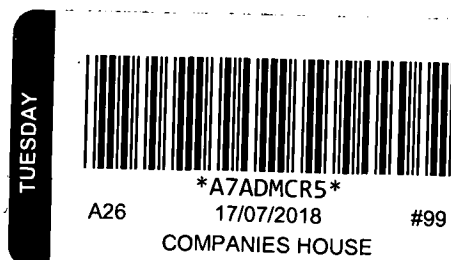


Financial Statements

A. McLay and Company Limited

For the Year Ended 31 March 2018

Registered number: 00075614



Company Information

Directors	K A Burnett J Thomas K J Vaughan
Company secretary	B R Vaughan
Registered number	00075614
Registered office	Longwood Drive Forest Farm Cardiff CF14 7ZB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 11/13 Penhill Road Cardiff South Glamorgan CF11 9UP

Contents

	Page
Group strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Consolidated statement of comprehensive income	7
Consolidated statement of financial position	8
Company statement of financial position	9
Consolidated statement of changes in equity	10 - 11
Company statement of changes in equity	12 - 13
Consolidated Statement of cash flows	14
Notes to the financial statements	15 - 34

Group Strategic Report

For the Year Ended 31 March 2018

Business review

The Directors' plan for controlling the offset Litho Sales volume and turnover levels continues, whilst maintaining profitability. As the trend to migrate print to digital increases, we continue to concentrate on diversifying our services.

The establishment of Living Data @ McLays Limited has gone well, and the Company continue to invest in the entity to ensure that it has the foundations to contribute meaningfully as we go forward. Further investment is now planned following the successful introduction of Ink Jet Technology as well as upgrading our Insertion and Sortation services.

Financial key performance indicators

The Directors use many performance indicators, both financial and non-financial, to monitor the company's position.

Net assets of the Group have grown from £5.1m to £5.5m. Net assets of the Company have grown from £5.2m to £5.7m.

Financial risk management objectives and policies

The Group uses financial instruments, other than derivatives, comprising borrowing, cash and other liquid resources and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies and have remained unchanged from previous periods.

Interest rate risk

The Group finances its operation through a mixture of retained profits, and hire purchase arrangements. The interest rate on hire purchase arrangements is fixed and hence the risk is deemed to be mitigated.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities.

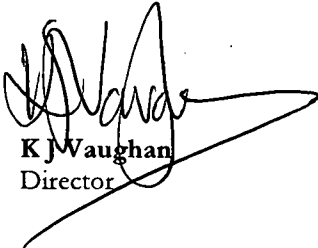
Future Strategy and Development

Acquisition, to expand our service range has proven frustrating. However, we continue to seek to acquire companies whose services are complimentary and those that expand upon ours.

This report was approved by the board on
on its behalf.

13 JULY 2018

and signed



K J Vaughan
Director

Directors' Report

For the Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company is principally engaged in print manufacturing and services including data management, fulfilment and postal operations.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £710,386 (2017 - £817,618).

The directors have paid a dividend of £263,500 during the year (2017 - £263,500).

Directors

The directors who served during the year were:

K A Burnett
J Thomas
K J Vaughan

Directors' Report (continued)

For the Year Ended 31 March 2018

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

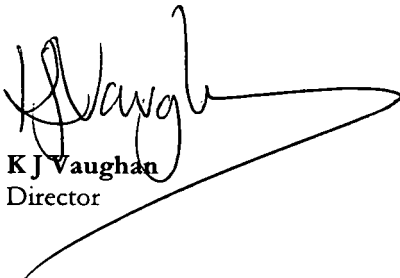
Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on
signed on its behalf.

13 JULY 2018

and



K J Vaughan
Director



Independent Auditor's Report to the Shareholders of A. McLay and Company Limited (continued)

Opinion

We have audited the financial statements of A. McLay and Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated statement of comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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's affairs as at 31 March 2018 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent 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.

Who we are reporting to

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.

Conclusions relating to going concern

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

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



Independent Auditor's Report to the Shareholders of A. McLay and Company Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.



Independent Auditor's Report to the Shareholders of A. McLay and Company Limited (continued)

Matters on which we are required to report by exception

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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2, 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 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Rhian Owen

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
11/13 Penhill Road
Cardiff
South Glamorgan
CF11 9UP

13 JULY 2018

Consolidated Statement of Comprehensive Income

For the Year Ended 31 March 2018

		Group		Company	
	Note	2018 £	2017 £	2018 £	2017 £
Turnover	3	24,519,143	21,967,541	24,451,524	21,961,036
Cost of sales		(20,516,441)	(17,980,170)	(20,564,110)	(17,989,186)
Gross profit		4,002,702	3,987,371	3,887,414	3,971,850
Administrative expenses		(3,233,775)	(2,957,994)	(3,053,242)	(2,756,689)
Other operating income	4	130,230	162,461	141,082	162,461
Operating profit	5	899,157	1,191,838	975,254	1,377,622
Interest receivable and similar income	9	5,878	7,665	5,878	7,665
Interest payable and expenses	10	(87,816)	(94,696)	(87,816)	(94,696)
Profit before tax		817,219	1,104,807	893,316	1,290,591
Tax on profit	11	(106,833)	(287,189)	(159,655)	(287,189)
Profit for the year		<u>710,386</u>	<u>817,618</u>	<u>733,661</u>	<u>1,003,402</u>
Profit/(loss) for the year attributable to:					
Non-controlling interest		(9,470)	(74,313)	-	-
Owners of the parent company		719,856	891,931	-	-
		<u>710,386</u>	<u>817,618</u>	<u>733,661</u>	<u>1,003,402</u>

There was no other comprehensive income for 2018 (2017: £nil).

The notes on pages 15 to 34 form part of these financial statements.


Consolidated Statement of Financial Position

As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	40,072	60,976
Tangible assets	14	5,187,954	4,561,948
Investments	15	4,502	4,502
		<u>5,232,528</u>	<u>4,627,426</u>
Current assets			
Stocks	16	814,379	443,203
Debtors: amounts falling due within one year	17	4,848,410	4,421,317
Cash at bank and in hand	18	1,549,606	1,386,855
		<u>7,212,395</u>	<u>6,251,375</u>
Creditors: amounts falling due within one year	19	(4,607,689)	(3,784,248)
Net current assets		<u>2,604,706</u>	<u>2,467,127</u>
Total assets less current liabilities		<u>7,837,234</u>	<u>7,094,553</u>
Creditors: amounts falling due after more than one year	20	(2,083,053)	(1,734,685)
Provisions for liabilities			
Deferred taxation	23	(245,581)	(298,154)
		<u>(245,581)</u>	<u>(298,154)</u>
Net assets		<u><u>5,508,600</u></u>	<u><u>5,061,714</u></u>
Capital and reserves			
Called up share capital	24	70,750	70,750
Capital redemption reserve	25	66,702	66,702
Profit and loss account	25	5,454,931	4,998,575
Equity attributable to owners of the parent		<u>5,592,383</u>	<u>5,136,027</u>
Company		<u>(83,783)</u>	<u>(74,313)</u>
Non-controlling interests		<u><u>5,508,600</u></u>	<u><u>5,061,714</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

13/07/18


K J Vaughan
 Director

The notes on pages 15 to 34 form part of these financial statements.

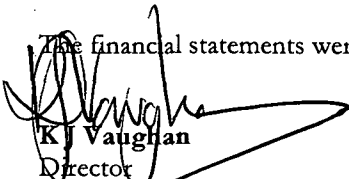
Company Statement of Financial Position

As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	40,072	60,976
Tangible assets	14	5,178,942	4,548,615
Investments	15	5,102	5,102
		<u>5,224,116</u>	<u>4,614,693</u>
Current assets			
Stocks	16	814,379	443,203
Debtors: amounts falling due within one year	17	5,135,551	4,620,742
Cash at bank and in hand	18	1,520,907	1,384,692
		<u>7,470,837</u>	<u>6,448,637</u>
Creditors: amounts falling due within one year	19	<u>(4,648,660)</u>	<u>(3,782,993)</u>
Net current assets		<u>2,822,177</u>	<u>2,665,644</u>
Total assets less current liabilities		<u>8,046,293</u>	<u>7,280,337</u>
Creditors: amounts falling due after more than one year	20	(2,083,053)	(1,734,685)
Provisions for liabilities			
Deferred taxation	23	(245,581)	(298,154)
		<u>(245,581)</u>	<u>(298,154)</u>
Net assets		<u><u>5,717,659</u></u>	<u><u>5,247,498</u></u>
Capital and reserves			
Called up share capital	24	70,750	70,750
Capital redemption reserve	25	66,702	66,702
Profit and loss account brought forward		5,110,046	4,370,144
Dividends: Equity capital		(263,500)	(263,500)
Profit for the year		733,661	1,003,402
		<u>5,580,207</u>	<u>5,110,046</u>
Profit and loss account carried forward		<u><u>5,717,659</u></u>	<u><u>5,247,498</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

13/07/18


K J Vaughan
Director

The notes on pages 15 to 34 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 March 2018

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controll ing interests	Total equity
	£	£	£	£	£	£
At 1 April 2017	70,750	66,702	4,998,575	5,136,027	(74,313)	5,061,714
Comprehensive income for the year						
Profit/(loss) for the year	-	-	719,856	719,856	(9,470)	710,386
Dividends: Equity capital	-	-	(263,500)	(263,500)	-	(263,500)
At 31 March 2018	70,750	66,702	5,454,931	5,592,383	(83,783)	5,508,600

Consolidated Statement of Changes in Equity

For the Year Ended 31 March 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controll ing interests	Total equity
	£	£	£	£	£	£
At 1 April 2016	70,750	66,702	4,370,144	4,507,596	-	4,507,596
Comprehensive income for the year						
Profit/(loss) for the year	-	-	891,931	891,931	(74,313)	817,618
Dividends: Equity capital	-	-	(263,500)	(263,500)	-	(263,500)
At 31 March 2017	70,750	66,702	4,998,575	5,136,027	(74,313)	5,061,714

The notes on pages 15 to 34 form part of these financial statements.

Company Statement of Changes in Equity

For the Year Ended 31 March 2018

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	70,750	66,702	5,110,046	5,247,498
Profit for the year	-	-	733,661	733,661
Dividends: Equity capital	-	-	(263,500)	(263,500)
At 31 March 2018	<u>70,750</u>	<u>66,702</u>	<u>5,580,207</u>	<u>5,717,659</u>

Company Statement of Changes in Equity

For the Year Ended 31 March 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	70,750	66,702	4,370,144	4,507,596
Profit for the year	-	-	1,003,402	1,003,402
Dividends: Equity capital	-	-	(263,500)	(263,500)
At 31 March 2017	<u>70,750</u>	<u>66,702</u>	<u>5,110,046</u>	<u>5,247,498</u>

The notes on pages 15 to 34 form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 March 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	710,386	817,618
Adjustments for:		
Amortisation of intangible assets	20,904	1,742
Depreciation of tangible assets	982,601	915,023
Interest paid	87,816	94,696
Interest received	(5,878)	(7,665)
Taxation charge	106,833	287,189
(Increase)/decrease in stocks	(371,176)	121,214
Increase in debtors	(427,093)	(192,216)
Increase/(decrease) in creditors	738,538	(508,007)
Increase in amounts owed to participating interests	-	5,261
Corporation tax paid	(301,228)	(342,451)
Net cash generated from operating activities	1,541,703	1,192,404
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(62,718)
Purchase of tangible fixed assets	(1,608,607)	(696,262)
Sale of unlisted and other investments	-	13,500
Interest received	5,878	7,665
HP interest paid	(87,816)	(94,696)
Net used in investing activities	(1,690,545)	(832,511)
Cash flows from financing activities		
New/(repayment of) finance leases	575,093	(318,508)
Dividends paid	(263,500)	(263,500)
Net cash generated from /(used in) financing activities	311,593	(582,008)
Net increase/(decrease) in cash and cash equivalents	162,751	(222,115)
Cash and cash equivalents at beginning of year	1,386,855	1,608,970
Cash and cash equivalents at the end of year	1,549,606	1,386,855
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,549,606	1,386,855
	1,549,606	1,386,855

Notes to the Financial Statements

For the Year Ended 31 March 2018

1. Accounting policies

1.1 Basis of preparation of financial statements & general information

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 2).

The Company is a private company, limited by shares and incorporated in England & Wales. It's registered address is Longwood Drive, Forest Farm, Cardiff, CF14 7ZB. The financial statements are prepared in Sterling. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Revenue

Turnover comprises revenue recognised by the Group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue from the sale of printed goods is recognised when the significant risks and benefits of ownership of the documents have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

1.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Computer software is amortised on a straight line basis over 3 years. However, if a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Notes to the Financial Statements

For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant & machinery	- 7 - 11 years
Motor vehicles	- 4 years
Fixtures & fittings	- 3 - 10 years
Office equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

1.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

1.7 Investments

Investments are stated at historic cost less impairment.

Notes to the Financial Statements

For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Notes to the Financial Statements

For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.11 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

1.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 Foreign currency translation

Functional and presentation currency

The Group and Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.14 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

1.17 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

1.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the Financial Statements

For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements require management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Depreciation

The Group exercises judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

Provisions

Provisions have been made for trade debtors and for slow moving and obsolete stock. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Stock valuation

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Notes to the Financial Statements

For the Year Ended 31 March 2018

3. Turnover

An analysis of turnover by class of business is as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Print Manufacturing	16,939,293	15,945,610	16,816,477	15,939,105
Postal Operations	7,579,850	6,021,931	7,635,047	6,021,931
	<u>24,519,143</u>	<u>21,967,541</u>	<u>24,451,524</u>	<u>21,961,036</u>

All turnover arose within the United Kingdom.

4. Other operating income

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Net rents receivable	-	27,500	11,000	27,500
Sundry income	130,230	134,961	130,082	134,961
	<u>130,230</u>	<u>162,461</u>	<u>141,082</u>	<u>162,461</u>

5. Operating profit

The operating profit is stated after charging:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Depreciation of tangible fixed assets – owned by the company	230,690	238,431	222,908	231,764
Depreciation of tangible fixed assets – held under finance leases	751,911	676,592	751,911	676,592
Amortisation of intangible assets, including goodwill	20,904	1,742	20,904	1,742
Defined contribution pension cost	<u>238,475</u>	<u>286,856</u>	<u>233,235</u>	<u>281,136</u>

6. Auditor's remuneration

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Fees payable to the Group's auditors for the audit of the group annual accounts.	<u>17,500</u>	<u>17,000</u>	<u>15,400</u>	<u>15,000</u>
Fees payable to the Group's auditors for non audit services – Tax compliance services	<u>4,584</u>	<u>4,584</u>	<u>4,584</u>	<u>4,584</u>

Notes to the Financial Statements

For the Year Ended 31 March 2018

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Wages and salaries	4,874,919	4,224,951	4,726,348	4,058,471
Social security costs	498,014	474,379	480,451	455,904
Cost of defined contribution scheme	238,475	286,856	233,235	281,136
	<u>5,611,408</u>	<u>4,986,186</u>	<u>5,440,034</u>	<u>4,795,511</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group		Company	
	2018	2017	2018	2017
	No.	No.	No.	No.
Number of production staff	131	126	131	122
Number of distribution staff	11	14	11	14
Number of administrative staff	23	14	18	14
	<u>165</u>	<u>154</u>	<u>160</u>	<u>150</u>

8. Directors' remuneration

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Directors' emoluments	440,547	385,120	440,547	385,120
Company contributions to defined contribution schemes	82,640	199,678	82,640	199,678
	<u>523,187</u>	<u>584,798</u>	<u>523,187</u>	<u>584,798</u>

During the year retirement benefits were accruing to 2 directors (2017 - 3) in respect of defined contribution pension schemes.

The highest paid director received emoluments of £187,322 (2017 - £279,110).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2017 - £117,438).

Notes to the Financial Statements

For the Year Ended 31 March 2018

9. Interest receivable

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other interest receivable	5,878	7,665	5,878	7,665
	<u>5,878</u>	<u>7,665</u>	<u>5,878</u>	<u>7,665</u>

10. Interest payable and similar charges

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Finance leases and hire purchase contracts	87,816	94,696	87,816	94,696
	<u>87,816</u>	<u>94,696</u>	<u>87,816</u>	<u>94,696</u>

11. Taxation

Group

Corporation tax

	2018	2017
	£	£
Current tax on profits for the year	211,000	300,000
Adjustments in respect of previous periods	(51,594)	4,302
	<u>159,406</u>	<u>304,302</u>

Total current tax

<u>159,406</u>	<u>304,302</u>
----------------	----------------

Deferred tax

Origination and reversal of timing differences	(52,573)	(17,113)
--	----------	----------

Total deferred tax

<u>(52,573)</u>	<u>(17,113)</u>
-----------------	-----------------

Taxation on profit on ordinary activities

<u>106,833</u>	<u>287,189</u>
----------------	----------------

Notes to the Financial Statements

For the Year Ended 31 March 2018

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>817,219</u>	<u>1,104,807</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	155,272	220,961
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	32,203	33,928
Non-qualifying depreciation	4,637	2,025
Deferred tax not provided	-	31,583
Adjustments to tax charge in respect of prior periods	(100,272)	(6,881)
Change in deferred tax rate	14,993	5,573
Total tax charge for the year	<u>106,833</u>	<u>287,189</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2018 £	2017 £
Ordinary Shares	263,000	263,000
Preference Shares	500	500
	<u>263,500</u>	<u>263,500</u>

Notes to the Financial Statements

For the Year Ended 31 March 2018

13. Intangible assets

Group & Company

	Computer Software £
Cost	
At 1 April 2017	62,718
Additions	-
At 31 March 2018	<u>62,718</u>
Amortisation	
At 1 April 2017	1,742
Charge for the year	20,904
At 31 March 2018	<u>22,646</u>
Net book value	
At 31 March 2018	<u><u>40,072</u></u>
At 31 March 2017	<u><u>60,976</u></u>

Notes to the Financial Statements

For the Year Ended 31 March 2018

14. Tangible fixed assets

Group

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation					
At 1 April 2017	8,777,993	213,830	854,718	20,000	9,866,541
Additions	1,545,961	-	59,185	3,461	1,608,607
Disposals	-	(23,539)	-	-	(23,539)
At 31 March 2018	<u>10,323,954</u>	<u>190,291</u>	<u>913,903</u>	<u>23,461</u>	<u>11,451,609</u>
Depreciation					
At 1 April 2017	4,614,873	105,586	577,467	6,667	5,304,593
Charge for the period	871,999	31,265	71,555	7,782	982,601
Disposals	-	(23,539)	-	-	(23,539)
At 31 March 2018	<u>5,486,872</u>	<u>113,312</u>	<u>649,022</u>	<u>14,449</u>	<u>6,263,655</u>
Net book value					
At 31 March 2018	<u>4,837,082</u>	<u>76,979</u>	<u>264,881</u>	<u>9,012</u>	<u>5,187,954</u>
At 31 March 2017	<u>4,163,120</u>	<u>108,244</u>	<u>277,251</u>	<u>13,333</u>	<u>4,561,948</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	<u>4,386,114</u>	<u>3,038,755</u>
	<u>4,386,114</u>	<u>3,038,755</u>

Notes to the Financial Statements

For the Year Ended 31 March 2018

14. Tangible fixed assets (continued)

Company

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 April 2017	8,777,993	213,830	854,718	9,846,541
Additions	1,545,961	-	59,185	1,605,146
Disposals	-	(23,539)	-	(23,539)
At 31 March 2018	<u>10,323,954</u>	<u>190,291</u>	<u>913,903</u>	<u>11,428,148</u>
Depreciation				
At 1 April 2017	4,614,873	105,586	577,467	5,297,926
Charge for the period	871,999	31,265	71,555	974,819
Disposals	-	(23,539)	-	(23,539)
At 31 March 2018	<u>5,486,872</u>	<u>113,312</u>	<u>649,022</u>	<u>6,249,206</u>
Net book value				
At 31 March 2018	<u>4,837,082</u>	<u>76,979</u>	<u>264,881</u>	<u>5,178,942</u>
At 31 March 2017	<u>4,163,120</u>	<u>108,244</u>	<u>277,251</u>	<u>4,548,615</u>

Notes to the Financial Statements

For the Year Ended 31 March 2018

15. Fixed asset investments

Group

	Unlisted investments £
Cost or valuation	
At 1 April 2017	4,502
Disposals	-
At 31 March 2018	<u>4,502</u>
Net book value	
At 31 March 2018	<u>4,502</u>
At 31 March 2017	<u>4,502</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Living Data @ McLays Limited	Ordinary	60%	Data solutions and software development

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Living Data @ McLays Limited	(208,458)	(23,676)
	<u>(208,458)</u>	<u>(23,676)</u>

Notes to the Financial Statements

For the Year Ended 31 March 2018

15. Fixed asset investments (continued)

Company	Unlisted investments £
Cost or valuation	
At 1 April 2017	5,102
Additions	-
Disposals	-
	<hr/>
At 31 March 2018	5,102
	<hr/>
Net book value	
At 31 March 2018	<u>5,102</u>
At 31 March 2017	<u>5,102</u>

16. Stocks

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Raw materials and consumables	181,880	137,008	181,880	137,008
Work in progress	611,492	287,680	611,492	287,680
Finished goods and goods for resale	21,007	18,515	21,007	18,515
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>814,379</u>	<u>443,203</u>	<u>814,379</u>	<u>443,203</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	4,484,160	4,083,492	4,443,307	4,072,661
Other debtors	55,679	35,941	55,679	35,941
Amounts owed by subsidiary undertakings	-	-	327,994	210,776
Prepayments and accrued income	308,571	301,884	308,571	301,364
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>4,848,410</u>	<u>4,421,317</u>	<u>5,135,551</u>	<u>4,620,742</u>

Notes to the Financial Statements

For the Year Ended 31 March 2018

18. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	1,549,606	1,386,855	1,520,907	1,384,692
	<u>1,549,606</u>	<u>1,386,855</u>	<u>1,520,907</u>	<u>1,384,692</u>

19. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	3,153,407	2,467,569	3,153,407	2,471,975
Amounts owed to other participating interests	-	5,261	-	-
Corporation tax	158,178	300,000	211,000	300,000
Taxation and social security	122,089	134,109	117,614	134,109
Obligations under finance lease and hire purchase contracts	881,577	654,852	881,577	654,852
Other creditors	7,663	287	287	287
Accruals and deferred income	284,775	222,170	284,775	221,770
	<u>4,607,689</u>	<u>3,784,248</u>	<u>4,648,660</u>	<u>3,782,993</u>

20. Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Net obligations under finance leases and hire purchase contracts	2,083,053	1,734,685	2,083,053	1,734,685
	<u>2,083,053</u>	<u>1,734,685</u>	<u>2,083,053</u>	<u>1,734,685</u>

Notes to the Financial Statements

For the Year Ended 31 March 2018

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Within one year	881,577	654,852	881,577	654,852
Between 1-2 years	748,239	630,766	748,239	630,766
Between 2-5 years	1,334,814	1,103,919	1,334,814	1,103,919
	<u>2,964,630</u>	<u>2,389,537</u>	<u>2,964,630</u>	<u>2,389,537</u>

22. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets measured at amortised cost	6,089,445	5,506,288	6,347,887	5,704,070
	<u>6,089,445</u>	<u>5,506,288</u>	<u>6,347,887</u>	<u>5,704,070</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(6,410,475)	(5,084,824)	(6,403,099)	(5,083,569)
	<u>(6,410,475)</u>	<u>(5,084,824)</u>	<u>(6,403,099)</u>	<u>(5,083,569)</u>

Financial assets include cash at bank and in hand, trade debtors, other debtors and amounts owed by subsidiary undertaking.

Financial liabilities include trade creditors, other creditors, obligations under finance lease/ hire purchase contracts, amounts owed to other participating interests and accruals.

Notes to the Financial Statements

For the Year Ended 31 March 2018

23. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	(298,154)	(315,267)
Credited to profit or loss	52,573	17,113
At end of year	<u>(245,581)</u>	<u>(298,154)</u>

Company

	2018 £	2017 £
At beginning of year	(298,154)	(315,267)
Credited to profit or loss	52,573	17,113
At end of year	<u>(245,581)</u>	<u>(298,154)</u>

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accelerated capital allowances	(248,642)	(301,754)	(248,642)	(301,754)
Other timing differences	3,061	3,600	3,061	3,600
	<u>(245,581)</u>	<u>(298,154)</u>	<u>(245,581)</u>	<u>(298,154)</u>

Notes to the Financial Statements

For the Year Ended 31 March 2018

24. Share capital

	2018 £	2017 £
Shares classified as equity		
Authorised		
352,000 Ordinary shares of £0.25 each	88,000	88,000
48,000 'A' Ordinary shares of £0.25 each	12,000	12,000
75,000 10% non-cumulative preference shares of £0.25 each	18,750	18,750
75,000 4.2% cumulative preference shares of £0.25 each	18,750	18,750
	<u>137,500</u>	<u>137,500</u>
Allotted, called up and fully paid		
263,000 Ordinary shares of £0.25 each	65,750	65,750
20,000 10% non-cumulative preference shares of £0.25 each	5,000	5,000
	<u>70,750</u>	<u>70,750</u>

25. Reserves

Capital redemption reserve

The capital redemption reserve includes amounts transferred following redemption or purchase of a company's own shares.

Profit & loss account

The profit and loss account includes all current and prior period profits and losses.

26. Pension commitments

The Group and Company operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group and Company in an independent fund. The pension costs charged represents contributions payable by the company to the fund.

Notes to the Financial Statements

For the Year Ended 31 March 2018

27. Commitments under operating leases

At 31 March 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Not later than 1 year	387,116	388,547	387,116	388,547
Later than 1 year and not later than 5 years	962,917	1,282,598	962,917	1,282,598
Later than 5 years	-	-	-	-
	<u>1,350,033</u>	<u>1,671,145</u>	<u>1,350,033</u>	<u>1,671,145</u>

28. Related party transactions

K J Vaughan

The Group and Company were under the control of Mr K J Vaughan throughout the current and previous year. Mr K J Vaughan is the managing director and majority shareholder.

At 31 March 2018 an amount of £2,674 (2017: £nil) was due to A. McLay & Company Limited from Mr K J Vaughan.

CCS McLays Limited

A. McLay & Company Limited has a related party relationship with CCS McLays Limited by virtue of its shareholding. At 31 March 2018 there was a related party debtor of £42,913 (2017: £30,251). At 31 March 2018 there was a related party creditor of £1,569 (2017: £3,388). In the year to 31 March 2018, there were sales of £2,713 (2017: £140,096) and purchases of £6,759 (2017: £19,773) with this related party.

Document Continuity & Capture Limited

A. McLay & Company Limited has a related party relationship with Document Continuity & Capture Limited by virtue of common directorship held by Mr J Thomas and Mr K Burnett. At 31 March 2018 there was a related party debtor of £nil (2017: £nil) and a related party creditor of £nil (2017: £nil). In the year to 31 March 2018, total purchases of £84,884 (2017: £32,277) and sales of £nil (2017: £21,449) arose with this related party.

Living Data @ McLays Limited

A. McLay & Company Limited has a related party relationship with Living Data @ McLays Limited by virtue of majority ownership. At 31 March 2018 there was a related party debtor of £327,994 (2017: £210,775) and a related party creditor of £nil (2017: £9,596). In the year to 31 March 2018 total purchases of £55,199 (2017: £11,238) arose with this related party. In the year to 31 March 2018 rental income of £11,000 (2017: £nil) arose with this related party.

Key management personnel

Key management remuneration amounted to £544,049 (2017: £382,393).