

C M Y K Digital Solutions Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2022

Deans Accountants And Business Advisors Ltd
Chartered Accountants and Business Advisors
27 North Bridge Street
Hawick
Borders
TD9 9BD

C M Y K Digital Solutions Limited

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C M Y K Digital Solutions Limited

Company Information

Directors	JS Sharp DJ Crosby N J Garden
Company secretary	JS Sharp
Registered office	Unit 9 Butlerfield Industrial Estate Bonnyrigg Edinburgh EH19 3JQ
Accountants	Deans Accountants And Business Advisors Ltd Chartered Accountants and Business Advisors 27 North Bridge Street Hawick Borders TD9 9BD

DEANS

Chartered Accountants

Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts of C M Y K Digital Solutions Limited for the Year Ended 31 March 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of C M Y K Digital Solutions Limited for the year ended 31 March 2022 as set out on pages 3 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants of Scotland (ICAS), we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/ethics/icas-code-of-ethics>.

This report is made solely to the Board of Directors of C M Y K Digital Solutions Limited, as a body, in accordance with the terms of our engagement letter dated 9 February 2009. Our work has been undertaken solely to prepare for your approval the accounts of C M Y K Digital Solutions Limited and state those matters that we have agreed to state to the Board of Directors of C M Y K Digital Solutions Limited, as a body, in this report in accordance with ICAS guidance (www.icas.com/accountsprep/guidance). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than C M Y K Digital Solutions Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that C M Y K Digital Solutions Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of C M Y K Digital Solutions Limited. You consider that C M Y K Digital Solutions Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of C M Y K Digital Solutions Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Deans Accountants And Business Advisors Ltd
Chartered Accountants and Business Advisors
27 North Bridge Street
Hawick
Borders
TD9 9BD

25 May 2022

C M Y K Digital Solutions Limited

(Registration number: SC165494)

Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>4</u>	206,465	231,443
Tangible assets	<u>5</u>	98,172	92,159
		304,637	323,602
Current assets			
Stocks	<u>6</u>	284,185	213,294
Debtors	<u>7</u>	1,085,835	908,278
Cash at bank and in hand		206,631	319,068
		1,576,651	1,440,640
Creditors: Amounts falling due within one year	<u>8</u>	(959,891)	(803,994)
Net current assets		616,760	636,646
Total assets less current liabilities		921,397	960,248
Creditors: Amounts falling due after more than one year	<u>8</u>	(270,468)	(346,048)
Provisions for liabilities		(9,060)	-
Net assets		641,869	614,200
Capital and reserves			
Called up share capital	<u>9</u>	110,000	110,000
Share premium reserve		15,400	15,400
Capital redemption reserve		4,000	4,000
Retained earnings		512,469	484,800
Shareholders' funds		641,869	614,200

For the financial year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 25 May 2022 and signed on its behalf by:

The notes on pages 5 to 12 form an integral part of these financial statements.

C M Y K Digital Solutions Limited

**(Registration number: SC165494)
Balance Sheet as at 31 March 2022**

.....
JS Sharp
Company secretary and director

.....
DJ Crosby
Director

C M Y K Digital Solutions Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Unit 9
Butlerfield Industrial Estate
Bonnyrigg
Edinburgh
E1119 3JQ
Scotland

These financial statements were authorised for issue by the Board on 25 May 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company is not directly impacted by Brexit.

The company has suffered financially from the pandemic. Where appropriate, government support in the forms of grants and loans were used to mitigate the impact of lockdowns etc. The directors will continue to assess the impact of the pandemic and make decisions accordingly.

The financial statements are presented in Sterling (£) and rounded to the nearest £1.

Judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made included:

Useful economic lives of tangible assets – the annual depreciation charge for tangible assets is sensitive to change in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation, and the physical condition of the assets.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Sales of Goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract

costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

C M Y K Digital Solutions Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment and fittings	25% reducing balance
Motor vehicles	30% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	over 12 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

C M Y K Digital Solutions Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

C M Y K Digital Solutions Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as an interest expense in the profit and loss account.

Impairment

At the end of each reporting period financial instruments measured at fair value are assessed for objective evidence of impairment. The impairment loss is recognised in the profit and loss account.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 34 (2021 - 36).

C M Y K Digital Solutions Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2021	974,356	974,356
At 31 March 2022	974,356	974,356
Amortisation		
At 1 April 2021	742,913	742,913
Amortisation charge	24,978	24,978
At 31 March 2022	767,891	767,891
Carrying amount		
At 31 March 2022	206,465	206,465
At 31 March 2021	231,443	231,443

5 Tangible assets

	Office equipment and fittings £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2021	460,580	65,499	526,079
Additions	35,166	-	35,166
Disposals	-	(38,499)	(38,499)
At 31 March 2022	495,746	27,000	522,746
Depreciation			
At 1 April 2021	389,632	44,288	433,920
Charge for the year	21,172	6,363	27,535
Eliminated on disposal	-	(36,881)	(36,881)
At 31 March 2022	410,804	13,770	424,574
Carrying amount			
At 31 March 2022	84,942	13,230	98,172
At 31 March 2021	70,948	21,211	92,159

6 Stocks

2022	2021
£	£

C M Y K Digital Solutions Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

7 Debtors

Current	2022	2021
	£	£
Trade debtors	835,873	650,395
Prepayments	189,442	178,200
Other debtors	60,520	79,683
	<u>1,085,835</u>	<u>908,278</u>

8 Creditors

Creditors: amounts falling due within one year

	Note	2022	2021
		£	£
Due within one year			
Loans and borrowings	<u>10</u>	81,830	50,580
trade creditors		441,731	238,232
Taxation and social security		100,393	212,991
Other creditors		335,937	302,191
		<u>959,891</u>	<u>803,994</u>
Due after one year			
Loans and borrowings	<u>10</u>	<u>270,468</u>	<u>346,048</u>

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary A shares of £0.10 each	1,100,000	110,000	1,100,000	110,000
		<u>110,000</u>		<u>110,000</u>

10 Loans and borrowings

	2022	2021
	£	£
Non-current loans and borrowings		
Bank borrowings	262,500	331,250
Hire purchase contracts	7,968	14,798
	<u>270,468</u>	<u>346,048</u>

C M Y K Digital Solutions Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	75,000	43,750
Hire purchase contracts	6,830	6,830
	<u>81,830</u>	<u>50,580</u>

Bank borrowings

Bank loan is denominated in Sterling (£) with a nominal interest rate of 4.09% and the final instalment is due on 28 September 2026. The carrying amount at year end is £337,500 (2021 - £375,000).

H.S.B.C. U.K. Bank P.L.C. hold a floating charge over all assets and undertaking of the company.

Other borrowings

H.P. agreements is denominated in Sterling (£), and the final instalment is due on 15 May 2024. The carrying amount at year end is £14,798 (2021 - £21,628).

Secured against the relevant assets.

11 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £774,571 (2021 - £849,965). Operating lease commitments with no security given by the company. The commitments reflect the total payments due under operating leases during the entirety of the operating lease primary term.

12 Related party transactions

Transactions with directors

2022	At 1 April 2021 £	Repayments by director £	At 31 March 2022 £
JS Sharp			
The company advanced loans to JS Sharp. Loans are repayable on demand. Interest is charged at 2.25%.	14,330	(14,330)	-

2021	At 1 April 2020 £	Advances to director £	Repayments by director £	At 31 March 2021 £
JS Sharp				
The company advanced loans to JS Sharp. Loans are repayable on demand. Interest is charged at 2.25%.	-	14,955	(625)	14,330

C M Y K Digital Solutions Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Summary of transactions with other related parties

During the year CMYK Digital Solutions Limited lent monies to CMYK Holdings Limited. The loans are repayable on demand. At the balance sheet date the amount due from CMYK Holdings Limited was £60,000 (2021 - £60,100). During the prior year CMYK Digital Solutions Limited lent monies to Clydesdale Office Equipment Limited. At the balance sheet date the amount due from Clydesdale Office Equipment Limited was £Nil (2021 - £4,628).

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.