

Company registration number 08422858 (England and Wales)

GRAPHIC ARTS (COVENTRY) LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR

GRAPHIC ARTS (COVENTRY) LTD

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GRAPHIC ARTS (COVENTRY) LTD

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		14,779		34,422
Tangible assets	5		88,618		101,825
			<u>103,397</u>		<u>136,247</u>
Current assets					
Stocks		60,067		5,117	
Debtors	6	818,273		500,388	
Cash at bank and in hand		1,542,552		1,647,284	
		<u>2,420,892</u>		<u>2,152,789</u>	
Creditors: amounts falling due within one year	7	<u>(991,690)</u>		<u>(675,493)</u>	
Net current assets			<u>1,429,202</u>		<u>1,477,296</u>
Total assets less current liabilities			<u>1,532,599</u>		<u>1,613,543</u>
Creditors: amounts falling due after more than one year	8		(300,000)		(350,000)
Provisions for liabilities			<u>(13,310)</u>		<u>(16,239)</u>
Net assets			<u><u>1,219,289</u></u>		<u><u>1,247,304</u></u>
Capital and reserves					
Called up share capital			600		600
Capital redemption reserve			300,000		300,000
Profit and loss reserves			918,689		946,704
Total equity			<u><u>1,219,289</u></u>		<u><u>1,247,304</u></u>

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

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

GRAPHIC ARTS (COVENTRY) LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 2 June 2022 and are signed on its behalf by:

Mr J B Jenkin
Director

Company Registration No. 08422858

GRAPHIC ARTS (COVENTRY) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Graphic Arts (Coventry) Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Welcome House, Falkland Close, Coventry, West Midlands, CV4 8AU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Intangible fixed assets - goodwill

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

1.4 Intangible fixed assets other than goodwill

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

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

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

Software	20% straight line
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1.5 Tangible fixed assets

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

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

Plant and equipment	33% on reducing balance and 25% on reducing balance
Computers	33% on reducing balance
Motor vehicles	25% on reducing balance

GRAPHIC ARTS (COVENTRY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

1.7 Stocks

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

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

1.10 Equity instruments

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

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

GRAPHIC ARTS (COVENTRY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Leases

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

1.15 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 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.

GRAPHIC ARTS (COVENTRY) LTD

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.

3 Employees

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

	2021 Number	2020 Number
Total	25	30

4 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 January 2021	780,000	22,000	802,000
Additions	15,000	-	15,000
At 31 December 2021	795,000	22,000	817,000
Amortisation and impairment			
At 1 January 2021	750,545	17,033	767,578
Amortisation charged for the year	31,943	2,700	34,643
At 31 December 2021	782,488	19,733	802,221
Carrying amount			
At 31 December 2021	12,512	2,267	14,779
At 31 December 2020	29,455	4,967	34,422

GRAPHIC ARTS (COVENTRY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5	Tangible fixed assets	Plant and equipment	Computers	Motor vehicles	Total
		£	£	£	£
	Cost				
	At 1 January 2021	104,805	39,800	76,249	220,854
	Additions	13,599	5,852	-	19,451
	At 31 December 2021	<u>118,404</u>	<u>45,652</u>	<u>76,249</u>	<u>240,305</u>
	Depreciation and impairment				
	At 1 January 2021	63,439	31,140	24,450	119,029
	Depreciation charged in the year	15,766	3,942	12,950	32,658
	At 31 December 2021	<u>79,205</u>	<u>35,082</u>	<u>37,400</u>	<u>151,687</u>
	Carrying amount				
	At 31 December 2021	<u>39,199</u>	<u>10,570</u>	<u>38,849</u>	<u>88,618</u>
	At 31 December 2020	<u>41,366</u>	<u>8,660</u>	<u>51,799</u>	<u>101,825</u>
6	Debtors				
	Amounts falling due within one year:		2021	2020	
			£	£	
	Trade debtors		518,720	458,297	
	Other debtors		299,553	42,091	
			<u>818,273</u>	<u>500,388</u>	
7	Creditors: amounts falling due within one year				
			2021	2020	
			£	£	
	Trade creditors		175,296	140,355	
	Taxation and social security		212,378	244,233	
	Other creditors		604,016	290,905	
			<u>991,690</u>	<u>675,493</u>	

Included within other creditors are 200,000 £1 redeemable shares (2020 - £Nil). The shares were redeemed in March 2022.

GRAPHIC ARTS (COVENTRY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	300,000	350,000
	<u>300,000</u>	<u>350,000</u>

Included within other creditors are 100,000 £1 redeemable shares (2020 - 300,000 £1 redeemable shares). The redeemable shares, which were issued at par, are redeemable at par at the option of the shareholder. There are no fixed dates for redemption.

9 Related party transactions

Included within other debtors due within one year are loans to directors totalling £Nil (2020 - £21,180).

Included within other creditors are loans from the company's directors totalling £517,234 (2020 - £256,103). The amount due after more than one year is £200,000 (2020 - £50,000). The loans have been made on an interest free basis and are repayable on demand.

Also included within other creditors due within one year is an interest free loan from the company's parent undertaking of £79,100 (2020 - £79,100).

10 Parent company

The company is a wholly owned subsidiary of Graphic Arts Group Ltd.

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