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Company Registration No. 07753403 (England and Wales)

PM WEB PRINT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED ENDED 31 JULY 2016

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PM WEB PRINT LIMITED

COMPANY INFORMATION

Directors

Mr G Glynn
Mr C J Howard
Mr P McMorrine
Mr R J Sandman
Mr J J Howard

Company number

07753403

Registered office

Unit 2 Navigation Park
Lockside Road
Leeds
LS10 1EP

Auditor

DJH Accountants Limited
Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffordshire
ST5 0EZ

PM WEB PRINT LIMITED

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PM WEB PRINT LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED ENDED 31 JULY 2016

The directors present the strategic report for the period ended ended 31 July 2016.

Fair review of the business

Business Review

The group elected to extend its financial year to 31 July 2016 from 31 January 2016, thus making the accounts an 18 month set of accounts.

During the period the group underwent a period of restructure, with the beginning of the Neston site closure. The costs of which were wholly within the financial year 2015/16. This can be seen in the exceptional costs line of the Profit and Loss account which is analysed in note 4.

The profit and loss account is set out on page 6 and shows turnover achieved for the 18 month period was £24.6m (2015 - £15.8m 12 months). This generated a gross profit of £6.7m (2015 - £4.1m) and a slight increase in gross margin up to 27.14% (2015 - 26.11%). The net loss before tax was £1.21m (2015 - net profit £376k) due to the previously discussed restructuring costs.

In the next period the restructure is expected to increase profitability through the reduction of overheads and the increase in gross margin through the more efficient use of direct labour.

Capital expenditure on plant and machinery in the year 2016/17 is expected to lead to further increases in both turnover and gross margin as a new, faster, more efficient XL105 will be purchased. This, coupled with the increase in working time at the Leeds site from 6 days per week to 7 days per week is expected to lead to a greater capacity for increased turnover with only a marginal increase in cost. The expectation is that this will increase profitability in 2016/17.

The group continues to operate the environmental system BS EN ISO 14001:2004, quality system BS EN ISO 9001, FSC Chain of Custody and PEFC Chain of Custody.

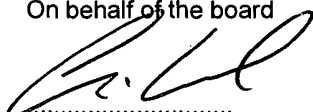
The directors feel that following the period of restructure the company is now well positioned within the market place to be profitable in the future.

Risk Management

The management of the business and the execution of the group's strategy are subject to a number of risks, and have been considered the directors.

Qualifying third party indemnity provision is in place for the benefit of all directors in the group.

On behalf of the board



Mr C J Howard

Director

27/4/2017

Date

PM WEB PRINT LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED ENDED 31 JULY 2016

The directors present their annual report and financial statements for the period ended ended 31 July 2016.

Principal activities

The principal activity of the company and group continued to be that of the production of printed materials.

Directors

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

Mr G Glynn

Mr C J Howard

Mr P McMorrine

Mr R J Sandman

Mr J J Howard

Mr S Bayley

(Resigned 31 March 2015)

Results and dividends

The results for the period ended are set out on page 6.

Ordinary dividends were paid amounting to £250,226. The directors do not recommend payment of a further dividend.

Auditor

DJH Accountants Limited 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 directors' responsibilities

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.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

PM WEB PRINT LIMITED

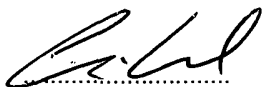
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

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 and 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 company and group is aware of that information.

On behalf of the board



Mr C J Howard
Director

27/4/2017
Date

PM WEB PRINT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PM WEB PRINT LIMITED

We have audited the financial statements of PM Web Print Limited for the period ended ended 31 July 2016 which comprise the Group Profit And Loss Account, 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 the related notes. 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2016 and of its loss for the period ended 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 the information given in the Strategic Report and the Directors' Report for the financial period ended for which the financial statements are prepared is consistent with the financial statements.

PM WEB PRINT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PM WEB PRINT LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffordshire
ST5 0EZ

28/4/17
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Mr Paul David Hulme FCCA
(Senior Statutory Auditor)
for and on behalf of
DJH ACCOUNTANTS LIMITED

Chartered Certified Accountants
Statutory Auditor

PM WEB PRINT LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED ENDED 31 JULY 2016

		Period ended 31 July 2016 £	Year ended 31 January 2015 £
	Notes		
Turnover	3	24,629,185	15,779,178
Cost of sales		(17,944,754)	(11,657,801)
Gross profit		6,684,431	4,121,377
Distribution costs		(1,743,480)	(1,075,178)
Administrative expenses		(5,461,072)	(2,577,877)
Other operating income		-	30,000
Exceptional costs	4	(520,637)	-
Operating (loss)/profit	5	(1,040,758)	498,322
Interest payable and similar charges	9	(166,458)	(122,037)
(Loss)/profit before taxation		(1,207,216)	376,285
Taxation	10	219,351	(75,956)
(Loss)/profit for the financial period ended		(987,865)	300,329

(Loss)/profit for the financial period ended 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.

PM WEB PRINT LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED ENDED 31 JULY 2016

	Period ended 31 July 2016 £	Year ended 31 January 2015 £
(Loss)/profit for the period ended	(987,865)	300,329
Other comprehensive income		
Revaluation of tangible fixed assets	97,978	67,843
Total comprehensive income for the period ended	<u>(889,887)</u>	<u>368,172</u>

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

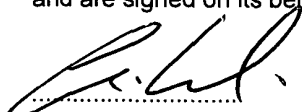
PM WEB PRINT LIMITED

GROUP BALANCE SHEET

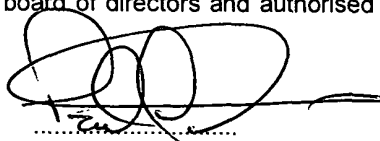
AS AT 31 JULY 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Goodwill	13		(21,588)		(86,351)
Tangible assets	14		1,442,983		2,017,725
			<u>1,421,395</u>		<u>1,931,374</u>
Current assets					
Stocks	17	448,252		622,509	
Debtors	18	3,321,033		4,604,790	
Cash at bank and in hand		84,580		10,572	
			<u>3,853,865</u>	<u>5,237,871</u>	
Creditors: amounts falling due within one year	19		<u>(5,761,875)</u>	<u>(6,091,460)</u>	
Net current liabilities			<u>(1,908,010)</u>		<u>(853,589)</u>
Total assets less current liabilities			<u>(486,615)</u>		<u>1,077,785</u>
Creditors: amounts falling due after more than one year	20		(233,432)		(580,581)
Provisions for liabilities	23		(39,712)		(116,850)
Net (liabilities)/assets			<u>(759,759)</u>		<u>380,354</u>
Capital and reserves					
Called up share capital	25		11,112		11,112
Share premium account			53,200		53,200
Revaluation reserve			165,821		67,843
Profit and loss reserves			(989,892)		248,199
Total equity			<u>(759,759)</u>		<u>380,354</u>

The financial statements were approved by the board of directors and authorised for issue on 27/04/17 and are signed on its behalf by:



Mr C J Howard
Director



Mr P McMorrine
Director

PM WEB PRINT LIMITED

COMPANY BALANCE SHEET

AS AT 31 JULY 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Investments	15		282,200		282,200
Current assets					
Debtors	18	1,112		1,112	
Cash at bank and in hand		21		21	
		<u>1,133</u>		<u>1,133</u>	
Creditors: amounts falling due within one year	19	(169,000)		(169,000)	
Net current liabilities			(167,867)		(167,867)
Total assets less current liabilities			<u>114,333</u>		<u>114,333</u>
Capital and reserves					
Called up share capital	25		11,112		11,112
Share premium account			53,200		53,200
Profit and loss reserves			50,021		50,021
Total equity			<u>114,333</u>		<u>114,333</u>

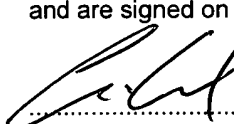
As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £250,226 (2015 - £222,796 profit).

For the financial Period Ended ended 31 July 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

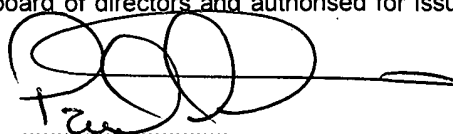
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 27/04/17 and are signed on its behalf by:



Mr C J Howard
Director



Mr P McMorrine
Director

Company Registration No. 07753403

PM WEB PRINT LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ENDED 31 JULY 2016

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 February 2014		10,000	53,200	-	170,666	233,866
Period ended 31 January 2015:						
Profit for the period		-	-	-	300,329	300,329
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	67,843	-	67,843
Total comprehensive income for the period		-	-	67,843	300,329	368,172
Issue of share capital	25	1,112	-	-	-	1,112
Dividends	11	-	-	-	(222,796)	(222,796)
Balance at 31 January 2015		11,112	53,200	67,843	248,199	380,354
Period ended 31 July 2016:						
Loss for the period		-	-	-	(987,865)	(987,865)
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	97,978	-	97,978
Total comprehensive income for the period		-	-	97,978	(987,865)	(889,887)
Dividends	11	-	-	-	(250,226)	(250,226)
Balance at 31 July 2016		11,112	53,200	165,821	(989,892)	(759,759)

PM WEB PRINT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ENDED 31 JULY 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 February 2014		10,000	53,200	50,021	113,221
Period ended 31 January 2015:					
Profit and total comprehensive income for the period		-	-	222,796	222,796
Issue of share capital	25	1,112	-	-	1,112
Dividends	11	-	-	(222,796)	(222,796)
Balance at 31 January 2015		11,112	53,200	50,021	114,333
Period ended 31 July 2016:					
Profit and total comprehensive income for the period		-	-	250,226	250,226
Dividends	11	-	-	(250,226)	(250,226)
Balance at 31 July 2016		11,112	53,200	50,021	114,333

PM WEB PRINT LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED ENDED 31 JULY 2016

	Notes	£	2016 £	£	2015 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		702,296		(26,717)
Interest paid			(166,458)		(122,037)
Income taxes paid			(65,625)		-
Net cash inflow/(outflow) from operating activities			470,213		(148,754)
Investing activities					
Purchase of tangible fixed assets		(32,420)		(188,928)	
Proceeds on disposal of tangible fixed assets		5,442		3,001	
Net cash used in investing activities			(26,978)		(185,927)
Financing activities					
Proceeds from issue of shares		-		1,112	
Proceeds from borrowings		170,580		-	
Repayment of bank loans		(25,804)		(38,944)	
Payment of finance leases obligations		(270,108)		(372,083)	
Dividends paid to equity shareholders		(250,226)		(222,796)	
Net cash used in financing activities			(375,558)		(632,711)
Net increase/(decrease) in cash and cash equivalents			67,677		(967,392)
Cash and cash equivalents at beginning of period ended			(2,088,445)		(1,121,053)
Cash and cash equivalents at end of period ended			(2,020,768)		(2,088,445)
Relating to:					
Cash at bank and in hand			84,580		10,572
Bank overdrafts included in creditors payable within one year			(2,105,348)		(2,099,017)

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2016

1 Accounting policies

Company information

PM Web Print Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 2 Navigation Park, Lockside Road, Leeds, LS10 1EP.

The group consists of PM Web Print Limited and its subsidiary.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

These group and company financial statements for the period ended 31 July 2016 are the first financial statements of PM Web Print Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 February 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

1 Accounting policies

(Continued)

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 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.

The consolidated financial statements incorporate those of PM Web Print 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). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2016. 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.

Philip Myers Web (Neston) Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Philip Myers Web (Neston) Limited from its acquisition. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

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, due to the continued financial support from the directors and day to day working capital requirements through invoice discounting facilities. 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.

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

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

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 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 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:

Leasehold land and buildings	2% per annum on cost
Plant and machinery	10% - 20% per annum on cost
Fixtures and fittings	12.5% - 20% per annum on cost

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.

1.7 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.

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 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.

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.

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

1 Accounting policies

(Continued)

1.9 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at 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.

1.10 Cash and cash equivalents

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

1.11 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.

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

1 Accounting policies

(Continued)

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

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

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

Other financial liabilities

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

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

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2016

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.12 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.

1.13 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.

1.14 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.

1.15 Retirement benefits

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

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED ENDED 31 JULY 2016

1 Accounting policies (Continued)

1.16 Leases

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

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

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

2 Judgements and key sources of estimation uncertainty

In the application of the 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:

	2016 £	2015 £
Turnover		
Sales of printed material	24,629,185	15,779,178

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	24,629,185	15,779,178

4 Exceptional costs

	2016 £	2015 £
Stock impairment write off	100,057	-
Tangible fixed asset impairment	250,000	-
Staff redundancy costs	170,580	-
	520,637	-

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED ENDED 31 JULY 2016

5 Operating (loss)/profit

	2016 £	2015 £
Operating (loss)/profit for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	360,640	99,913
Depreciation of tangible fixed assets held under finance leases	(70,500)	(203,874)
Impairment of owned tangible fixed assets	250,000	-
Loss on disposal of tangible fixed assets	18,558	633
Amortisation of intangible assets	(64,763)	(43,175)
Operating lease charges	1,043,586	369,355
	<u> </u>	<u> </u>

6 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,500	2,500
Audit of the company's subsidiaries	14,695	10,750
	<u> </u>	<u> </u>
	17,195	13,250
	<u> </u>	<u> </u>

7 Employees

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

	2016 Number	Group 2015 Number	2016 Number	Company 2015 Number
Production	122	74	-	-
Sales	4	3	-	-
Management and administration	18	17	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	144	94	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016 £	Group 2015 £	2016 £	Company 2015 £
Wages and salaries	5,815,067	2,967,740	-	-
Pension costs	31,053	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,846,120	2,967,740	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED ENDED 31 JULY 2016

8 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	60,285	41,140

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 0).

9 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	87,735	35,645
Interest on finance leases and hire purchase contracts	52,056	67,698
	139,791	103,343
Other finance costs:		
Other interest	26,667	18,694
Total finance costs	166,458	122,037

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	(75,956)	65,625
Deferred tax		
Origination and reversal of timing differences	(143,395)	10,331
Total tax (credit)/charge	(219,351)	75,956

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED ENDED 31 JULY 2016

10 Taxation

(Continued)

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

	2016 £	2015 £
(Loss)/profit before taxation	(1,207,216)	376,285
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.13%)	(241,443)	75,746
Tax effect of expenses that are not deductible in determining taxable profit	46,795	(2,333)
Tax effect of utilisation of tax losses not previously recognised	-	(5,495)
Unutilised tax losses carried forward	144,123	-
Adjustments in respect of prior years	(75,956)	-
Deferred tax adjustments in respect of prior years	(143,395)	10,331
Depreciation	86,228	61,153
Capital allowances	(35,703)	(63,446)
Tax expense for the period	(219,351)	75,956

11 Dividends

	2016 £	2015 £
Interim paid	250,226	222,796

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2016 £	2015 £
In respect of:		
Property, plant and equipment	250,000	-
Recognised in:		
Exceptional items	250,000	-

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

13 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 February 2015 and 31 July 2016	(215,877)
Amortisation and impairment	
At 1 February 2015	(129,526)
Amortisation written back for the period ended	(64,763)
At 31 July 2016	(194,289)
Carrying amount	
At 31 July 2016	(21,588)
At 31 January 2015	(86,351)

The company had no intangible fixed assets at 31 July 2016 or 31 January 2015.

14 Tangible fixed assets

Group	Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 February 2015	748,009	2,885,508	207,154	3,840,671
Additions	522	16,000	15,898	32,420
Disposals	-	(30,000)	-	(30,000)
Revaluation	26,469	-	-	26,469
At 31 July 2016	775,000	2,871,508	223,052	3,869,560
Depreciation and impairment				
At 1 February 2015	71,509	1,597,302	154,135	1,822,946
Depreciation charged in the period ended	-	404,848	26,292	431,140
Impairment losses	-	250,000	-	250,000
Eliminated in respect of disposals	-	(6,000)	-	(6,000)
Revaluation	(71,509)	-	-	(71,509)
At 31 July 2016	-	2,246,150	180,427	2,426,577
Carrying amount				
At 31 July 2016	775,000	625,358	42,625	1,442,983
At 31 January 2015	676,500	1,288,206	53,019	2,017,725

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2016

14 Tangible fixed assets

(Continued)

The company had no tangible fixed assets at 31 July 2016 or 31 January 2015.

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

	2016 £	Group 2015 £	2016 £	Company 2015 £
Plant and machinery	332,917	1,097,873	-	-
Depreciation charge for the period ended in respect of leased assets	70,500	203,874	-	-

Land and buildings with a carrying amount of £750,000 were revalued at June 2016 by Bilfinger GVA, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2016 £	Group 2015 £	2016 £	Company 2015 £
Cost	641,228	641,228	-	-
Accumulated depreciation	123,169	110,344	-	-
Carrying value	518,059	530,884	-	-

More information on the impairment arising in the period ended is given in note 12.

15 Fixed asset investments

	2016 £	Group 2015 £	2016 £	Company 2015 £
Unlisted investments	-	-	282,200	282,200

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

16 Subsidiaries

Details of the company's subsidiaries at 31 July 2016 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Philip Myers Web (Neston) Limited	England and Wales	Production of printed material	Ordinary	100	

17 Stocks

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Paper stock and consumables	448,252	622,509	-	-

18 Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,647,001	4,066,830	-	-
Corporation tax recoverable	75,956	-	-	-
Other debtors	239,284	145,964	1,112	1,112
Prepayments and accrued income	292,535	391,996	-	-
	<u>3,254,776</u>	<u>4,604,790</u>	<u>1,112</u>	<u>1,112</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 23)	66,257	-	-	-
	<u>66,257</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debtors	<u>3,321,033</u>	<u>4,604,790</u>	<u>1,112</u>	<u>1,112</u>

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

19 Creditors: amounts falling due within one year

	Notes	2016 £	Group 2015 £	2016 £	Company 2015 £
Bank loans and overdrafts	21	2,393,246	2,136,369	-	-
Obligations under finance leases	22	100,607	207,529	-	-
Other borrowings	21	78,193	-	-	-
Trade creditors		2,686,128	3,199,677	-	-
Amounts due to group undertakings		-	-	149,000	149,000
Corporation tax payable		-	65,625	-	-
Other taxation and social security		241,428	83,794	-	-
Other creditors		90,484	135,420	20,000	20,000
Accruals and deferred income		171,789	263,046	-	-
		<u>5,761,875</u>	<u>6,091,460</u>	<u>169,000</u>	<u>169,000</u>

Included within bank loans and overdrafts are amounts of £2,105,348 (2015 - £2,099,017) in respect of invoice discounting facilities. These amounts are secured by a fixed charge on all purchased debts.

Amounts due under under finance lease and hire purchase contracts are secured by fixed charges over the assets to which they relate.

20 Creditors: amounts falling due after more than one year

	Notes	2016 £	Group 2015 £	2016 £	Company 2015 £
Bank loans and overdrafts	21	39,324	315,674	-	-
Obligations under finance leases	22	101,721	264,907	-	-
Other borrowings	21	92,387	-	-	-
		<u>233,432</u>	<u>580,581</u>	<u>-</u>	<u>-</u>

Amounts due under under finance lease and hire purchase contracts are secured by fixed charges over the assets to which they relate.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>20,367</u>	<u>29,868</u>	<u>-</u>	<u>-</u>
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PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

21 Loans and overdrafts

	2016 £	Group 2015 £	2016 £	Company 2015 £
Bank loans	327,222	353,026	-	-
Bank overdrafts	2,105,348	2,099,017	-	-
Other loans	170,580	-	-	-
	<u>2,603,150</u>	<u>2,452,043</u>	<u>-</u>	<u>-</u>
Payable within one year	2,471,439	2,136,369	-	-
Payable after one year	<u>131,711</u>	<u>315,674</u>	<u>-</u>	<u>-</u>
Amounts included above which fall due after five years:				
Payable by instalments	<u>20,367</u>	<u>29,868</u>	<u>-</u>	<u>-</u>

The long-term loans are secured by fixed charges over the assets to which they relate.

Included within bank loans and overdrafts are amounts of £2,105,348 (2015 - £2,099,107) in respect of invoice discounting facilities. These amounts are secured by a fixed charge on all purchased debts.

Long term debt is in the form of two secured bank loans with National Westminster Bank Plc.

The two bank loans are monthly repayment (capital and interest) instruments, with interest rates of 5.05% and 2.52% per annum respectively. The maturity dates are June 2017 and March 2025.

22 Finance lease obligations

	2016 £	Group 2015 £	2016 £	Company 2015 £
Future minimum lease payments due under finance leases:				
Within one year	100,607	207,529	-	-
In two to five years	<u>101,721</u>	<u>264,907</u>	<u>-</u>	<u>-</u>
	<u>202,328</u>	<u>472,436</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2-5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED ENDED 31 JULY 2016

23 Deferred taxation

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

	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
Group				
Accelerated capital allowances	39,712	116,850	-	-
Tax losses	-	-	66,257	-
	<u>39,712</u>	<u>116,850</u>	<u>66,257</u>	<u>-</u>

The company has no deferred tax assets or liabilities.

	Group 2016 £	Company 2016 £
Movements in the period ended:		
Liability at 1 February 2015	116,850	-
Charge to profit or loss	(143,395)	-
Liability at 31 July 2016	<u>(26,545)</u>	<u>-</u>

The deferred tax asset set out above relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse within future periods and relates to accelerated capital allowances.

24 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>31,053</u>	<u>-</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.

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

25 Share capital

	Group and company	
	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
1,956 Ordinary 'A' shares of £1 each	1,956	1,956
2,778 Ordinary 'B' shares of £1 each	2,778	2,778
1,600 Ordinary 'C' shares of £1 each	1,600	1,600
1,000 Ordinary 'D' shares of £1 each	1,000	1,000
1,000 Ordinary 'E' shares of £1 each	1,000	1,000
2,778 Ordinary 'F' shares of £1 each	2,778	2,778
	<u>11,112</u>	<u>11,112</u>

26 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	
	2016	2015	2016	2015
	£	£	£	£
Between two and five years	1,966,680	2,950,020	-	-
	<u>1,966,680</u>	<u>2,950,020</u>	<u>-</u>	<u>-</u>

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016	2015
	£	£
Remuneration	<u>60,285</u>	<u>41,140</u>

Transactions with related parties

During the period ended the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2016	2015	2016	2015
	£	£	£	£
Group				
Other related parties	<u>336,810</u>	<u>215,670</u>	<u>547,735</u>	<u>714,780</u>

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED ENDED 31 JULY 2016

27 Related party transactions

(Continued)

	Services provided by		Operating leases provided by	
	2016	2015	2016	2015
	£	£	£	£
Group				
Key management personnel	164,940	122,187	-	-
Other related parties	-	-	983,410	327,780
	<u>164,940</u>	<u>122,187</u>	<u>983,410</u>	<u>327,780</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016	2015
	£	£
Group		
Other related parties	48,644	57,019
	<u>48,644</u>	<u>57,019</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2016	2015
	Balance	Balance
	£	£
Group		
Other related parties	25,207	13,332
	<u>25,207</u>	<u>13,332</u>

PM WEB PRINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED ENDED 31 JULY 2016

28 Cash generated from group operations

	2016 £	2015 £
(Loss)/profit for the period ended after tax	(987,865)	300,329
Adjustments for:		
Taxation (credited)/charged	(219,351)	75,956
Finance costs	166,458	122,037
Loss on disposal of tangible fixed assets	18,558	633
Amortisation and impairment of intangible assets	(64,763)	(43,175)
Depreciation and impairment of tangible fixed assets	681,140	303,787
Movements in working capital:		
Decrease/(increase) in stocks	174,257	(233,442)
Decrease/(increase) in debtors	1,425,970	(1,918,090)
(Decrease)/increase in creditors	(492,108)	1,365,248
Cash generated from/(absorbed by) operations	702,296	(26,717)

29 Reconciliations on adoption of FRS 102

Reconciliation of equity - group

	1 February 2014 £	31 July 2015 £
Equity as reported under previous UK GAAP and under FRS 102	233,866	380,354

Reconciliation of group profit for the financial period

	2015 £
Profit as reported under previous UK GAAP and under FRS 102	300,329