

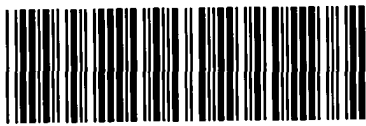
Registration number: 02580821

# The Original Poster Company Limited

Annual Report and Audited Financial Statements

for the Period from 1 July 2016 to 30 December 2017

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# **The Original Poster Company Limited**

## **Company Information**

|                            |                                                                     |
|----------------------------|---------------------------------------------------------------------|
| <b>Directors</b>           | B Chaing<br>K Johnson                                               |
| <b>Registered office</b>   | A2 Yeoman Gate<br>Yeoman Way<br>Worthing<br>West Sussex<br>BN13 3QZ |
| <b>Independent auditor</b> | Grant Thornton UK LLP<br>30 Finsbury Square<br>London<br>EC2A 1AG   |

# The Original Poster Company Limited

(Registration number: 02580821)

## Balance Sheet as at 30 December 2017

|                                                                | Note | As at<br>30 December<br>2017<br>£ | As at<br>30 June<br>2016<br>£ |
|----------------------------------------------------------------|------|-----------------------------------|-------------------------------|
| <b>Fixed assets</b>                                            |      |                                   |                               |
| Intangible assets                                              | 4    | -                                 | 35,702                        |
| Tangible assets                                                | 5    | <u>10,825</u>                     | <u>968,516</u>                |
|                                                                |      | <u>10,825</u>                     | <u>1,004,218</u>              |
| <b>Current assets</b>                                          |      |                                   |                               |
| Stocks                                                         |      | 323,644                           | 347,087                       |
| Debtors: Amounts falling due within one year                   | 6    | 400,607                           | 622,637                       |
| Debtors: Amounts falling due after more than one year          | 6    | 65,712                            | -                             |
| Cash at bank and in hand                                       |      | <u>223,319</u>                    | <u>211,558</u>                |
|                                                                |      | 1,013,282                         | 1,181,282                     |
| <b>Creditors: Amounts falling due within one year</b>          | 7    | <u>(112,073)</u>                  | <u>(359,082)</u>              |
| <b>Net current assets</b>                                      |      | <u>901,209</u>                    | <u>822,200</u>                |
| <b>Total assets less current liabilities</b>                   |      | 912,034                           | 1,826,418                     |
| <b>Creditors: Amounts falling due after more than one year</b> | 7    | -                                 | (417,786)                     |
| <b>Provisions for liabilities</b>                              |      | <u>(357)</u>                      | <u>(6,711)</u>                |
| <b>Net assets</b>                                              |      | <u>911,677</u>                    | <u>1,401,921</u>              |
| <b>Capital and reserves</b>                                    |      |                                   |                               |
| Called up share capital                                        | 9    | 12,800                            | 12,800                        |
| Share premium reserve                                          |      | 225,720                           | 225,720                       |
| Capital redemption reserve                                     |      | 2,650                             | 2,650                         |
| Revaluation reserve                                            |      | -                                 | 262,190                       |
| Profit and loss account                                        |      | <u>670,507</u>                    | <u>898,561</u>                |
| <b>Total equity</b>                                            |      | <u>911,677</u>                    | <u>1,401,921</u>              |

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 and in accordance with the provisions of FRS 102 Section 1A - small entities.

In accordance with Section 444 of the Companies Act 2006, the company has elected not to file the profit and loss account and director's report.

Approved and authorised by the Board on 13 September 2018 and signed on its behalf by:



B Chaing  
Director

## The Original Poster Company Limited

### Statement of Changes in Equity for the Period from 1 July 2016 to 30 December 2017

|                                        | Share capital<br>£ | Share premium<br>£ | Capital<br>redemption<br>reserve<br>£ | Revaluation<br>reserve<br>£ | Profit and loss<br>account<br>£ | Total<br>£       |
|----------------------------------------|--------------------|--------------------|---------------------------------------|-----------------------------|---------------------------------|------------------|
| At 1 July 2015                         | 12,800             | 225,720            | 2,650                                 | 264,268                     | 826,433                         | 1,331,871        |
| Profit for the period                  | -                  | -                  | -                                     | -                           | 70,050                          | 70,050           |
| Total comprehensive income             | -                  | -                  | -                                     | -                           | 70,050                          | 70,050           |
| Excess depreciation on historical cost | -                  | -                  | -                                     | (2,078)                     | 2,078                           | -                |
| At 30 June 2016                        | <u>12,800</u>      | <u>225,720</u>     | <u>2,650</u>                          | <u>262,190</u>              | <u>898,561</u>                  | <u>1,401,921</u> |
|                                        | Share capital<br>£ | Share premium<br>£ | Capital<br>redemption<br>reserve<br>£ | Revaluation<br>reserve<br>£ | Profit and loss<br>account<br>£ | Total<br>£       |
| At 1 July 2016                         | 12,800             | 225,720            | 2,650                                 | 262,190                     | 898,561                         | 1,401,921        |
| Profit for the period                  | -                  | -                  | -                                     | -                           | 239,356                         | 239,356          |
| Total comprehensive income             | -                  | -                  | -                                     | -                           | 239,356                         | 239,356          |
| Dividends                              | -                  | -                  | -                                     | -                           | (729,600)                       | (729,600)        |
| Transfer on sale of property           | -                  | -                  | -                                     | (262,190)                   | 262,190                         | -                |
| At 30 December 2017                    | <u>12,800</u>      | <u>225,720</u>     | <u>2,650</u>                          | <u>-</u>                    | <u>670,507</u>                  | <u>911,677</u>   |

The notes on pages 4 to 11 form an integral part of these financial statements.  
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# **The Original Poster Company Limited**

## **Notes to the Financial Statements for the Period from 1 July 2016 to 30 December 2017**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

A2 Yeoman Gate  
Yeoman Way  
Worthing  
West Sussex  
BN13 3QZ

The address of its principal place of business is:

Paramount House  
Delta Way  
Thorpe Industrial Estate  
Egham  
Surrey  
TW20 8RX

### **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 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 14 for an explanation of the transition.

#### **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 financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

Warehouse and freight costs were previously included as distribution costs after gross profit and shown on the face of the profit and loss account. In the current year the directors have elected to disclose these amounts within cost of sales as this better represents the nature of the costs involved. The comparatives have been restated for the purposes of comparison only and therefore does not constitute a prior period adjustment. There has been no change to previously reported reserves.

#### **Revenue recognition**

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

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

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

# The Original Poster Company Limited

## Notes to the Financial Statements for the Period from 1 July 2016 to 30 December 2017

### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

### 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 income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

### Tangible assets

Tangible assets are stated in the balance sheet at cost or valuation, 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, less their estimated residual value, over their estimated useful lives, as follows:

| Asset class       | Depreciation method and rate  |
|-------------------|-------------------------------|
| Freehold Property | 2% per annum straight line    |
| Office equipment  | 33.3% per annum straight line |

### Intangible assets

Intangible assets consist of franchisee area assets. On the handover of a franchisee area the control of the running of the territory is returned to the company. The purchase price for the area includes stock and goodwill. The area is held until another buyer is found.

### Trade debtors

Trade debtors are amounts due from customers for merchandise sold in the ordinary course of business.

Trade debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in profit or loss in other administrative expenses.

### 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 Original Poster Company Limited**

### **Notes to the Financial Statements for the Period from 1 July 2016 to 30 December 2017**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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 with no stated interest rate and payable within one year are recorded at transaction price.

#### **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 profit or loss 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.

#### **Provisions**

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

#### **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.

#### **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**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Other employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

# **The Original Poster Company Limited**

## **Notes to the Financial Statements for the Period from 1 July 2016 to 30 December 2017**

### **Financial instruments**

#### **Classification**

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 company after deducting all of its liabilities.

#### **Recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions set out by FRS 102 to be classified as basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

#### **Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the period, was 14 (2016 - 21).

# The Original Poster Company Limited

## Notes to the Financial Statements for the Period from 1 July 2016 to 30 December 2017

### 4 Intangible assets

|                          | Franchisee area<br>assets<br>£ |
|--------------------------|--------------------------------|
| <b>Cost or valuation</b> |                                |
| At 1 July 2016           | 35,702                         |
| Disposal                 | <u>(35,702)</u>                |
| At 30 December 2017      | <u>-</u>                       |
| <b>Carrying amount</b>   |                                |
| At 30 December 2017      | <u>-</u>                       |
| At 30 June 2016          | <u>35,702</u>                  |

### 5 Tangible assets

|                          | Freehold<br>property<br>£ | Office<br>equipment<br>£ | Total<br>£         |
|--------------------------|---------------------------|--------------------------|--------------------|
| <b>Cost or valuation</b> |                           |                          |                    |
| At 1 July 2016           | 1,000,000                 | 249,787                  | 1,249,787          |
| Additions                | -                         | 2,402                    | 2,402              |
| Disposals                | <u>(1,000,000)</u>        | <u>(222,210)</u>         | <u>(1,222,210)</u> |
| At 30 December 2017      | <u>-</u>                  | <u>29,979</u>            | <u>29,979</u>      |
| <b>Depreciation</b>      |                           |                          |                    |
| At 1 July 2016           | 75,000                    | 206,271                  | 281,271            |
| Charge for the period    | 15,000                    | 17,802                   | 32,802             |
| Eliminated on disposal   | <u>(90,000)</u>           | <u>(204,919)</u>         | <u>(294,919)</u>   |
| At 30 December 2017      | <u>-</u>                  | <u>19,154</u>            | <u>19,154</u>      |
| <b>Carrying amount</b>   |                           |                          |                    |
| At 30 December 2017      | <u>-</u>                  | <u>10,825</u>            | <u>10,825</u>      |
| At 30 June 2016          | <u>925,000</u>            | <u>43,516</u>            | <u>968,516</u>     |

Included in cost or valuation of land and buildings is freehold land of £nil (2016 - £250,000) which is not depreciated.

# The Original Poster Company Limited

## Notes to the Financial Statements for the Period from 1 July 2016 to 30 December 2017

### 6 Debtors

|                                    | 2017<br>£       | 2016<br>£      |
|------------------------------------|-----------------|----------------|
| Trade debtors                      | 413,738         | 583,757        |
| Amounts owed by group undertakings | 36,105          | -              |
| Prepayments and accrued income     | 14,476          | 35,564         |
| Other debtors                      | 2,000           | 3,316          |
|                                    | <u>466,319</u>  | <u>622,637</u> |
| Less non-current portion           | <u>(65,712)</u> | <u>-</u>       |
|                                    | <u>400,607</u>  | <u>622,637</u> |

#### Details of non-current trade and other debtors

£65,712 (2016 - £Nil) of trade debtors is classified as non current. This balance relates to trade debtors under agreed long term payment plans.

### 7 Creditors

#### Creditors: amounts falling due within one year

|                                                                                                       | Note | 2017<br>£      | 2016<br>£      |
|-------------------------------------------------------------------------------------------------------|------|----------------|----------------|
| Bank loans and overdrafts                                                                             | 8    | -              | 52,305         |
| Trade creditors                                                                                       |      | 27,153         | 167,821        |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 11   | 12,110         | -              |
| Taxation and social security                                                                          |      | 42,779         | 96,256         |
| Accruals and deferred income                                                                          |      | 30,031         | 9,500          |
| Other creditors                                                                                       |      | -              | 33,200         |
|                                                                                                       |      | <u>112,073</u> | <u>359,082</u> |

#### Creditors: amounts falling due after more than one year

|            | Note | 2017<br>£ | 2016<br>£ |
|------------|------|-----------|-----------|
| Bank loans | 8    | -         | 417,786   |

The mortgage was repaid during the year following the sale of freehold property.

# The Original Poster Company Limited

## Notes to the Financial Statements for the Period from 1 July 2016 to 30 December 2017

### 8 Loans and borrowings

|                                         | 2017<br>£ | 2016<br>£      |
|-----------------------------------------|-----------|----------------|
| <b>Non-current loans and borrowings</b> |           |                |
| Bank borrowings                         | <u>-</u>  | <u>417,786</u> |

|                                     | 2017<br>£ | 2016<br>£     |
|-------------------------------------|-----------|---------------|
| <b>Current loans and borrowings</b> |           |               |
| Bank borrowings                     | <u>-</u>  | <u>52,305</u> |

The mortgage was secured by a first charge over the freehold property.

### 9 Share capital

#### Allotted, called up and fully paid shares

|                        | No.            | 2017<br>£     | No.            | 2016<br>£     |
|------------------------|----------------|---------------|----------------|---------------|
| Ordinary of £0.10 each | <u>128,000</u> | <u>12,800</u> | <u>128,000</u> | <u>12,800</u> |

### 10 Financial commitments, guarantees and contingencies

#### Amounts not provided for in the balance sheet

The total amount of contingencies not included in the balance sheet is £30,821,079 (2016 - £Nil). The company has given cross guarantees to the group's bankers in respect of borrowings by certain group companies.

## **The Original Poster Company Limited**

### **Notes to the Financial Statements for the Period from 1 July 2016 to 30 December 2017**

#### **11 Related party transactions**

##### **Summary of transactions with other related parties**

PNC Global Logistics UK Limited, group company

During the year the company was recharged expenses of £22,099 (2016 - £nil). At the balance sheet date the amount due to PNC Global Logistics UK Limited was £4,587 (2016 - £nil).

Euroresins UK Limited, under common control

During the year the company was recharged expenses of £6,154 (2016 - £nil). At the balance sheet date the amount due to Euroresins UK Limited was £1,826 (2016 - £nil).

Cathay Investments Limited, under common control

The company has given cross guarantees in respect of borrowings by Cathay Investments Limited and certain of its subsidiaries. The total amount of contingencies not included in the balance sheet is £24,039,988 (2016: £nil).

The company has taken advantage of the exemption in Section 33 of FRS 102 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group.

#### **12 Parent and ultimate parent undertaking and controlling party**

At the beginning of the year, there was no controlling party. Following the acquisition of the company by Cathay Investments 2 Limited, a company incorporated in England and Wales, on 6 January 2017, Cathay Investments 2 Limited became the company's immediate parent undertaking.

The most senior parent entity producing publicly available financial statements is Cathay Investments 2 Limited. These financial statements are available upon request from A2 Yeoman Gate, Yeoman Way, Worthing, West Sussex, BN13 3QZ.

The ultimate controlling party is B Chaing, a director of the parent company, who with members of his close family, control the company as a result of controlling, directly or indirectly, the majority of the issued share capital in the parent company.

#### **13 Transition to FRS 102**

This is the first period that the company has presented its financial statements under FRS 102. The company has applied Section 35 'Transition to this FRS', of FRS 102 in preparing these financial statements. The last financial statements for the year ended 30 June 2016 we prepared under the previous Financial Reporting Standards and the transition date to FRS 102 is therefore 1 July 2015.

In adopting FRS 102 there have been no changes to the company's reported reserves or profit and loss account.

#### **14 Audit**

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report was Marc Summers BSc (Hons) FCA who signed for and on behalf of Grant Thornton UK LLP, Statutory Auditor.