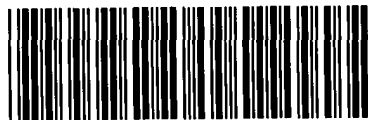


Company Registration No. 02272344 (England and Wales)

EXPRESS GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017

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EXPRESS GROUP LIMITED

COMPANY INFORMATION

Directors	J Young D Ayres J Blackburn L Whitehouse P Whitehouse
Secretary	R Heath-Smith
Company number	02272344
Registered office	College Business Park Kearsley Road Ripon North Yorkshire HG4 2RN
Auditor	BHP LLP 1st Floor, Mayesbrook House Lawnswood Business Park Redvers Close Leeds LS16 6QY

EXPRESS GROUP LIMITED

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EXPRESS GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2017

The directors present the strategic report for the year ended 31 May 2017.

Fair review of the business

The consolidated profit and loss account is set out on page 5.

Group turnover has grown significantly this year to £17,692,940 (2016 - £13,418,416), an increase of 31.9% (£4,274,524) on 2016. Gross profit for the Group has increased from 18.1% to 18.4%. The Group has grown sales of affordable, professional 3D printers and related services as well as spare parts distribution and fulfilment services. The directors have not declared a final dividend for the year ended 31 May 2017 (2016 - £nil per ordinary share).

KEY PERFORMANCE INDICATORS

The Group's Key Performance Indicators are turnover, gross margin and net profit %.

FUTURE OUTLOOK

We see opportunities to increase sales through our strategic partnerships with leading 2D and 3D Printer brands and strengthen our market-leading position in the UK as both specialist Printer Spare Parts Distributor and experts supplying the best professional 3D printing technology.

PRINCIPAL RISKS AND UNCERTAINTIES

The potential impact of Brexit remains the principal risk and uncertainty affecting the business, its management and the implementation of the Group strategy. Movements in Sterling exchange rates can adversely impact the results and management take appropriate action to minimise exposure where possible. Other risks and uncertainties include competition in the UK and abroad, product availability and pricing.

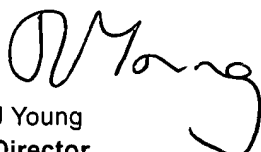
BRANCHES OUTSIDE THE UK

The group has an unincorporated branch in France.

EMPLOYEES

The Group remains committed to creating a high-performance culture with strong company values and aims to attract, develop and retain high-calibre employees. "TOP" values relating to Team, Openness and People are integral throughout the group with emphasis on open communication, openness to change and to challenge. The group's attitude towards the employment of disabled persons and ethnic minorities is the same as that relating to all other staff.

On behalf of the board



J Young
Director

16 February 2018

EXPRESS GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2017

The directors present their annual report and financial statements for the year ended 31 May 2017.

Principal activities

The principal activity of the group continued to be that of the distribution of printing and computing spare parts and related services through its offices in the UK, Belgium, Bulgaria, Croatia, France and Greece.

Directors

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

J Young
D Ayres
J Blackburn
L Whitehouse
P Whitehouse

Results and dividends

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

Ordinary dividends were paid amounting to £125,947. The directors do not recommend payment of a further dividend.

Auditor

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

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board



J Young
Director

16 February 2018

EXPRESS GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2017

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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EXPRESS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EXPRESS GROUP LIMITED

We have audited the financial statements of Express Group Limited for the year ended 31 May 2017 set out on pages 6 to 26. 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

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2017 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 matter 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.

EXPRESS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EXPRESS GROUP LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lisa Leighton (Senior Statutory Auditor)
for and on behalf of BHP LLP
Statutory Auditor

21 February 2018
1st Floor, Mayesbrook House
Lawnswood Business Park
Redvers Close
Leeds
LS16 6QY

EXPRESS GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2017

	Notes	2017 £	2016 £
Turnover	3	17,692,940	13,418,416
Cost of sales		(14,440,856)	(10,996,068)
Gross profit		3,252,084	2,422,348
Administrative expenses		(2,531,867)	(2,354,588)
Other operating income		72,089	62,924
Operating profit	4	792,306	130,684
Interest receivable and similar income	8	5	11
Interest payable and similar expenses	9	(1,492)	(958)
Profit before taxation		790,819	129,737
Tax on profit	10	(183,728)	(75,879)
Profit for the financial year		607,091	53,858
Other comprehensive income			
Currency translation differences		(34,359)	63,932
Total comprehensive income for the year		572,732	117,790

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

EXPRESS GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 MAY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	12		1,107,413		1,004,564
Current assets					
Stocks	15	939,174		917,716	
Debtors	16	1,886,473		2,607,461	
Cash at bank and in hand		1,766,605		703,133	
		<u>4,592,252</u>		<u>4,228,310</u>	
Creditors: amounts falling due within one year	17	<u>(2,115,270)</u>		<u>(2,122,398)</u>	
Net current assets			2,476,982		2,105,912
Total assets less current liabilities			<u>3,584,395</u>		<u>3,110,476</u>
Provisions for liabilities	18		(42,900)		(15,766)
Net assets			<u>3,541,495</u>		<u>3,094,710</u>
Capital and reserves					
Called up share capital	20		4		4
Share premium account			1,668		1,668
Profit and loss reserves			<u>3,539,823</u>		<u>3,093,038</u>
Total equity			<u>3,541,495</u>		<u>3,094,710</u>

The financial statements were approved by the board of directors and authorised for issue on 16 February 2018 and are signed on its behalf by:


J Young
Director

EXPRESS GROUP LIMITED

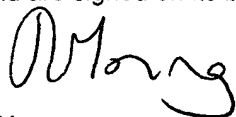
COMPANY BALANCE SHEET

AS AT 31 MAY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	12	1,106,658		999,158	
Investments	13	26,808		26,808	
		<u>1,133,466</u>		<u>1,025,966</u>	
Current assets					
Stocks	15	904,678		831,081	
Debtors	16	1,935,799		2,538,128	
Cash at bank and in hand		1,605,968		555,657	
		<u>4,446,445</u>		<u>3,924,866</u>	
Creditors: amounts falling due within one year	17	(1,951,328)		(2,029,522)	
Net current assets		<u>2,495,117</u>		<u>1,895,344</u>	
Total assets less current liabilities		<u>3,628,583</u>		<u>2,921,310</u>	
Provisions for liabilities	18	(42,900)		(15,766)	
Net assets		<u><u>3,585,683</u></u>		<u><u>2,905,544</u></u>	
Capital and reserves					
Called up share capital	20	4		4	
Profit and loss reserves		3,585,679		2,905,540	
Total equity		<u><u>3,585,683</u></u>		<u><u>2,905,544</u></u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £806,086 (2016 - £43,396 profit).

The financial statements were approved by the board of directors and authorised for issue on 16 February 2018 and are signed on its behalf by:



J Young
Director

Company Registration No. 02272344

EXPRESS GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2017

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 June 2015	4	1,668	2,975,248	2,976,920
Year ended 31 May 2016:				
Profit for the year	-	-	53,858	53,858
Other comprehensive income:				
Currency translation differences	-	-	63,932	63,932
Total comprehensive income for the year	-	-	117,790	117,790
Balance at 31 May 2016	4	1,668	3,093,038	3,094,710
Year ended 31 May 2017:				
Profit for the year	-	-	607,091	607,091
Other comprehensive income:				
Currency translation differences on overseas subsidiaries	-	-	(34,359)	(34,359)
Total comprehensive income for the year	-	-	572,732	572,732
Dividends	-	-	(125,947)	(125,947)
Balance at 31 May 2017	4	1,668	3,539,823	3,541,495

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EXPRESS GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2017

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 June 2015	4	2,862,144	2,862,148
Year ended 31 May 2016:			
Profit and total comprehensive income for the year	-	43,396	43,396
Balance at 31 May 2016	4	2,905,540	2,905,544
Year ended 31 May 2017:			
Profit and total comprehensive income for the year	-	806,086	806,086
Dividends	-	(125,947)	(125,947)
Balance at 31 May 2017	4	3,585,679	3,585,683

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EXPRESS GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	24	1,400,525		384,844	
Interest paid		(1,492)		(958)	
Income taxes paid		(53,910)		(44,729)	
Net cash inflow from operating activities		1,345,123		339,157	
Investing activities					
Purchase of tangible fixed assets		(176,198)		(35,178)	
Proceeds on disposal of tangible fixed assets		20,489		-	
Interest received		5		11	
Net cash used in investing activities		(155,704)		(35,167)	
Financing activities					
Dividends paid to equity shareholders		(125,947)		-	
Net cash used in financing activities		(125,947)		-	
Net increase in cash and cash equivalents		1,063,472		303,990	
Cash and cash equivalents at beginning of year		703,133		399,143	
Cash and cash equivalents at end of year		1,766,605		703,133	

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

Company information

Express Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is College Business Park, Kearsley Road, Ripon, North Yorkshire, HG4 2RN.

The group consists of Express Group Limited and all of its subsidiaries.

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, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The consolidated financial statements incorporate those of Express Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Their results are incorporated from the date that control passes.

All financial statements are made up to 31 May 2017 except for Express Group Bulgaria Limited, Express Partstore S.R.L and Express Partstore M.E.P.E whose financial years end on 31 December. The directors are unable to change these year ends to align as local regulations do not permit. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 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.

1.4 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.

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

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.

1.5 Tangible fixed assets

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

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

Land and buildings Leasehold	Straight Line over the life of the lease
Plant and machinery	33% reducing balance
Fixtures, fittings & equipment	20% - 33% reducing balance
Motor vehicles	25% reducing balance

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 recognised in the profit and loss account.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

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.

1.8 Stocks

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

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

1.9 Cash and cash equivalents

Cash at bank and in hand 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.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors and loans from fellow group companies 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 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 group'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.

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

2 Judgements and key sources of estimation uncertainty

In the application of the group'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 group's turnover is as follows:

	2017 £	2016 £
Turnover		
Printer and PC spare parts distribution and 3D printing solutions	17,692,940	13,418,416

Turnover analysed by geographical market

	2017 £	2016 £
United Kingdom	7,648,137	5,243,711
Europe	9,919,182	8,054,302
Rest of the World	125,621	120,403
	17,692,940	13,418,416

4 Operating (loss)/profit

	2017 £	2016 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses	98,797	18,632
Depreciation of owned tangible fixed assets	53,384	48,214
Profit on disposal of tangible fixed assets	(3,271)	-
Operating lease charges	57,287	41,850

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the group and company	18,025	18,025
For other services		
Taxation compliance services	2,163	2,163
All other non-audit services	1,225	1,282
	3,388	3,445

6 Employees

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

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Number of Employees	56	65	53	49

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	1,598,576	1,471,376	1,331,393	1,219,713
Pension costs	16,436	17,091	11,250	11,211
	1,615,012	1,488,467	1,342,643	1,230,924

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	281,667	207,925
Company pension contributions to defined contribution schemes	5,304	6,028
	286,971	213,953

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2016 - 3).

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

7 Directors' remuneration

(Continued)

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

	2017 £	2016 £
Remuneration for qualifying services	108,511	74,448
Company pension contributions to defined contribution schemes	3,729	4,096
	<u>112,240</u>	<u>78,544</u>

8 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	5	11
	<u>5</u>	<u>11</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	5	11
	<u>5</u>	<u>11</u>

9 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,492	958
	<u>1,492</u>	<u>958</u>

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

10 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	162,700	59,875
Adjustments in respect of prior periods	(6,106)	238
Total current tax	<u>156,594</u>	<u>60,113</u>
Deferred tax		
Origination and reversal of timing differences	<u>27,134</u>	<u>15,766</u>
Total tax charge	<u>183,728</u>	<u>75,879</u>

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:

	2017 £	2016 £
Profit before taxation	<u>790,819</u>	<u>129,737</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	158,164	25,947
Tax effect of expenses that are not deductible in determining taxable profit	(10,288)	34,556
Effect of change in corporation tax rate	(1,367)	-
Permanent capital allowances in excess of depreciation	-	15,766
Depreciation on assets not qualifying for tax allowances	-	3,579
Other permanent differences	3,579	-
Under/(over) provided in prior years	(6,106)	238
Other tax adjustments	11,430	(16,228)
Overseas (profit)/losses	28,369	14,137
Changes in unrecognised deferred tax liabilities	(53)	(2,116)
Taxation charge for the year	<u>183,728</u>	<u>75,879</u>

11 Dividends

	2017 £	2016 £
Final paid	<u>125,947</u>	<u>-</u>

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

12 Tangible fixed assets

Group	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 June 2016	1,246,739	120,040	955,093	7,293	2,329,165
Additions	-	-	176,198	-	176,198
Disposals	-	(37,538)	(50,091)	(7,906)	(95,535)
Exchange adjustments	-	504	4,078	613	5,195
At 31 May 2017	1,246,739	83,006	1,085,278	-	2,415,023
Depreciation and impairment					
At 1 June 2016	341,341	114,757	861,210	7,293	1,324,601
Depreciation charged in the year	17,896	1,322	34,166	-	53,384
Eliminated in respect of disposals	-	(37,287)	(33,124)	(7,906)	(78,317)
Exchange adjustments	-	2,957	4,372	613	7,942
At 31 May 2017	359,237	81,749	866,624	-	1,307,610
Carrying amount					
At 31 May 2017	887,502	1,257	218,654	-	1,107,413
At 31 May 2016	905,398	5,283	93,883	-	1,004,564

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

12 Tangible fixed assets

(Continued)

Company	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 June 2016	1,246,739	75,429	921,746	2,243,914
Additions	-	-	176,198	176,198
Disposals	-	-	(35,567)	(35,567)
Exchange adjustments	-	-	1,275	1,275
At 31 May 2017	1,246,739	75,429	1,063,652	2,385,820
Depreciation and impairment				
At 1 June 2016	341,341	74,912	828,503	1,244,756
Depreciation charged in the year	17,896	169	33,578	51,643
Eliminated in respect of disposals	-	-	(18,838)	(18,838)
Exchange adjustments	-	-	1,601	1,601
At 31 May 2017	359,237	75,081	844,844	1,279,162
Carrying amount				
At 31 May 2017	887,502	348	218,808	1,106,658
At 31 May 2016	905,398	517	93,243	999,158

13 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	14	-	-	26,808	26,808

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 June 2016 and 31 May 2017	26,808
Carrying amount	
At 31 May 2017	26,808
At 31 May 2016	26,808

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

14 Subsidiaries

Details of the company's subsidiaries at 31 May 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Express Group Bulgaria Limited	Bulgaria	Dormant	Ordinary	100.00	
Express Group BVBA	Belgium	ICT parts distribution and services	Ordinary	100.00	
Express Group d.o.o	Croatia	ICT parts distribution and services	Ordinary	100.00	
Express Partstore M.E.P.E	Greece	Dormant	Ordinary	100.00	
Express Partstore S.R.L	Romania	Dormant	Ordinary	100.00	

Express Group Bulgaria Limited, Express Partstore S.R.L and Express Partstore M.E.P.E have a 31 December year end. Local regulations do not permit a change to align with the group year end.

15 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	939,174	917,716	904,678	831,081

16 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	1,534,222	1,705,964	1,406,283	1,520,605
Amounts owed by group undertakings	-	-	192,840	145,938
Other debtors	240,059	805,777	225,245	777,410
Prepayments and accrued income	112,192	95,720	111,431	94,175
	1,886,473	2,607,461	1,935,799	2,538,128

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

17 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	1,552,476	1,779,792	1,379,428	1,717,112
Corporation tax payable	162,700	60,016	162,700	59,875
Other taxation and social security	89,365	56,031	120,964	49,022
Other creditors	176,621	91,976	176,621	91,976
Accruals and deferred income	134,108	134,583	111,615	111,537
	<u>2,115,270</u>	<u>2,122,398</u>	<u>1,951,328</u>	<u>2,029,522</u>

Included in other creditors is an amount of £76,621 (2016: £91,976) which is secured on the assets of the company.

18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

Group	Liabilities 2017 £	Liabilities 2016 £
ACAs	<u>42,900</u>	<u>15,766</u>
Company	Liabilities 2017 £	Liabilities 2016 £
ACAs	<u>42,900</u>	<u>15,766</u>
Movements in the year:	Group 2017 £	Company 2017 £
Liability at 1 June 2016	15,766	15,766
Charge to profit or loss	27,134	27,134
Liability at 31 May 2017	<u>42,900</u>	<u>42,900</u>

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

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

19 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	16,436	17,091

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share capital

	Group and company	
	2017 £	2016 £
Ordinary share capital Issued and fully paid 2,400 Ordinary Shares of 0.1667p each	4	4

21 Operating lease commitments

Lessee

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

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Within one year	30,046	56,432	30,046	10,378
Between two and five years	543	22,343	543	5,963
	30,589	78,775	30,589	16,341

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	348,549	317,429

23 Controlling party

The directors do not consider there to be any one controlling party of the group.

EXPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

24 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	607,091	53,858
Adjustments for:		
Taxation charged	183,728	75,879
Finance costs	1,492	958
Investment income	(5)	(11)
Gain on disposal of tangible fixed assets	(3,271)	-
Depreciation and impairment of tangible fixed assets	53,384	48,214
Foreign exchange gains and losses	(31,612)	61,928
(Decrease) in provisions	-	(23,668)
Movements in working capital:		
(Increase)/decrease in stocks	(21,458)	375,775
Decrease/(increase) in debtors	720,988	(1,154,656)
(Decrease)/increase in creditors	(109,812)	946,567
Cash generated from operations	1,400,525	384,844