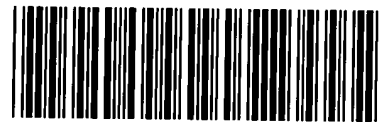


Company Registration No. 01703368 (England and Wales)

**ODESSA PRINT GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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# ODESSA PRINT GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr L S Matthews Mr R Charles
<b>Secretary</b>	Mrs J Charles
<b>Company number</b>	01703368
<b>Registered office</b>	Lynwood House Crofton Road Orpington Kent BR6 8QE
<b>Auditor</b>	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
<b>Business address</b>	Core Unit Oakfield Road London SE20 8RA
<b>Bankers</b>	Lloyds TSB Bank Plc Threadneedle Street London EC4

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# ODESSA PRINT GROUP LIMITED

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# ODESSA PRINT GROUP LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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The directors present the strategic report for the year ended 30 September 2016.

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

Odessa Print Group Limited is one of the industry's top printing firms and has broadened its activities from an award-winning poster printer to a leading point of sale printer supplying new clients as well as expanding sales to existing clients. Our strategy to increase our product offering and spread of customers is now proving to be highly beneficial with the sales mix changing over the last 12 months resulting in our largest client now representing 13% of annual sales.

The company continues to implement strategies developed by the directors and is fully focused on the future new business without impacting on the high-quality services delivered to current customers. Our customer retention continues to be strong but with a greater spread of good quality names.

Plans are in place for upgrading our print machinery as and when timing is right.

### **Principal risks and uncertainties**

The expansion programme from one unit to three units is now complete and greater efficiencies are being driven out in all areas of production and fulfilment as a result of the transformational restructure. With the increasing sales of new products to new customers, we have reduced the threat of over-dependence on any one product sector or client.

It has been necessary to restate the accounts for the 18 month period to 30 September 2015 due to an accounting error within our financing facilities. This error has been verified and cleared in that year, ensuring that that 2016 figures accurately reflect the trading and balance sheet composition.

### **Development and performance**

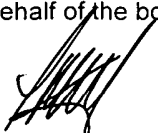
The results for 2016 are very positive and this trend has continued into the new trading year.

The results for the year are set out on page 6 and shows that the company has returned to profitable trading with £123,623 profit before tax and we have continued to increase sales with a year on year rise of 4% from September 2015 to September 2016. This trend has accelerated into the current trading year and are running at over 10% growth year on year.

Gross margins have increased substantially to 28% compared to 22.6% in 2015, again confirming the overall efficiencies being achieved following the completion of the transformation of the business.

The results for the year and the financial position, as disclosed in the balance sheet on page 8, show that the company has increased its net assets to £528,044 (2015 : £458,577 after restatement) with the total profit after tax being fully retained.

On behalf of the board



Mr L S Matthews  
Director  
15 May 2017

# ODESSA PRINT GROUP LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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The directors present their annual report and financial statements for the year ended 30 September 2016.

### Principal activities

The principal activity of the company continued to be that of printers, specialising in the large format poster market and expanding into all point of sale materials.

### Directors

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

Mr L S Matthews  
Mr R Charles

### Results and dividends

The results for the year are set out on page 6.

During the year, the company has paid out dividends of £nil.

### Auditor

In accordance with the Company's Articles, a resolution proposing that Baxter & Co be reappointed as auditors of the company will be put to the General Meeting.

### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors 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 auditors are aware of that information.

On behalf of the board



Mr L S Matthews  
Director  
15 May 2017

# **ODESSA PRINT GROUP LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 30 SEPTEMBER 2016***

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# ODESSA PRINT GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ODESSA PRINT GROUP LIMITED

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We have audited the financial statements of Odessa Print Group Limited for the year ended 30 September 2016 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion 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.

# **ODESSA PRINT GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ODESSA PRINT GROUP LIMITED**

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

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**David McDonald Cheek FCCA (Senior Statutory Auditor)**  
**for and on behalf of Baxter & Co**

16 May 2017

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

Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE



# ODESSA PRINT GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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		30 September 2016	Period ended 30 September 2015 as restated
	Notes	£	£
Turnover	3	12,144,018	17,566,192
Cost of sales		(8,724,400)	(13,587,520)
<b>Gross profit</b>		<b>3,419,618</b>	<b>3,978,672</b>
Distribution costs		(1,241,821)	(1,534,426)
Administrative expenses		(1,863,936)	(2,381,199)
<b>Operating profit</b>	4	<b>313,861</b>	<b>63,047</b>
Interest payable and similar charges	7	(190,238)	(113,453)
<b>Profit/(loss) before taxation</b>		<b>123,623</b>	<b>(50,406)</b>
Taxation	8	(54,156)	811
<b>Profit/(loss) for the financial year</b>		<b>69,467</b>	<b>(49,595)</b>

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

# ODESSA PRINT GROUP LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

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	2016 £	2015 £
Profit/(loss) for the year	69,467	(49,595)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>69,467</u>	<u>(49,595)</u>

# ODESSA PRINT GROUP LIMITED


## BALANCE SHEET

AS AT 30 SEPTEMBER 2016

		2016		2015 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		1,735,676		1,991,328
<b>Current assets</b>					
Stocks	11	332,308		388,744	
Debtors	12	4,179,400		4,124,004	
Cash at bank and in hand		34,413		37,053	
		<u>4,546,121</u>		<u>4,549,801</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(4,988,228)</u>		<u>(5,480,746)</u>	
<b>Net current liabilities</b>			<u>(442,107)</u>		<u>(930,945)</u>
<b>Total assets less current liabilities</b>			<u>1,293,569</u>		<u>1,060,383</u>
<b>Creditors: amounts falling due after more than one year</b>	14		<u>(564,120)</u>		<u>(394,819)</u>
<b>Provisions for liabilities</b>	18		<u>(201,405)</u>		<u>(206,987)</u>
<b>Net assets</b>			<u><u>528,044</u></u>		<u><u>458,577</u></u>
<b>Capital and reserves</b>					
Called up share capital	20	201,250		201,250	
Profit and loss reserves		326,794		257,327	
<b>Total equity</b>			<u><u>528,044</u></u>		<u><u>458,577</u></u>

The financial statements were approved by the board of directors and authorised for issue on 15 May 2017 and are signed on its behalf by:

  
Mr L S Matthews  
Director

  
Mr R Charles  
Director

Company Registration No. 01703368

# ODESSA PRINT GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2014</b>		1,250	306,922	308,172
<b>Period ended 30 September 2015:</b>				
Loss and total comprehensive income for the period		-	(49,595)	(49,595)
Issue of share capital	<b>20</b>	200,000	-	200,000
<b>Balance at 30 September 2015</b>		201,250	257,327	458,577
<b>Year ended 30 September 2016:</b>				
Profit and total comprehensive income for the year		-	69,467	69,467
<b>Balance at 30 September 2016</b>		201,250	326,794	528,044

# ODESSA PRINT GROUP LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24	45,947		415,482	
Interest paid		(190,238)		(113,453)	
Taxes refunded		1,016		52,668	
<b>Net cash (outflow)/inflow from operating activities</b>		(143,275)		354,697	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(98,885)		(291,508)	
Proceeds on disposal of tangible fixed assets		57,375		-	
<b>Net cash used in investing activities</b>		(41,510)		(291,508)	
<b>Financing activities</b>					
Proceeds from issue of shares		-		200,000	
Repayment of borrowings		(49,129)		-	
Increase of bank loan facilities		651,744		87,221	
Finance leases obligations		(406,866)		(350,775)	
<b>Net cash generated from/(used in) financing activities</b>		195,749		(63,554)	
<b>Net increase/(decrease) in cash and cash equivalents</b>		10,964		(365)	
Cash and cash equivalents at beginning of year		(84,022)		(83,657)	
<b>Cash and cash equivalents at end of year</b>		(73,058)		(84,022)	
<b>Relating to:</b>					
Cash at bank and in hand		34,413		37,053	
Bank overdrafts included in creditors payable within one year		(107,471)		(121,075)	

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

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#### 1 Accounting policies

##### Company information

Odessa Print Group Limited is a company limited by shares incorporated in England and Wales. The registered office is Lynwood House, Crofton Road, Orpington, Kent, BR6 8QE.

##### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2016 are the first financial statements of Odessa Print Group Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Land and buildings Freehold	50% Straight Line
Leasehold land and buildings	Over the life of the lease
Plant and machinery	Between 10-15% on cost and 20% reducing balance
Fixtures, fittings and equipment	15% - 20% Reducing balance
Motor vehicles	25% Reducing balance

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

---

### 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 and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

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

#### 1.7 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.

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

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

Financial instruments are recognised in the company's 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 and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **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 publically 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.



# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

---

### 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 receipts 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 direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

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

#### **Current tax**

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

#### **Deferred tax**

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date at the average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.11 Employee benefits

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

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

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

#### 1.12 Retirement benefits

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

#### 1.13 Leases

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

### 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 Turnover and other revenue

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

	2016 £	2015 £
<b>Turnover</b>		
United Kingdom	12,144,018	17,566,192

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	12,144,018	17,566,192

### 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	16,000	20,625
Depreciation of owned tangible fixed assets	151,646	332,147
Depreciation of tangible fixed assets held under finance leases	12,656	86,977
Loss on disposal of tangible fixed assets	132,859	-
Cost of stocks recognised as an expense	5,307,330	8,139,893
Operating lease charges	624,523	527,515

### 5 Employees

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

	2016 Number	2015 Number
Directors	2	2
Employees	83	86
	85	88

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	3,882,387	5,432,994
Pension costs	10,386	13,604
	3,892,773	5,446,598

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	407,500	611,250
Company pension contributions to defined contribution schemes	10,386	13,604
	<u>417,886</u>	<u>624,854</u>

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

Remuneration for qualifying services	<u>226,300</u>	<u>339,444</u>
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### 7 Interest payable and similar charges

	2016 £	2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on finance leases and hire purchase contracts	143,273	82,605
Other interest on financial liabilities	33,351	30,848
	<u>176,624</u>	<u>113,453</u>
<b>Other finance costs:</b>		
Other interest	13,614	-
	<u>190,238</u>	<u>113,453</u>

### 8 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	59,737	33,746
	<u></u>	<u></u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,581)	(34,557)
	<u></u>	<u></u>
Total tax charge	<u>54,156</u>	<u>(811)</u>

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

#### 8 Taxation

(Continued)

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

	2016 £	2015 £
Profit/(loss) before taxation	123,623	(50,406)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	24,725	(10,081)
Tax effect of expenses that are not deductible in determining taxable profit	17,396	23,027
Tax effect of utilisation of tax losses not previously recognised	-	(15)
Permanent capital allowances in excess of depreciation	17,616	20,815
Deferred tax adjustment	(5,581)	(34,557)
Tax expense for the year	54,156	(811)

#### 9 Tangible fixed assets

	Land and buildings Freehold £	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 October 2015	203,866	228,507	6,372,817	393,984	82,800	7,281,974
Additions	-	-	82,108	16,777	-	98,885
Disposals	-	-	(475,000)	-	(19,381)	(494,381)
At 30 September 2016	203,866	228,507	5,979,925	410,761	63,419	6,886,478
<b>Depreciation and impairment</b>						
At 1 October 2015	-	218,678	4,718,903	287,956	65,110	5,290,647
Depreciation charged in the year	-	3,762	135,228	21,709	3,603	164,302
Eliminated in respect of disposals	-	-	(288,040)	-	(16,107)	(304,147)
At 30 September 2016	-	222,440	4,566,091	309,665	52,606	5,150,802
<b>Carrying amount</b>						
At 30 September 2016	203,866	6,067	1,413,834	101,096	10,813	1,735,676
At 30 September 2015	203,866	9,829	1,653,915	106,028	17,690	1,991,328

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

#### 9 Tangible fixed assets

(Continued)

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

	2016 £	2015 £
Plant and machinery	50,625	1,110,927
Depreciation charge for the year in respect of leased assets	12,656	86,977

The long-term loans are secured by fixed charges over the assets of the company.

#### 10 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	4,000,560	3,973,110
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	5,028,267	5,386,076

#### 11 Stocks

	2016 £	2015 £
Finished goods and goods for resale	332,308	388,744

#### 12 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,958,560	3,940,583
Other debtors	42,000	32,527
Prepayments and accrued income	178,840	150,894
	4,179,400	4,124,004

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

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

	Notes	2016 £	2015 £
Bank loans and overdrafts	15	327,471	121,075
Obligations under finance leases	16	4,795	165,533
Other borrowings	15	-	32,815
Trade creditors		1,510,281	1,989,965
Corporation tax		94,500	33,746
Other taxation and social security		429,581	455,743
Other creditors - invoice financing		2,573,196	2,630,639
Accruals and deferred income		48,404	51,230
		<u>4,988,228</u>	<u>5,480,746</u>

The invoice financing creditor is secured by a fixed and floating charge over the trade debtors of the company.

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

	Notes	2016 £	2015 £
Bank loans and overdrafts	15	431,744	-
Obligations under finance leases	16	-	246,129
Other borrowings	15	132,376	148,690
		<u>564,120</u>	<u>394,819</u>

#### 15 Loans and overdrafts

	2016 £	2015 £
Bank loans	651,744	-
Bank overdrafts	107,471	121,075
Other loans	132,376	181,505
	<u>891,591</u>	<u>302,580</u>
Payable within one year	327,471	153,890
Payable after one year	564,120	148,690

The long-term loans are secured by fixed charges over the assets of the company.

The bank overdraft is secured by a fixed charge over all present leasehold property.

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 16 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	4,795	165,533
In two to five years	-	246,129
	<u>4,795</u>	<u>411,662</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 17 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	201,405	206,987
	<u>201,405</u>	<u>206,987</u>

### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
<b>Balances:</b>		
Accelerated capital allowances	<u>201,405</u>	<u>206,987</u>
<b>Movements in the year:</b>		2016 £
Liability at 1 October 2015		206,987
Credit to profit or loss		(5,582)
Liability at 30 September 2016		<u>201,405</u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature within the same period.



# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

#### 19 Retirement benefit schemes

	2016	2015
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	10,386	13,604
	<u>          </u>	<u>          </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.

#### 20 Share capital

	2016	2015
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
201,250 Ordinary shares of £1 each	201,250	201,250
	<u>          </u>	<u>          </u>

#### 21 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Between two and five years	388,545	366,357
In over five years	262,425	220,845
	<u>          </u>	<u>          </u>
	650,970	587,202
	<u>          </u>	<u>          </u>

#### 22 Controlling party

The company is controlled by the directors by virtue of the fact that between them they own the majority of the company's ordinary share capital.

#### 23 Restatement

The company's financial statements for the year ended 30 September 2015 have been restated to reflect an error in the accounting for interest in the sum of £121,153, due on the company's financing facilities. The directors consider the restatement necessary to reflect a true and fair view of the company's financial position.

# ODESSA PRINT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 24 Cash generated from operations

	2016 £	2015 £
Profit/(loss) for the year after tax	69,467	(49,595)
<b>Adjustments for:</b>		
Taxation charged/(credited)	54,156	(811)
Finance costs	190,238	113,453
Loss on disposal of tangible fixed assets	132,859	-
Depreciation and impairment of tangible fixed assets	164,302	419,124
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	56,436	(129,657)
(Increase) in debtors	(55,396)	(1,405,059)
(Decrease)/increase in creditors	(566,115)	1,468,027
<b>Cash generated from operations</b>	<b>45,947</b>	<b>415,482</b>

**ODESSA PRINT GROUP LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

# ODESSA PRINT GROUP LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	30 September 2016		Period ended 30 September 2015 as restated
	£	£	£
<b>Turnover</b>			
Sales of goods		12,144,018	17,566,192
<b>Cost of sales</b>			
Opening stock	388,744		259,087
Purchases	5,250,894		8,269,550
Closing stock	(332,308)		(388,744)
Wages and salaries	2,102,483		3,363,141
Transport costs	492,847		970,474
Power, light and heat	182,736		293,463
Equipment repairs	120,769		271,653
Plant and machinery leasing	383,007		210,192
Depreciation	135,228		338,704
		(8,724,400)	(13,587,520)
<b>Gross profit</b>		3,419,618	3,978,672
<b>Distribution costs</b>	1,241,821		1,534,426
<b>Administrative expenses</b>	1,863,936		2,381,199
		(3,105,757)	(3,915,625)
<b>Operating profit</b>		313,861	63,047
<b>Interest payable and similar charges</b>			
Hire purchase interest payable	143,273		82,605
Interest on overdue taxation	13,614		-
Loan interest	33,351		30,848
		(190,238)	(113,453)
<b>Profit/(loss) before taxation</b>		123,623	(50,406)

# ODESSA PRINT GROUP LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 30 SEPTEMBER 2016

	30 September 2016	Period ended 30 September 2015 as restated
	£	£
<b>Distribution costs</b>		
Wages and salaries	959,918	1,081,321
Motor running expenses	136,884	251,754
Travelling expenses	58,040	86,218
Entertaining	86,979	115,133
	<u>1,241,821</u>	<u>1,534,426</u>
 <b>Administrative expenses</b>		
Wages and salaries	412,486	377,282
Staff welfare	32,958	55,371
Staff training	33,046	22,200
Directors' remuneration	407,500	611,250
Directors' pension costs	10,386	13,604
Rent	241,516	317,323
Rates	106,490	178,512
Cleaning	-	373
Premises insurance	28,651	139,259
Professional subscriptions	30,859	15,922
Consultancy fees	14,486	43,605
Accountancy	66,675	100,025
Audit fees	16,000	20,625
Bank charges	18,609	26,252
Bank factoring charges	143,020	168,491
Bad and doubtful debts	22,183	29,867
Printing and stationery	48,319	60,643
Advertising	-	2,648
Telecommunications	45,001	81,851
Sundry expenses	23,818	35,676
Amortisation	3,762	30,086
Depreciation	25,312	50,334
Loss on sale of tangible assets	132,859	-
	<u>1,863,936</u>	<u>2,381,199</u>