



Company registration number 04019196 (England and Wales)

CAWSTON PRESS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CAWSTON PRESS LIMITED

COMPANY INFORMATION

Directors	S E Unwin W B Kendall M R Palmer S Kearns A J Hargraves
Secretary	A Dunn
Company number	04019196
Registered office	Timsons Business Centre Bath Road Kettering Northamptonshire NN16 8NQ
Auditor	Moore Oakley House Headway Business Park 3 Saxon Way West Corby Northamptonshire NN18 9EZ

CAWSTON PRESS LIMITED

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CAWSTON PRESS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

The principal activity of the group during the financial year was the sale of pressed juices and soft drinks under the Cawston Press brand.

Key performance indicators

Turnover - £18,445,852 (2021: £15,059,586)

Operating Profit - £297,403 (2021: £952,447)

Development and performance

Turnover in 2022 increased by 22.5%. This growth was driven by the lead UK market, underpinned by a gradual recovery in hospitality business post the Covid-19 pandemic. All other trade channels delivered growth, aside from the international business where pressures relating to Brexit, Covid-19 and the Ukraine conflict continue to suppress sales.

Stock availability improved during the year with greater supply chain reliability versus the peak pandemic disruption. There is continued inflationary pressure around raw materials, manufacturing and distribution costs. This has negatively impacted gross profit margin versus the previous year. Customer cost price increases have been implemented and the group keeps margins under continuous review.

The group increased marketing investment behind the Cawston Press brand with its first advertising campaign in London during the summer months. Consumer and trade marketing investment doubled versus the previous financial year. This is consistent with a long term strategy to increase brand awareness and stocking points of the group's sparkling soft drinks range.

In the second half of the year, Cawston Press announced a brand partnership with FareShare – a charity network working to alleviate food poverty and reduce food waste.

Principal risks and uncertainties

Performance in the food and drink sector is affected by consumer buying behaviour and general economic conditions. There is risk of customers 'trading down' from premium products in a high inflation environment and management is focused on achieving the right balance between cost recovery and competitive market pricing.

The business expects further inflation challenges around cost of goods. Mitigation plans will continue to be a major focus with key suppliers.

There is a heightened risk of delayed receivables and bad debt in this trading climate. The group has employed an additional credit controller to ensure the necessary focus in this area.

The group is exposed to foreign exchange risk in the normal course of business, principally in the procurement of raw materials from the eurozone. Forward contracts are used to limit exposure. Three out of the four product ranges sold by the group are now produced in the UK.

The Board of Directors convene monthly to review the group's financial and operational performance.

On behalf of the board

S Kearns

Director

9 June 2023

CAWSTON PRESS LIMITED

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 and group continued to be the manufacture and wholesaling of soft drinks.

Results and dividends

The results for the year are set out on page 7.

No dividends were declared during the period. 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:

S E Unwin
W B Kendall
M R Palmer
S Kearns
A J Hargraves

Auditor

Moore were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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 group 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 group is aware of that information.

On behalf of the board

S Kearns
Director

9 June 2023

CAWSTON PRESS LIMITED

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 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 ;
- prepare the 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.

CAWSTON PRESS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAWSTON PRESS LIMITED

Opinion

We have audited the financial statements of Cawston Press Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 group's and the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group's and parent 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.

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.

CAWSTON PRESS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CAWSTON PRESS 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 their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

CAWSTON PRESS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CAWSTON PRESS LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Nicholas John Bairstow (Senior Statutory Auditor)
For and on behalf of Moore

9 June 2023

Chartered Accountants
Statutory Auditor

Oakley House
Headway Business Park
3 Saxon Way West
Corby
Northamptonshire
NN18 9EZ

CAWSTON PRESS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	18,445,852	15,059,586
Cost of sales		(12,136,523)	(9,635,466)
Gross profit		6,309,329	5,424,120
Distribution costs		(1,239,960)	(965,313)
Administrative expenses		(4,882,966)	(3,577,245)
Other operating income		111,000	70,885
Operating profit	5	297,403	952,447
Interest receivable and similar income	9	6,144	71
Interest payable and similar expenses	10	(51,414)	(26,433)
Profit before taxation		252,133	926,085
Tax on profit	11	(47,070)	(76,059)
Profit for the financial year		205,063	850,026
Other comprehensive income			
Currency translation gain/(loss) taken to retained earnings		4,593	(4,485)
Total comprehensive income for the year		209,656	845,541

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.

CAWSTON PRESS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		33,070		38,123
Current assets					
Stocks	15	2,445,990		704,854	
Debtors	16	3,786,424		4,060,235	
Cash at bank and in hand		1,467,566		2,973,057	
		<u>7,699,980</u>		<u>7,738,146</u>	
Creditors: amounts falling due within one year	17	<u>(4,989,033)</u>		<u>(5,207,549)</u>	
Net current assets			<u>2,710,947</u>		<u>2,530,597</u>
Total assets less current liabilities			<u>2,744,017</u>		<u>2,568,720</u>
Creditors: amounts falling due after more than one year	18		(380,795)		(413,795)
Provisions for liabilities					
Deferred tax liability	21	<u>6,991</u>		<u>8,350</u>	
			<u>(6,991)</u>		<u>(8,350)</u>
Net assets			<u><u>2,356,231</u></u>		<u><u>2,146,575</u></u>
Capital and reserves					
Called up share capital	23		246,558		246,558
Share premium account			1,998,141		1,998,141
Profit and loss reserves			<u>111,532</u>		<u>(98,124)</u>
Total equity			<u><u>2,356,231</u></u>		<u><u>2,146,575</u></u>

The financial statements were approved by the board of directors and authorised for issue on 9 June 2023 and are signed on its behalf by:

S Kearns
Director

Company registration number 04019196 (England and Wales)

CAWSTON PRESS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		33,070		38,123
Investments	13		162		162
			<u>33,232</u>		<u>38,285</u>
Current assets					
Stocks	15	2,445,990		703,554	
Debtors	16	3,791,922		4,049,699	
Cash at bank and in hand		1,412,175		2,913,098	
		<u>7,650,087</u>		<u>7,666,351</u>	
Creditors: amounts falling due within one year	17	(4,979,210)		(5,188,645)	
Net current assets			<u>2,670,877</u>		<u>2,477,706</u>
Total assets less current liabilities			<u>2,704,109</u>		<u>2,515,991</u>
Creditors: amounts falling due after more than one year	18		(380,795)		(413,795)
Provisions for liabilities					
Deferred tax liability	21	6,991		8,350	
		<u>6,991</u>	<u>(6,991)</u>	<u>8,350</u>	<u>(8,350)</u>
Net assets			<u>2,316,323</u>		<u>2,093,846</u>
Capital and reserves					
Called up share capital	23		246,558		246,558
Share premium account			1,998,141		1,998,141
Profit and loss reserves			71,624		(150,853)
Total equity			<u>2,316,323</u>		<u>2,093,846</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company reported a profit of £222,477 (2021 - £859,613) after exceptional items of £111,000 (2021 - £70,885).

The financial statements were approved by the board of directors and authorised for issue on 9 June 2023 and are signed on its behalf by:

S Kearns
Director

Company registration number 04019196 (England and Wales)

CAWSTON PRESS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 27 December 2020	246,558	1,998,141	(943,665)	1,301,034
Year ended 25 December 2021:				
Profit for the year	-	-	850,026	850,026
Other comprehensive income:				
Currency translation differences	-	-	(4,485)	(4,485)
Total comprehensive income for the year	-	-	845,541	845,541
Balance at 25 December 2021	246,558	1,998,141	(98,124)	2,146,575
Year ended 31 December 2022:				
Profit for the year	-	-	205,063	205,063
Other comprehensive income:				
Currency translation differences	-	-	4,593	4,593
Total comprehensive income for the year	-	-	209,656	209,656
Balance at 31 December 2022	246,558	1,998,141	111,532	2,356,231

CAWSTON PRESS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 27 December 2020	246,558	1,998,141	(1,010,466)	1,234,233
Year ended 25 December 2021:				
Profit and total comprehensive income for the year	-	-	859,613	859,613
Balance at 25 December 2021	246,558	1,998,141	(150,853)	2,093,846
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	222,477	222,477
Balance at 31 December 2022	246,558	1,998,141	71,624	2,316,323

CAWSTON PRESS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28				
		(1,469,406)		1,276,181	
Interest paid		(15,839)		(1,789)	
Income taxes (paid)/refunded		(65,325)		9,939	
Net cash (outflow)/inflow from operating activities		(1,550,570)		1,284,331	
Investing activities					
Purchase of tangible fixed assets		(13,394)		(37,764)	
Proceeds from disposal of tangible fixed assets		-		2,500	
Interest received		6,144		71	
Net cash used in investing activities		(7,250)		(35,193)	
Financing activities					
Issue of convertible loans		-		500,000	
Repayment of bank loans		(33,000)		(9,000)	
Net cash (used in)/generated from financing activities		(33,000)		491,000	
Net (decrease)/increase in cash and cash equivalents		(1,590,820)		1,740,138	
Cash and cash equivalents at beginning of year		2,923,907		1,188,254	
Effect of foreign exchange rates		4,593		(4,485)	
Cash and cash equivalents at end of year		1,337,680		2,923,907	
Relating to:					
Cash at bank and in hand		1,467,566		2,973,057	
Bank overdrafts included in creditors payable within one year		(129,886)		(49,150)	

CAWSTON PRESS LIMITED

GROUP STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 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.

2 Accounting policies

Company information

Cawston Press Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Timsons Business Centre, Bath Road, Kettering, Northamptonshire, NN16 8NQ. The principal place of business is 3 Tanner Street, London, SE1 3LE.

The group consists of Cawston Press Limited and all of its subsidiaries.

2.1 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.

2.2 Business combinations

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 cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

2.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Cawston Press Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. 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.

Cawston Press Inc. has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account includes the results and cash flows of Cawston Press Inc. for the period from its acquisition on 31 October 2016, the date on which the subsidiary was incorporated. The subsidiary did not commence trading until January 2017.

Cawston Press Europe Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account includes the results and cash flows of Cawston Press Europe Limited for the period from its acquisition on 28 August 2020, the date on which the subsidiary was incorporated. The subsidiary has not commenced trading at the date of the financial statements.

2.4 Going concern

The directors have reviewed the group's forecasts and projections for the next 12 months, which indicate that the group will have sufficient cash reserves and operating cash flows to meet its obligations as they fall due. The directors are confident that with its anticipated growth, together with continued support of its shareholders, the group will continue as a going concern for the foreseeable future. The directors do not consider there to be any material uncertainty in relation to going concern.

2.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

2.6 Tangible fixed assets

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

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

Plant and equipment	various rates
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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.

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

2.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

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.

2.8 Impairment of fixed assets

At each reporting period end date, the group 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.

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.

2.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and 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.

2.10 Cash and cash equivalents

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

2.11 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.

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

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.

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

Basic financial liabilities, including creditors, bank loans 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.

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

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 group's contractual obligations expire or are discharged or cancelled.

2.12 Equity instruments

Equity instruments issued by the group 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 group.

2.13 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.

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

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

2.14 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.

2.15 Retirement benefits

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

2.16 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 leased asset are consumed.

2.17 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.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Sales	18,445,852	15,059,586

	2022	2021
	£	£
Other revenue		
Interest income	6,144	71

4 Exceptional item

	2022	2021
	£	£
Income		
Exceptional item - Other operating income	111,000	70,885

During the year, accruals totalling £111,000 (2021 - £70,885) were released on the basis that they were no longer required.

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	6,258	(3,317)
Depreciation of owned tangible fixed assets	18,447	10,021
(Profit)/loss on disposal of tangible fixed assets	-	861
Operating lease charges	97,774	54,883
	<u> </u>	<u> </u>

6 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	14,490	10,528
	<u> </u>	<u> </u>

7 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Directors	5	6	5	6
Staff	26	19	26	19
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	31	25	31	25
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,975,931	1,468,365	1,975,931	1,468,365
Social security costs	215,970	154,974	215,970	154,974
Pension costs	49,991	36,803	49,991	36,803
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,241,892	1,660,142	2,241,892	1,660,142
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	137,472	124,170
Company pension contributions to defined contribution schemes	4,080	3,725
	<u>141,552</u>	<u>127,895</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

9 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	6,133	51
Other interest income	11	20
	<u>6,144</u>	<u>71</u>

10 Interest payable and similar expenses

	2022	2021
	£	£
Interest on convertible loan notes	35,575	24,644
Other interest	15,839	1,789
	<u>51,414</u>	<u>26,433</u>

11 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	52,203	69,099
Adjustments in respect of prior periods	(3,775)	-
	<u>48,428</u>	<u>69,099</u>
Deferred tax		
Origination and reversal of timing differences	(1,358)	6,960
	<u>47,070</u>	<u>76,059</u>

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Taxation

(Continued)

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

	2022 £	2021 £
Profit before taxation	252,133	926,085
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	47,905	175,956
Tax effect of expenses that are not deductible in determining taxable profit	538	19,319
Tax effect of utilisation of tax losses not previously recognised	-	(49,899)
Depreciation on assets not qualifying for tax allowances	-	116
Research and development tax credit	-	(71,106)
Under/(over) provided in prior years	(3,775)	-
Capital allowances super deduction relief	(581)	(2,153)
Change in rate of deferred tax to 25%	(326)	2,004
Losses carried back	3,309	1,822
Taxation charge	47,070	76,059

12 Tangible fixed assets

Group	Plant and equipment £
Cost	
At 26 December 2021	101,605
Additions	13,394
At 31 December 2022	114,999
Depreciation and impairment	
At 26 December 2021	63,482
Depreciation charged in the year	18,447
At 31 December 2022	81,929
Carrying amount	
At 31 December 2022	33,070
At 25 December 2021	38,123

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets (Continued)

Company	Plant and equipment £
Cost	
At 26 December 2021	101,605
Additions	13,394
At 31 December 2022	114,999
Depreciation and impairment	
At 26 December 2021	63,482
Depreciation charged in the year	18,447
At 31 December 2022	81,929
Carrying amount	
At 31 December 2022	33,070
At 25 December 2021	38,123

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	162	162

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Cawston Press, Inc.	USA	Ordinary	100.00
Cawston Press Europe Limited	Ireland	Ordinary	100.00

The investments in subsidiaries are all stated at cost.

15 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	2,445,990	704,854	2,445,990	703,554

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,530,076	3,672,359	3,530,076	3,661,823
Amounts owed by group undertakings	-	-	5,498	-
Other debtors	256,348	387,876	256,348	387,876
	<u>3,786,424</u>	<u>4,060,235</u>	<u>3,791,922</u>	<u>4,049,699</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Convertible loans	20	560,219	524,644	560,219	524,644
Bank loans and overdrafts	19	165,886	85,150	165,886	85,150
Trade creditors		1,973,961	2,626,342	1,973,555	2,626,342
Amounts owed to group undertakings		-	-	-	168
Corporation tax payable		52,203	69,099	52,203	69,099
Other taxation and social security		269,426	255,828	269,426	255,828
Accruals and deferred income		1,967,338	1,646,486	1,957,921	1,627,414
		<u>4,989,033</u>	<u>5,207,549</u>	<u>4,979,210</u>	<u>5,188,645</u>

Included within bank loans and overdrafts are amounts advanced under an invoicing discounting facility with RBS Invoice Finance Limited of £129,886 (2021 £49,150)

RBS Invoice Finance Limited holds fixed and floating charges over all assets held by the company.

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans and overdrafts	19	102,000	135,000	102,000	135,000
Other creditors		278,795	278,795	278,795	278,795
		<u>380,795</u>	<u>413,795</u>	<u>380,795</u>	<u>413,795</u>

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	138,000	171,000	138,000	171,000
Bank overdrafts	129,886	49,150	129,886	49,150
	<u>267,886</u>	<u>220,150</u>	<u>267,886</u>	<u>220,150</u>
Payable within one year	165,886	85,150	165,886	85,150
Payable after one year	102,000	135,000	102,000	135,000
	<u>267,886</u>	<u>220,150</u>	<u>267,886</u>	<u>220,150</u>

20 Convertible loan notes

	Group 2022 £	2021 £	Company 2022 £	2021 £
Liability component of convertible loan notes	560,219	524,644	560,219	524,644
	<u>560,219</u>	<u>524,644</u>	<u>560,219</u>	<u>524,644</u>

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	8,267	9,531
Pension liability	(1,276)	(1,181)
	<u>6,991</u>	<u>8,350</u>
	<u>6,991</u>	<u>8,350</u>
Company	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	8,267	9,531
Pension liability	(1,276)	(1,181)
	<u>6,991</u>	<u>8,350</u>
	<u>6,991</u>	<u>8,350</u>

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Deferred taxation		(Continued)	
	Group 2022	Company 2022	
	£	£	
Movements in the year:			
Liability at 26 December 2021	8,350	8,350	
Credit to profit or loss	(1,359)	(1,359)	
Liability at 31 December 2022	<u>6,991</u>	<u>6,991</u>	

22 Retirement benefit schemes		2022	2021
		£	£
Defined contribution schemes			
Charge to profit or loss in respect of defined contribution schemes		<u>49,991</u>	<u>36,803</u>

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.

23 Share capital		2022	2021	2022	2021
Group and company		Number	Number	£	£
Ordinary share capital					
Issued and fully paid					
A ordinary shares of £1 each		42,626	42,626	42,626	42,626
B ordinary shares of £1 each		203,932	203,932	203,932	203,932
		<u>246,558</u>	<u>246,558</u>	<u>246,558</u>	<u>246,558</u>

The shares of the classes A and B rank pari passu. The company may declare a dividend in respect of any one or more class as it sees fit.

24 Contingent liabilities

HMRC have challenged a prior year claim for research and development tax relief which gave rise to a reduction in the 2021 corporation tax liability of £71,106. The directors are confident that the company claim is valid. Further arguments and evidence have recently been submitted to HMRC to substantiate the claim. The company awaits a response from HMRC. Any future Research and development claim is to be recognised only in the year of claim submission.

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 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 2022 £	2021 £	Company 2022 £	2021 £
Within one year	25,425	47,868	25,425	47,868
	<u>25,425</u>	<u>47,868</u>	<u>25,425</u>	<u>47,868</u>

26 Related party transactions

Transactions with related parties

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

	Sales 2022 £	Sales 2021 £
Group		
Other related parties	1,603	38
	<u>1,603</u>	<u>38</u>
Company		
Other related parties	1,603	38
	<u>1,603</u>	<u>38</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022 £	2021 £
Group		
Persons with control, joint control or significant control over the company	139,832	139,832
Other related parties	12,596	40,430
	<u>152,428</u>	<u>180,262</u>
Company		
Persons with control, joint control or significant control over the company	139,832	139,832
Other related parties	12,596	40,430
	<u>152,428</u>	<u>180,262</u>

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts due from related parties

	2022 Balance £	2021 Balance £
Group		
Other related parties	41,734	46,282
	<u>41,734</u>	<u>46,282</u>
Company		
Other related parties	41,734	46,282
	<u>41,734</u>	<u>46,282</u>

27 Share options

From February 2017 the company has periodically granted options under the Enterprise Management Incentive scheme. Options have been granted as follows:-

15,800 B ordinary shares at an exercise price of £25.54 per share
 4,500 B ordinary shares at an exercise price of £68.58 per share
 1,300 B ordinary shares at an exercise price of £85.09 per share
 1,196 B ordinary shares at an exercise price of £68.58 per share

The options were granted to a total of nine employees and one director. These are exit only options and expire 10 years from date of grant.

A further tranche of 9,800 B share options were granted to one director in April 2019 with an exercise price of £80.65. These are "unapproved" options not part of the EMI scheme. The options are exercisable entirely at the discretion of the option holder.

28 Cash (absorbed by)/generated from group operations

	2022 £	2021 £
Profit for the year after tax	205,063	850,026
Adjustments for:		
Taxation charged	47,070	76,059
Finance costs	51,414	26,433
Investment income	(6,144)	(71)
(Gain)/loss on disposal of tangible fixed assets	-	861
Depreciation and impairment of tangible fixed assets	18,447	10,021
Movements in working capital:		
(Increase)/decrease in stocks	(1,741,136)	588,955
Decrease/(increase) in debtors	273,811	(1,783,936)
(Decrease)/increase in creditors	(317,931)	1,507,833
Cash (absorbed by)/generated from operations	<u>(1,469,406)</u>	<u>1,276,181</u>

CAWSTON PRESS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

29 Analysis of changes in net funds - group

	26 December 2021 £	Cash flows £	Exchange rate movements £	31 December 2022 £
Cash at bank and in hand	2,973,057	(1,510,084)	4,593	1,467,566
Bank overdrafts	(49,150)	(80,736)	-	(129,886)
	<u>2,923,907</u>	<u>(1,590,820)</u>	<u>4,593</u>	<u>1,337,680</u>
Borrowings excluding overdrafts	(171,000)	33,000	-	(138,000)
Convertible loan notes	(524,644)	(35,575)	-	(560,219)
	<u>2,228,263</u>	<u>(1,593,395)</u>	<u>4,593</u>	<u>639,461</u>

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.