

**REGISTERED NUMBER: 00816437 (England and Wales)**

**Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 December 2018  
for  
Eurospan Limited**

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for the Year Ended 31 December 2018**

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**Company Information  
for the Year Ended 31 December 2018**

**DIRECTORS:** M A Geelan  
S G Lustig  
K P Rhodes

**REGISTERED OFFICE:** Gray's Inn House  
127 Clerkenwell Road  
London  
EC1R 5DB

**REGISTERED NUMBER:** 00816437 (England and Wales)

**AUDITORS:** George Hay Partnership LLP  
Chartered Accountants  
and Statutory Auditor  
Unit 1B  
Focus 4  
Fourth Avenue  
Letchworth  
Hertfordshire  
SG6 2TU

**Group Strategic Report  
for the Year Ended 31 December 2018**

The directors present their strategic report of the company and the group for the year ended 31 December 2018.

**PRINCIPAL ACTIVITIES & BUSINESS REVIEW**

The principal activity of the Company continued to be that of marketing, selling and distributing academic, reference and professional publications on behalf of a group of commercial publishers, associations, societies and other non-profit organisations.

The Company's physical distribution, including warehousing, fulfilment customer services and credit control continued to be handled by its subsidiary company, Turpin Distribution Services Limited.

Asiaspan Limited, a fully-owned Company subsidiary, houses trading within all Asia-Pacific territories, to include Central Asia, South Asia, South East Asia, the Far East and Australasia

The Group recorded turnover of £12.6m for the 2018 financial year. This represents a 4.7% decrease from 2017 (£13.2m), the decline largely due to competitive pressure and transfer to 'local' sourcing partly reflected in growth at the Asiaspan subsidiary.

The Company achieved post-tax profit of £184,750 (1.4%) compared to £708,493 (5.5%) in 2017.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's principal risks and uncertainties arise from client retention. The risk is managed through securing multi-year or rolling contracts with clients and by investing significant resources in client relations. The Company's client retention rate remains in excess of 95%.

The Company operates in a multi-currency environment for both purchases and sales. Movements in exchange rates can therefore pose a risk to the financial performance of the business. The Company uses forward contracts and options to manage currency risk affecting costs and revenues.

In the Company's Asiaspan subsidiary the Directors are mindful of the risk of possible bad debts from customers in developing countries in the region and continue to take the necessary steps to limit credit/see advance payment where possible.

**KEY PERFORMANCE INDICATORS**

The group is mindful of its obligations to its suppliers and customers. Supplier relationships are highly valued and are subject to close scrutiny by Senior Executives. Sales reporting and analytics are provided on a monthly basis. Payments for goods and services supplied are always made in a timely fashion. Revenue performance versus budget is constantly under review - by client publisher, by region/country/customer and by title.

**Group Strategic Report  
for the Year Ended 31 December 2018**

**FUTURE DEVELOPMENTS**

The Group intends to continue with its principal activities as set out above.

Further expansion of activities is planned in the Asia-Pacific and Latin America geographic regions.

Turpin Distribution is in the process of implementing a new fulfilment system which will support the development of innovative client services.

Asiaspan will continue to pursue a strategy of growth through product range expansion and the acquisition of new customers.

**ON BEHALF OF THE BOARD:**

Director

27 September 2019

**Report of the Directors  
for the Year Ended 31 December 2018**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2018.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2018 will be £ 150,000 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

M A Geelan  
S G Lustig  
K P Rhodes

Other changes in directors holding office are as follows:

Ms C E Fraser ceased to be a director after 31 December 2018 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, George Hay Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

K P Rhodes - Director

27 September 2019

## Report of the Independent Auditors to the Members of Eurospan Limited

### Opinion

We have audited the financial statements of Eurospan Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Profit & Loss, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of 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 of the parent company affairs as at 31 December 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## **Report of the Independent Auditors to the Members of Eurospan Limited**

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

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

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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 group's and 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors 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.

Richard Dilley ACA FCCA (Senior Statutory Auditor)  
for and on behalf of George Hay Partnership LLP  
Chartered Accountants  
and Statutory Auditor  
Unit 1B  
Focus 4  
Fourth Avenue  
Letchworth  
Hertfordshire  
SG6 2TU

30 September 2019



**Consolidated Statement of Profit & Loss  
for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
<b>TURNOVER</b>	4	12,621,148	13,234,786
Cost of sales		<u>7,675,927</u>	<u>7,676,382</u>
<b>GROSS PROFIT</b>		4,945,221	5,558,404
Administrative expenses		<u>5,051,055</u> (105,834)	<u>5,337,234</u> 221,170
Other operating income		<u>300,645</u>	<u>496,163</u>
<b>OPERATING PROFIT</b>	6	194,811	717,333
Interest receivable and similar income		<u>12,569</u>	<u>11,428</u>
Amounts written off investments	7	25,691	(10,459)
Gain/loss on revaluation of investments		<u>26,439</u>	<u>8,708</u>
		52,130	(1,751)
<b>PROFIT BEFORE TAXATION</b>		155,250	730,512
Tax on profit	8	<u>(29,500)</u>	<u>22,019</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		184,750	708,493
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>184,750</u>	<u>708,493</u>
Profit attributable to:			
Owners of the parent		43,807	388,920
Non-controlling interests		<u>140,943</u>	<u>319,573</u>
		<u>184,750</u>	<u>708,493</u>
Total comprehensive income attributable to:			
Owners of the parent		215,307	615,722
Non-controlling interests		<u>(30,557)</u>	<u>92,771</u>
		<u>184,750</u>	<u>708,493</u>

**Consolidated Balance Sheet  
31 December 2018**

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Intangible assets	11		1,131,411		998,133
Tangible assets	12		188,304		165,029
Investments	13		104,704		130,787
			<u>1,424,419</u>		<u>1,293,949</u>
<b>CURRENT ASSETS</b>					
Stocks	14	182,368		230,143	
Debtors	15	2,884,669		3,032,166	
Cash at bank		<u>12,283,331</u>		<u>12,719,152</u>	
		15,350,368		15,981,461	
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>11,586,249</u>		<u>11,966,964</u>	
<b>NET CURRENT ASSETS</b>			<u>3,764,119</u>		<u>4,014,497</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,188,538		5,308,446
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		(190,000)		(190,000)
<b>PROVISIONS FOR LIABILITIES</b>	20		<u>(178,590)</u>		<u>(161,747)</u>
<b>NET ASSETS</b>			<u>4,819,948</u>		<u>4,956,699</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		12,200		12,200
Capital redemption reserve	22		7,800		7,800
Retained earnings	22		<u>3,243,115</u>		<u>3,349,308</u>
<b>SHAREHOLDERS' FUNDS</b>			3,263,115		3,369,308
<b>NON-CONTROLLING INTERESTS</b>	23		<u>1,556,833</u>		<u>1,587,391</u>
<b>TOTAL EQUITY</b>			<u>4,819,948</u>		<u>4,956,699</u>

The financial statements were approved by the Board of Directors on 27 September 2019 and were signed on its behalf by:

K P Rhodes - Director

**Company Balance Sheet**  
**31 December 2018**

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Intangible assets	11		-		-
Tangible assets	12		168,125		134,437
Investments	13		118,454		144,537
			<u>286,579</u>		<u>278,974</u>
<b>CURRENT ASSETS</b>					
Stocks	14	172,868		217,400	
Debtors	15	1,791,889		1,997,356	
Cash at bank		<u>2,304,252</u>		<u>1,889,549</u>	
		4,269,009		4,104,305	
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>2,912,893</u>		<u>2,744,293</u>	
<b>NET CURRENT ASSETS</b>			<u>1,356,116</u>		<u>1,360,012</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,642,695</u>		<u>1,638,986</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		12,200		12,200
Capital redemption reserve	22		7,800		7,800
Retained earnings	22		<u>1,622,695</u>		<u>1,618,986</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,642,695</u>		<u>1,638,986</u>
Company's profit for the financial year			<u>153,709</u>		<u>232,049</u>

The financial statements were approved by the Board of Directors on 27 September 2019 and were signed on its behalf by:

K P Rhodes - Director

**Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2018**

	Called up share capital £	Retained earnings £	Capital redemption reserve £
<b>Balance at 1 January 2017</b>	12,200	3,060,388	7,800
<b>Changes in equity</b>			
Dividends	-	(100,000)	-
Total comprehensive income	-	388,920	-
<b>Balance at 31 December 2017</b>	<u>12,200</u>	<u>3,349,308</u>	<u>7,800</u>
<b>Changes in equity</b>			
Dividends	-	(150,000)	-
Total comprehensive income	-	43,807	-
<b>Balance at 31 December 2018</b>	<u>12,200</u>	<u>3,243,115</u>	<u>7,800</u>
	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 January 2017</b>	3,080,388	1,494,620	4,575,008
<b>Changes in equity</b>			
Dividends	(100,000)	-	(100,000)
Total comprehensive income	388,920	92,771	481,691
<b>Balance at 31 December 2017</b>	<u>3,369,308</u>	<u>1,587,391</u>	<u>4,956,699</u>
<b>Changes in equity</b>			
Dividends	(150,000)	-	(150,000)
Total comprehensive income	43,807	(30,557)	13,250
<b>Balance at 31 December 2018</b>	<u>3,263,115</u>	<u>1,556,834</u>	<u>4,819,949</u>

**Company Statement of Changes in Equity  
for the Year Ended 31 December 2018**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 January 2017</b>	12,200	1,486,937	7,800	1,506,937
<b>Changes in equity</b>				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	232,049	-	232,049
<b>Balance at 31 December 2017</b>	<u>12,200</u>	<u>1,618,986</u>	<u>7,800</u>	<u>1,638,986</u>
<b>Changes in equity</b>				
Dividends	-	(150,000)	-	(150,000)
Total comprehensive income	-	153,709	-	153,709
<b>Balance at 31 December 2018</b>	<u>12,200</u>	<u>1,622,695</u>	<u>7,800</u>	<u>1,642,695</u>

**Consolidated Cash Flow Statement  
for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	250,841	(739,578)
Fair Value adjustment Forward Contracts		(26,439)	(8,708)
Tax paid		(5,615)	26,650
Net cash from operating activities		<u>218,787</u>	<u>(721,636)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(269,473)	(201,199)
Purchase of tangible fixed assets		(76,820)	(155,931)
Purchase of fixed asset investments		-	(76,336)
Sale of intangible fixed assets		616	7,475
Sale of tangible fixed assets		-	499
Interest received		12,569	11,428
Net cash from investing activities		<u>(333,108)</u>	<u>(414,064)</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		(150,000)	(100,000)
Dividends paid to minority interests		(171,500)	(245,000)
Net cash from financing activities		<u>(321,500)</u>	<u>(345,000)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(435,821)</u>	<u>(1,480,700)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	12,719,152	14,199,852
<b>Cash and cash equivalents at end of year</b>	2	<u>12,283,331</u>	<u>12,719,152</u>

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2018

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit before taxation	155,250	730,512
Depreciation charges	188,926	144,460
Loss on disposal of fixed assets	-	40,261
Loss on revaluation of fixed assets	40,720	8,708
Amounts written off Investments	25,691	(10,459)
Finance income	(12,569)	(11,428)
	<u>398,018</u>	<u>902,054</u>
Decrease in stocks	47,775	51,724
Decrease/(increase) in trade and other debtors	147,497	(398,883)
Decrease in trade and other creditors	(342,449)	(1,294,473)
<b>Cash generated from operations</b>	<u><u>250,841</u></u>	<u><u>(739,578)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>12,283,331</u>	<u>12,719,152</u>

**Year ended 31 December 2017**

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>12,719,152</u>	<u>14,199,852</u>

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2018**

**1. STATUTORY INFORMATION**

Eurospan Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The financial statements are presented in sterling which is the functional currency of the company.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Accounting policies are applied uniformly throughout the group. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Sale of goods**

Turnover from the sale of books is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on despatch of the goods.

**Sale of services**

Turnover from services is in respect of management fees and despatch cost recoveries charged to publishers for the distribution of their products, fees charged for journals that are distributed in the following year are deferred less an allowance for initial processing work.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of ten years.



**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018**

**3. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- in accordance with the property
Plant and machinery	- 33% on cost and 20% on cost
Fixtures and fittings	- 20% on cost and 10% on cost
Computer equipment	- 33% on cost and 20% on cost

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Profit & Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

The financial statements are presented in Sterling (GBP), which is also the functional currency of the Group.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018

3. ACCOUNTING POLICIES - continued

**Financial instruments**

**Debtors**

Short term debtors are measured at transaction price less impairment losses for bad and doubtful debts.

**Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case these are stated at cost.

**Forward Contracts**

Under FRS 102 these contracts are considered "other financial instruments" and are therefore included in the accounts at their fair value. The basis for determining fair value is the use of 'mark-to-market' valuations provided by the financial institutions the contracts are with.

**Investments**

Shares in group companies are held at cost. In the opinion of the directors, the values of the shares in the subsidiaries are well in excess of their cost. No fair value adjustment is possible as there is no readily ascertainable market value for these investments.

Quoted investments are revalued at market value each year at the balance sheet date.

4. TURNOVER

5. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	3,074,664	3,161,651
Social security costs	309,004	315,807
Other pension costs	174,910	167,060
	<u>3,558,578</u>	<u>3,644,518</u>

The average number of employees during the year was as follows:

	2018	2017
Finance, IT and administration	24	26
Marketing	22	22
Distribution & Customer Services	51	52
	<u>97</u>	<u>100</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 62 (2017 - 63) .

	2018 £	2017 £
Directors' remuneration	442,775	401,387
Directors' pension contributions to money purchase schemes	<u>34,200</u>	<u>37,115</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018**

**5. EMPLOYEES AND DIRECTORS - continued**

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2018	2017
	£	£
Emoluments etc	268,676	260,007
Pension contributions to money purchase schemes	<u>25,000</u>	<u>25,000</u>

**6. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Hire of plant and machinery	8,451	10,593
Depreciation - owned assets	53,545	21,523
Loss on disposal of fixed assets	-	40,261
Computer software amortisation	135,579	121,379
Auditors remuneration	41,836	61,007
Auditors' remuneration for non audit work	11,185	14,165
Foreign exchange differences	<u>(187,818)</u>	<u>(220,664)</u>

**7. AMOUNTS WRITTEN OFF INVESTMENTS**

	2018	2017
	£	£
Amounts written off investments	<u>25,691</u>	<u>(10,459)</u>

**8. TAXATION****Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	(46,343)	3,878
Deferred tax	<u>16,843</u>	<u>18,141</u>
Tax on profit	<u>(29,500)</u>	<u>22,019</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018**

**8. TAXATION - continued****Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>155,250</u>	<u>730,512</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	29,498	140,624
Effects of:		
Expenses not deductible for tax purposes	673	1,987
Income not taxable for tax purposes	-	2,190
Capital allowances in excess of depreciation	(23,437)	(44,125)
Utilisation of tax losses	(10,930)	(2,191)
Adjustments to tax charge in respect of previous periods	(61,552)	(99,378)
Loss on disposal	-	7,750
Sundry tax adjusting items	(7,425)	(18,147)
Deferred tax provision	16,843	12,819
Losses carried forward	21,949	22,503
Fair value adjustments	4,881	(2,013)
Total tax (credit)/charge	<u>(29,500)</u>	<u>22,019</u>

The fair value adjustments to forward contracts are taxable in the year they arise.

**9. INDIVIDUAL STATEMENT OF PROFIT & LOSS**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

**10. DIVIDENDS**

	2018 £	2017 £
Interim	<u>150,000</u>	<u>100,000</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018

## 11. INTANGIBLE FIXED ASSETS

## Group

	Computer software £
<b>COST</b>	
At 1 January 2018	1,213,784
Additions	269,473
Disposals	(616)
At 31 December 2018	<u>1,482,641</u>
<b>AMORTISATION</b>	
At 1 January 2018	215,651
Amortisation for year	135,579
At 31 December 2018	<u>351,230</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>1,131,411</u>
At 31 December 2017	<u>998,133</u>

## 12. TANGIBLE FIXED ASSETS

## Group

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2018	141,928	-	1,001,925	653,621	1,797,474
Additions	-	62,665	-	14,155	76,820
At 31 December 2018	<u>141,928</u>	<u>62,665</u>	<u>1,001,925</u>	<u>667,776</u>	<u>1,874,294</u>
<b>DEPRECIATION</b>					
At 1 January 2018	141,928	-	847,519	642,998	1,632,445
Charge for year	-	8,952	30,072	14,521	53,545
At 31 December 2018	<u>141,928</u>	<u>8,952</u>	<u>877,591</u>	<u>657,519</u>	<u>1,685,990</u>
<b>NET BOOK VALUE</b>					
At 31 December 2018	<u>-</u>	<u>53,713</u>	<u>124,334</u>	<u>10,257</u>	<u>188,304</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>154,406</u>	<u>10,623</u>	<u>165,029</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018**

12. **TANGIBLE FIXED ASSETS - continued****Company**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2018	-	134,437	-	134,437
Additions	<u>62,665</u>	<u>-</u>	<u>2,956</u>	<u>65,621</u>
At 31 December 2018	<u>62,665</u>	<u>134,437</u>	<u>2,956</u>	<u>200,058</u>
<b>DEPRECIATION</b>				
Charge for year	<u>8,952</u>	<u>22,404</u>	<u>577</u>	<u>31,933</u>
At 31 December 2018	<u>8,952</u>	<u>22,404</u>	<u>577</u>	<u>31,933</u>
<b>NET BOOK VALUE</b>				
At 31 December 2018	<u>53,713</u>	<u>112,033</u>	<u>2,379</u>	<u>168,125</u>
At 31 December 2017	<u>-</u>	<u>134,437</u>	<u>-</u>	<u>134,437</u>

13. **FIXED ASSET INVESTMENTS****Group**

	Interest in other participating interests £	Listed investments £	Totals £
<b>COST</b>			
At 1 January 2018	76,336	99,349	175,685
Impairments	(13,684)	-	(13,684)
Dividends received	<u>-</u>	<u>(392)</u>	<u>(392)</u>
At 31 December 2018	<u>62,652</u>	<u>98,957</u>	<u>161,609</u>
<b>PROVISIONS</b>			
At 1 January 2018	-	44,898	44,898
Provision for year	<u>-</u>	<u>12,007</u>	<u>12,007</u>
At 31 December 2018	<u>-</u>	<u>56,905</u>	<u>56,905</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>62,652</u>	<u>42,052</u>	<u>104,704</u>
At 31 December 2017	<u>76,336</u>	<u>54,451</u>	<u>130,787</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018**

13. **FIXED ASSET INVESTMENTS - continued****Company**

	Shares in group undertakings £	Interest in other participating interests £	Listed investments £	Totals £
<b>COST</b>				
At 1 January 2018	13,750	76,336	99,349	189,435
Impairments	-	(13,684)	-	(13,684)
Dividends received	-	-	(392)	(392)
At 31 December 2018	<u>13,750</u>	<u>62,652</u>	<u>98,957</u>	<u>175,359</u>
<b>PROVISIONS</b>				
At 1 January 2018	-	-	44,898	44,898
Provision for year	-	-	12,007	12,007
At 31 December 2018	<u>-</u>	<u>-</u>	<u>56,905</u>	<u>56,905</u>
<b>NET BOOK VALUE</b>				
At 31 December 2018	<u>13,750</u>	<u>62,652</u>	<u>42,052</u>	<u>118,454</u>
At 31 December 2017	<u>13,750</u>	<u>76,336</u>	<u>54,451</u>	<u>144,537</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries****Turpin Holdings Limited**

Registered office:

Nature of business: Holding company.

Class of shares:	%
Ordinary	holding 51.00

**Asiaspan Limited**

Registered office:

Nature of business: Publication sales

Class of shares:	%
Ordinary	holding 100.00

**Turpin Distribution Services Limited**

Registered office:

Nature of business: Publications order and distribution fulfilment

Class of shares:	%
Ordinary	holding 51.00

**Turpin Distribution Services LLC**

Registered office:

Nature of business: Publications order and distribution fulfilment

Class of shares:	%
Ordinary	holding 51.00

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018**

**14. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2018	2017	2018	2017
	£	£	£	£
Stocks	<u>182,368</u>	<u>230,143</u>	<u>172,868</u>	<u>217,400</u>

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	1,823,785	1,665,237	1,540,268	1,532,399
Other debtors	16,977	26,362	16,471	25,856
Sundry Debtors and Prepayments	934,927	1,206,438	130,265	299,582
Tax	26,119	26,119	26,119	26,119
VAT	82,861	108,010	78,766	113,400
	<u>2,884,669</u>	<u>3,032,166</u>	<u>1,791,889</u>	<u>1,997,356</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	2,405,744	2,254,326	2,383,406	2,152,690
Amounts owed to group undertakings	-	-	164,335	272,987
Tax	15,017	66,975	-	-
Other creditors	7,957,723	8,403,471	-	-
Sundry Creditors and Accruals	336,540	273,176	288,807	230,923
Taxation & Social Security	112,064	155,223	76,345	87,693
Accruals and deferred income	759,161	813,793	-	-
	<u>11,586,249</u>	<u>11,966,964</u>	<u>2,912,893</u>	<u>2,744,293</u>

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	2018	2017
	£	£
Deposits held	<u>190,000</u>	<u>190,000</u>

**18. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:



**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018**

**Group**

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	210,310	367,655
Between one and five years	<u>349,551</u>	<u>616,240</u>
	<u>559,861</u>	<u>983,895</u>

Subsequent to the balance sheet date, Turpin Distribution Services Limited, a subsidiary of Eurospan Limited, entered into a new lease for its trading premises with a total commitment of £1.65m spread over 5 years.

**Company**

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	135,310	94,717
Between one and five years	<u>349,551</u>	<u>484,681</u>
	<u>484,861</u>	<u>579,398</u>

**19. FINANCIAL INSTRUMENTS**

The carrying amounts of the group's financial instruments are:

	<b>2018</b>	<b>2017</b>
<b>Financial Assets</b>		
Debt instruments measured at amortised cost		
- Trade debtors	1,823,785	1,665,237
- Amounts due to group undertakings	-	-
- Cash	12,269,050	12,719,152
- Other debtors	978,024	1,372,319
<b>Financial Liabilities</b>		
Measured at fair value through profit and loss		
- Foreign exchange contracts	26,439	8,708
Measured at amortised cost		
- Trade creditors	2,405,744	2,254,326
- Amounts owed to group undertakings	-	-
- Other creditors and accruals	9,545,905	10,064,385

**20. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	2018	2017
	£	£
Deferred tax	<u>178,590</u>	<u>161,747</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018**

**20. PROVISIONS FOR LIABILITIES - continued****Group**

	Deferred tax £
Balance at 1 January 2018	161,747
Provided during year	16,843
Balance at 31 December 2018	<u>178,590</u>

The deferred tax provision is expected to unwind in subsequent years following large capital expenditure in this and previous periods.

**21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2018 £	2017 £
12,200	Ordinary		<u>12,200</u>	<u>12,200</u>

**22. RESERVES****Group**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2018	3,349,308	7,800	3,357,108
Profit for the year	43,807		43,807
Dividends	(150,000)		(150,000)
At 31 December 2018	<u>3,243,115</u>	<u>7,800</u>	<u>3,250,915</u>

**Company**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2018	1,618,986	7,800	1,626,786
Profit for the year	153,709		153,709
Dividends	(150,000)		(150,000)
At 31 December 2018	<u>1,622,695</u>	<u>7,800</u>	<u>1,630,495</u>

**23. NON-CONTROLLING INTERESTS**

Minority Interests at the start of the period amounted to £1,587,390, the movement in the year after tax and dividends decreased minority interests by £30,557, the closing balance as at 31 December 2018 was £1,556,833.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2018**

**24. PENSION COMMITMENTS**

The group operates defined contribution schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £174,910 (2017 £167,069).

**25. CAPITAL COMMITMENTS**

	2018	2017
	£	£
Contracted but not provided for in the financial statements	<u>274,005</u>	<u>274,005</u>

**26. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Key management personnel of the entity or its parent (in the aggregate)**

	2018	2017
	£	£
Aggregate remuneration	<u>596,528</u>	<u>549,202</u>

**27. GENERAL INFORMATION**

Eurospan Limited is a limited company incorporated in England. The addresses of its registered office and principal place of business are disclosed on page 1.

The principal activity of the company and group is an order fulfilment service for products in a variety of media.

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.