

**Company Registration No. 01510986 (England and Wales)**

**Diamond Comic Distributors**

**Annual report and financial statements  
for the year ended 31 December 2022**

## **Diamond Comic Distributors**

### **Company information**

---

<b>Directors</b>	Stephen Geppi Comic Exporters Inc Comic Holdings Inc
<b>Company number</b>	01510986
<b>Registered office</b>	TC Group Level 1 Devonshire House One Mayfair Place London W1J 8AJ
<b>Independent auditor</b>	Saffery LLP Trinity 16 John Dalton Street Manchester M2 6HY

---

## **Diamond Comic Distributors**

### **Contents**

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 26

---

## **Diamond Comic Distributors**

### **Strategic report**

**For the year ended 31 December 2022**

---

#### **Business Performance**

The company has made a loss after taxation for the financial year of £182,201 (2021: profit of £698,015) and has net assets of £5,475,156 (2021: £5,657,357) as at 31 December 2022.

The directors consider the results for the year to be disappointing in light of the trading conditions and the economic climate. The company experienced an increase in turnover, year-on-year, of some £3.329 million, with sales increasing from £19.494 million in 2021 to £22.823 million in 2022. Gross profit margins fell during the year ended 31 December 2022, compared with the prior year, due to the impact of higher cost of sales due to the deterioration of the value of sterling and given that the majority of product for resale is purchased from the United States in Dollars. Distribution and administrative expenses increased from £4.378 million in 2021 to £4.837 million in 2022 an increase of £459,328. As a result, there was a decline in the overall trading performance, with a loss before taxation of £227,523 in 2022, compared with a profit of £867,231 in the prior year.

The directors expect the general level of trading activity to continue and for the 2022 trading performance to be maintained, based on the early results in 2023. However, like the majority of businesses, there continues to be a great deal of uncertainty, as a result of the underlying economic conditions. This has affected trading volumes and many customers have reduced their order levels, particularly those operating from stores.

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

The company faces the usual principal risks and uncertainties, for a business of its size, which operates in the particular sector and which imports the majority of products which are sold to its customers.

Of primary concern are the following issues, which are mitigated by the below-mentioned factors:-

1. Exposure to exchange rate fluctuations – careful planning around the payment of liabilities arising in foreign currencies; timing for the purchase of funds to be paid in overseas currencies.
1. Stock not selling through – a high proportion of goods are sold against customer pre-orders and for other items, the company has a very experienced team to source and purchase product that will be attractive to its customer base.
1. Difficulties in recovering customer debt – a proactive credit control function monitors account balances and maintains contact with the customers

#### **Development and performance**

Ongoing challenges have also arisen over the repercussions of Brexit, with greater complexity surrounding the arrangements required in exporting and importing product. This has been exacerbated by problems in the supply chain, with certain items not being available, and interruptions and delays in arranging the air shipment of product from the US.

#### **Key performance indicators**

The company uses four main key performance indicators to ensure that the overall goals of the company are achieved. The first is turnover as can be seen in the financial results. The second is the timely recovery of amounts owing by customers; the third relates to overall cash management and cash flow; and the fourth is to exercise strong controls over inventory levels.

**Diamond Comic Distributors**

**Strategic report (continued)**

**For the year ended 31 December 2022**

---

Comic Exporters Inc

**Director**

27 September 2023

## **Diamond Comic Distributors**

### **Directors' report**

**For the year ended 31 December 2022**

---

The directors present their annual report and financial statements for the year ended 31 December 2022.

#### **Principal activities**

The principal activity of the company continued to be that of distribution of comics and related merchandise.

#### **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:

Stephen Geppi  
Comic Exporters Inc  
Comic Holdings Inc

#### **Auditor**

Saffery LLP have expressed their willingness to continue in office.

#### **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.

On behalf of the board

Comic Exporters Inc  
**Director**

27 September 2023

## **Diamond Comic Distributors**

### **Directors' responsibilities statement For the year ended 31 December 2022**

---

The directors are responsible for preparing the annual 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 of 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;
- 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.

## **Diamond Comic Distributors**

### **Independent auditor's report**

**To the members of Diamond Comic Distributors**

---

#### **Opinion**

We have audited the financial statements of Diamond Comic Distributors (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 company's affairs as at 31 December 2022 and of its loss 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 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.



## **Diamond Comic Distributors**

### **Independent auditor's report (continued)**

#### **To the members of Diamond Comic Distributors**

---

#### **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.

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

In the light of the 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 or 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.

## **Diamond Comic Distributors**

### **Independent auditor's report (continued)**

#### **To the members of Diamond Comic Distributors**

---

#### **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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

#### **Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

#### **Audit response to risks identified**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

## **Diamond Comic Distributors**

### **Independent auditor's report (continued)**

#### **To the members of Diamond Comic Distributors**

---

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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.

**Simon Kite BSc FCA**  
**Senior Statutory Auditor**  
**For and on behalf of Saffery LLP**

27 September 2023

**Chartered Accountants**  
**Statutory Auditors**

Trinity  
16 John Dalton Street  
Manchester  
M2 6HY

**Diamond Comic Distributors****Statement of comprehensive income  
For the year ended 31 December 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	22,822,840	19,494,205
Cost of sales		(19,546,456)	(15,570,558)
<b>Gross profit</b>		3,276,384	3,923,647
Distribution costs		(1,107,213)	(908,794)
Administrative expenses		(3,730,756)	(3,469,847)
Other operating income		1,333,695	1,320,151
<b>Operating (loss)/profit</b>	<b>4</b>	(227,890)	865,157
Interest receivable and similar income	<b>7</b>	367	2,074
<b>(Loss)/profit before taxation</b>		(227,523)	867,231
Tax on (loss)/profit	<b>8</b>	45,322	(169,215)
<b>(Loss)/profit for the financial year</b>		(182,201)	698,016

The income statement has been prepared on the basis that all operations are continuing operations.

**Diamond Comic Distributors**

**Statement of financial position**

**As at 31 December 2022**

		<b>2022</b>		<b>2021</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>9</b>		27,795		22,786
<b>Current assets</b>					
Stocks	<b>10</b>	5,937,823		5,228,652	
Debtors	<b>12</b>	4,060,408		3,105,305	
Cash at bank and in hand		519,139		934,163	
		10,517,370		9,268,120	
<b>Creditors: amounts falling due within one year</b>	<b>13</b>	(5,070,009)		(3,633,549)	
<b>Net current assets</b>			5,447,361		5,634,571
<b>Net assets</b>			5,475,156		5,657,357
<b>Capital and reserves</b>					
Called up share capital	<b>15</b>		100		100
Profit and loss reserves			5,475,056		5,657,257
<b>Total equity</b>			5,475,156		5,657,357

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

Comic Exporters Inc  
**Director**

**Company Registration No. 01510986**

**Diamond Comic Distributors**

**Statement of changes in equity  
For the year ended 31 December 2022**

	<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2021</b>	100	4,959,241	4,959,341
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	698,016	698,016
<b>Balance at 31 December 2021</b>	100	5,657,257	5,657,357
<b>Year ended 31 December 2022:</b>			
Loss and total comprehensive income for the year	-	(182,201)	(182,201)
<b>Balance at 31 December 2022</b>	100	5,475,056	5,475,156

**Diamond Comic Distributors**

**Statement of cash flows**  
**For the year ended 31 December 2022**

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash (absorbed by)/generated from operations	19	(274,629)	472,645
Income taxes paid		(122,787)	(179,372)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(397,416)</b>	<b>293,273</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(17,975)	(28,839)
Interest received		367	2,074
<b>Net cash used in investing activities</b>		<b>(17,608)</b>	<b>(26,765)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(415,024)</b>	<b>266,508</b>
Cash and cash equivalents at beginning of year		934,163	667,655
<b>Cash and cash equivalents at end of year</b>		<b>519,139</b>	<b>934,163</b>

## Diamond Comic Distributors

### Notes to the financial statements For the year ended 31 December 2022

---

#### 1 Accounting policies

##### Company information

Diamond Comic Distributors is a private unlimited company incorporated in England and Wales. The registered office is TC Group Level 1, Devonshire House, One Mayfair Place, London, W1J 8AJ.

##### 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.

##### 1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

##### 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 operating income refers to commission received from third parties with whom Diamond Comic Distributors have agency agreements in place. Diamond Comic Distributors therefore receive as a commission, an agreed percentage of the value of sales that is facilitated on the agency's behalf.

##### 1.4 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 on a straight line basis in full 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	20% to 33.3% straight line
Fixtures and fittings	20% straight line



## Diamond Comic Distributors

### Notes to the financial statements (continued)

For the year ended 31 December 2022

---

#### 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.

##### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

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.

##### 1.7 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.

##### 1.8 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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**1 Accounting policies (continued)**

***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, other than those held at fair value through profit and loss, 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 profit or loss.

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 profit or loss.

***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.

**1 Accounting policies (continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***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.

**1 Accounting policies (continued)**

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

**1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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**

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 Accounting policies (continued)**

**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.

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.

**1.15 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.

## Diamond Comic Distributors

### Notes to the financial statements (continued)

For the year ended 31 December 2022

#### 2 Critical accounting 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 estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### *Impairment of debtors*

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amounts of the debtors.

##### *Stock provisioning*

The Company distributes comic books, magazines, graphic novels and science fiction books, together with the merchandise and apparel that relates to the characters in the comics, magazines and books. Most sales are based on advance orders from customers - but some product is held in stock, awaiting supplementary customer orders; and on occasion, the items pre-ordered by customers are not purchased. As a result, it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around future saleability and demand.

#### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Sale of goods	22,822,840	19,494,205

**Diamond Comic Distributors**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2022**

**3 Turnover and other revenue (continued)**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by geographical market</b>		
United Kingdom	20,706,671	18,212,023
Overseas	2,116,169	1,282,182
	<u>22,822,840</u>	<u>19,494,205</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Other revenue</b>		
Interest income	367	2,074
	<u>367</u>	<u>2,074</u>

**4 Operating (loss)/profit**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	121,235	(505)
Fees payable to the company's auditor for the audit of the company's financial statements	30,775	29,315
Depreciation of owned tangible fixed assets	12,966	25,488
Impairment of stocks recognised or reversed	-	173,797
Operating lease charges	257,552	260,232
	<u>422,528</u>	<u>488,837</u>

**5 Employees**

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Office	32	30
Warehouse	29	34
	<u>61</u>	<u>64</u>

**Diamond Comic Distributors**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2022**

**5 Employees (continued)**

Their aggregate remuneration, including directors, comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,044,360	1,957,551
Social security costs	146,314	134,423
Pension costs	69,622	76,173
	<u>2,260,296</u>	<u>2,168,147</u>

**6 Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	<u>420,000</u>	<u>420,000</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	<u>210,000</u>	<u>210,000</u>

**7 Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest income		
Other interest income	<u>367</u>	<u>2,074</u>



**Diamond Comic Distributors****Notes to the financial statements (continued)****For the year ended 31 December 2022****8 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	(45,322)	162,965
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	6,250
	<u>          </u>	<u>          </u>
<b>Total tax (credit)/charge</b>	<u>(45,322)</u>	<u>169,215</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(Loss)/profit before taxation	(227,523)	867,231
	<u>          </u>	<u>          </u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(43,229)	164,774
Tax effect of expenses that are not deductible in determining taxable profit	(2,093)	241
Changes in unrecognised deferred tax	-	2,956
Other timing differences	-	1,244
	<u>          </u>	<u>          </u>
<b>Taxation (credit)/charge for the year</b>	<u>(45,322)</u>	<u>169,215</u>

## Diamond Comic Distributors

### Notes to the financial statements (continued) For the year ended 31 December 2022

#### 9 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2022	600,299	408,472	1,008,771
Additions	17,975	-	17,975
At 31 December 2022	618,274	408,472	1,026,746
<b>Depreciation and impairment</b>			
At 1 January 2022	577,825	408,160	985,985
Depreciation charged in the year	12,704	262	12,966
At 31 December 2022	590,529	408,422	998,951
<b>Carrying amount</b>			
At 31 December 2022	27,745	50	27,795
At 31 December 2021	22,474	312	22,786

#### 10 Stocks

	2022 £	2021 £
Finished goods and goods for resale	5,937,823	5,228,652

#### 11 Financial instruments

During the prior year, the company entered into a forward currency contract for \$458,215. There was a fair value adjustment of £nil during the current year (2021: £nil).

#### 12 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,715,127	2,874,995
Corporation tax recoverable	176,222	8,113
Other debtors	50,314	59,491
Prepayments and accrued income	118,745	162,706
	4,060,408	3,105,305

## Diamond Comic Distributors

### Notes to the financial statements (continued)

For the year ended 31 December 2022

#### 13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,381,816	2,165,778
Amounts owed to group undertakings	2,144,183	956,145
Taxation and social security	31,007	30,003
Other creditors	13,919	13,888
Accruals and deferred income	499,084	467,735
	<u>5,070,009</u>	<u>3,633,549</u>

#### 14 Retirement benefit schemes

	2022	2021
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	69,622	76,173
	<u>69,622</u>	<u>76,173</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. The total value of unpaid contributions at the year end was £14,076 (2021: £12,950).

#### 15 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 16 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:

	2022	2021
	£	£
Within one year	280,000	280,000
Between two and five years	1,003,333	1,120,000
In over five years	-	163,333
	<u>1,283,333</u>	<u>1,563,333</u>

## Diamond Comic Distributors

### Notes to the financial statements (continued)

For the year ended 31 December 2022

#### 17 Related party transactions

##### Transactions with related parties

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

	Sales 2022 £	Sales 2021 £	Purchases 2022 £	Purchases 2021 £
Entities with control, joint control or significant influence over the company	358,930	360,350	10,325,186	7,546,616
	Management charge paid 2022 £	2021 £	Directors fees paid 2022 £	2021 £
Entities with control, joint control or significant influence over the company	295,571	286,747	420,000	420,000
Amounts due to related parties			2022 £	2021 £
Entities with control, joint control or significant influence over the company			2,144,183	956,145

#### 18 Ultimate controlling party

The ultimate parent undertaking is Diamond Comic Distributors Inc., a company incorporated in Maryland in the United States of America.

The ultimate controlling party is Stephen Geppi.

Diamond Comic Distributors Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2022. Diamond Comic Distributors Inc. is both the smallest and largest set of consolidated financial statements to include the Company. The registered address of Diamond Comic Distributors Inc. is 10150 York Road, Suite 300, Hunt Valley, MD 21030, USA.

**Diamond Comic Distributors**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2022**

**19 Cash (absorbed by)/generated from operations**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year after tax	(182,201)	698,016
<b>Adjustments for:</b>		
Taxation (credited)/charged	(45,322)	169,215
Investment income	(367)	(2,074)
Depreciation and impairment of tangible fixed assets	12,966	25,488
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(709,171)	96,574
Increase in debtors	(786,994)	(909,860)
Increase in creditors	1,436,460	395,286
<b>Cash (absorbed by)/generated from operations</b>	<b>(274,629)</b>	<b>472,645</b>

**20 Analysis of changes in net funds**

	<b>1 January 2022</b>	<b>Cash flows</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	934,163	(415,024)	519,139

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.