 January 2021	7,813,521	9,706	7,823,227
Depreciation charged in the year	1,526,743	8,379	1,535,122
Eliminated in respect of disposals	(606,597)	-	(606,597)
At 31 December 2021	8,733,667	18,085	8,751,752
<b>Carrying amount</b>			
At 31 December 2021	7,384,395	42,181	7,426,576
At 31 December 2020	8,680,506	16,792	8,697,298

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Tangible fixed assets

(Continued)

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

	2021 £	2020 £
Plant and machinery	1,446,383	1,655,383

### 10 Stocks

	2021 £	2020 £
Raw materials and consumables	1,366,657	1,122,714
Work in progress	331,390	131,193
Finished goods and goods for resale	1,543,131	1,914,936
	3,241,178	3,168,843

### 11 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,058,674	1,387,211
Amounts owed by group undertakings	3,400,789	3,520,847
Other debtors	4,273	3,538
Prepayments and accrued income	739,704	498,578
	6,203,440	5,410,174

The directors of Gilmour & Dean Limited have confirmed that they will not seek repayment of the amount due from group companies for at least twelve months from the date of signing the financial statements.



## GILMOUR & DEAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

**12 Creditors: amounts falling due within one year**

	Notes	2021 £	2020 £
Bank loans	14	1,830,420	1,319,477
Obligations under finance leases	15	342,126	331,425
Other borrowings	14	353,296	532,631
Trade creditors		3,426,623	2,642,512
Corporation tax		390,395	276,748
Other taxation and social security		827,084	1,134,555
Other creditors		2,938	3,773
Accruals and deferred income		747,513	744,973
		<u>7,920,395</u>	<u>6,986,094</u>

Obligations under hire purchase contracts are secured on the assets to which they relate.

Bank loans and overdrafts are secured by a bond and floating charge over the assets of the company and those of its immediate parent undertaking.

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Notes	2021 £	2020 £
Bank loans and overdrafts	14	2,782,423	4,490,145
Obligations under finance leases	15	550,000	892,125
		<u>3,332,423</u>	<u>5,382,270</u>

Obligations under hire purchase contracts are secured on the assets to which they relate.

Bank loans and overdrafts are secured by a bond and floating charge over the assets of the company and those of its immediate parent undertaking.

Amounts included above which fall due after five years are as follows:

Payable by instalments	100,000	300,000
	<u>100,000</u>	<u>300,000</u>

### 14 Loans and overdrafts

	2021 £	2020 £
Bank loans	4,612,843	5,809,622
Loans from group undertakings	353,296	532,631
	<u>4,966,139</u>	<u>6,342,253</u>
Payable within one year	2,183,716	1,852,108
Payable after one year	2,782,423	4,490,145
	<u>2,782,423</u>	<u>4,490,145</u>

The long-term loans are secured by a bond and floating charge over the assets of the company and those of its immediate parent undertaking.

Bank loans are repayable over 5 to 10 years and are charged at a market rate of interest.

Loans from fellow group undertakings are charged at a market rate of interest.

### 15 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	365,550	359,790
In two to five years	564,385	992,129
	<u>929,935</u>	<u>1,351,919</u>
Less: future finance charges	(37,809)	(128,369)
	<u>892,126</u>	<u>1,223,550</u>

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Finance lease obligations

(Continued)

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 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 16 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Fixed asset timing difference	911,785	765,883
Short term and other deductions	(2,847)	(2,924)
	<u>908,938</u>	<u>762,959</u>
		<b>2021</b>
<b>Movements in the year:</b>		<b>£</b>
Liability at 1 January 2021		762,959
Effect of change in tax rate - profit or loss		145,979
		<u>908,938</u>
Liability at 31 December 2021		<u>908,938</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

### 17 Government grants

	2021 £	2020 £
Arising from government grants	166,992	183,996
	<u>166,992</u>	<u>183,996</u>

### 18 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	140,935	137,468
	<u>140,935</u>	<u>137,468</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.

Creditors totalling £5,000 (2020: £9,000) were payable to the fund at the year end and included in creditors.

# GILMOUR & DEAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 19 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

### 20 Profit and loss reserves

Profit and loss reserves represent accumulated comprehensive income.

### 21 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:

	2021 £	2020 £
Within one year	58,002	52,712
Between two and five years	77,028	19,903
	<u>135,030</u>	<u>72,615</u>

## GILMOUR & DEAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 22 Related party transactions

##### Transactions with related parties

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

	Sale of goods		Purchase of goods	
	2021	2020	2021	2020
	£	£	£	£
Entities with control, joint control or significant influence over the company	43,597	146,822	652,167	1,229,355

In addition to the above, the company incurred fees of £31,547 (2020: £35,133) in relation to fees in respect of a guarantee from an entity with control over the company.

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2021	2020
	£	£
Entities with control, joint control or significant influence over the company	353,296	532,631
	353,296	532,631

The company has taken advantage of the exemption within FRS 102 Section 33 paragraph 33.1A from the requirement to disclose transactions with other wholly owned companies in the same group.

#### 23 Ultimate controlling party

The immediate parent undertaking is Unicorn Graphics Limited, a company registered in Scotland and of the same address as Gilmour & Dean Limited.

The ultimate parent undertaking at the balance sheet date was Eurostampa S.p.A., a company registered in Italy.

Eurostampa S.p.A. is the largest group and Unicorn Graphics Limited is the smallest group for which group accounts are prepared. Copies of the group accounts can be obtained by writing to the registered office.

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.