



Annual Report & Financial Statements
For the year ended 31 December 2017

Moo Print Limited

Report and financial statements
for the year ended 31 December 2017

Contents

Page:

1	Chairman's summary
4	CEO's report
7	Strategic report
9	Director's report
11	Corporate Governance
13	Independent auditor's report
16	Consolidated income statement
17	Consolidated statement of comprehensive income
18	Consolidated balance sheet
19	Consolidated statement of changes in equity
21	Consolidated statement of cash flows
22	Company balance sheet
23	Company statement of changes in equity
25	Notes forming part of the financial statements

Directors

R Klein
R Moross
B Holmes
R Moore
A Pooler
S Calver
D Shapland (Chairman)

Secretary and registered office
Benjamin Smith, 2nd Floor, 20 Farringdon Road, London EC1M 3AF

Company number
5121723

Auditors
BDO LLP, 55 Baker Street, London, W1U 7EU

Chairman's Summary

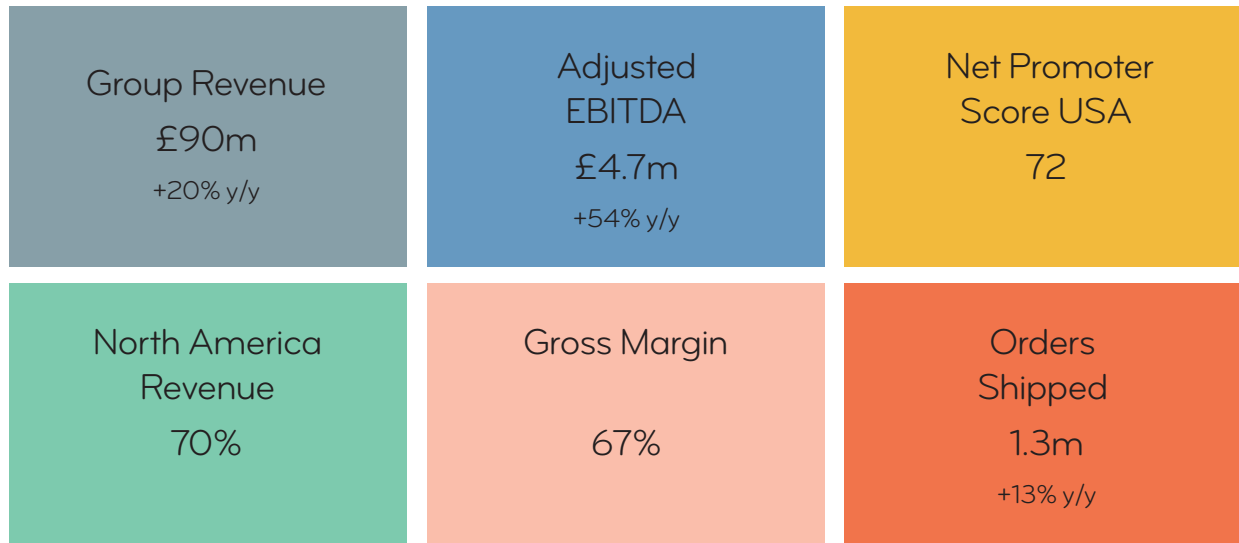
Richard and his new executive team have delivered a strong year for the business with record revenue increasing to £90m (+20% y/y) and adjusted EBITDA a very pleasing £4.7m (+54% y/y). Alongside these strong results, the team have bedded in the new manufacturing operations at Dagenham, commenced a Tech update programme and Richard has on-boarded a number of high-calibre new executives. Richard and his new team have set an ambitious plan to continue to build and invest in the business.

My sincere thanks on behalf of the Board to all the people working at MOO. We are delighted that we have such a strong and dedicated team and are seeing so many people progress through the business. We are also very pleased to report that during the year every one of our colleagues became optionholders in the company, a big achievement for everyone.

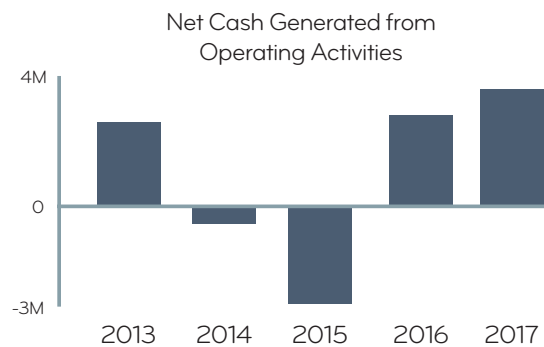
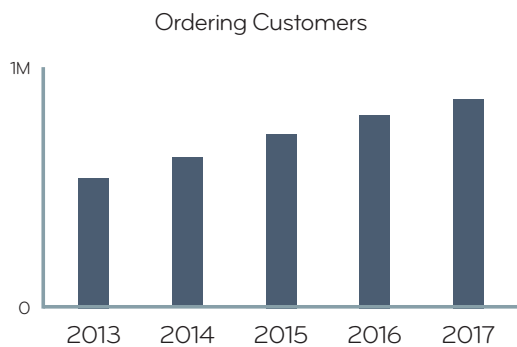
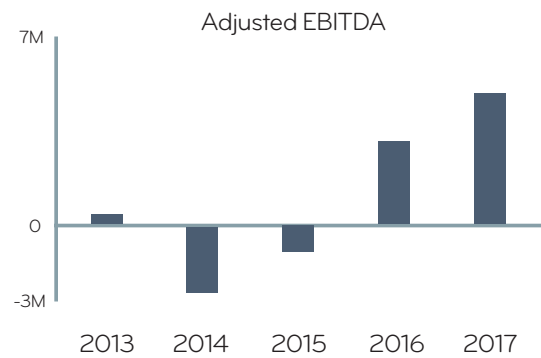
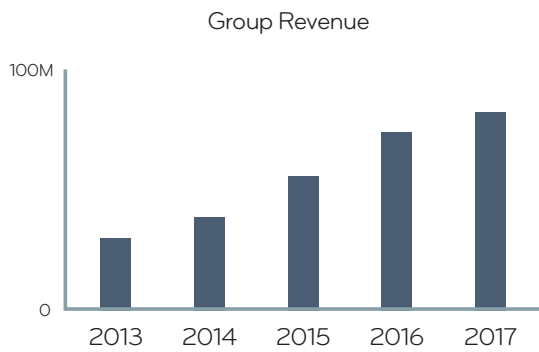
We look forward to the strong growth of the company in 2018 and further progress towards our longer term goals.

Darren Shapland
Chairman

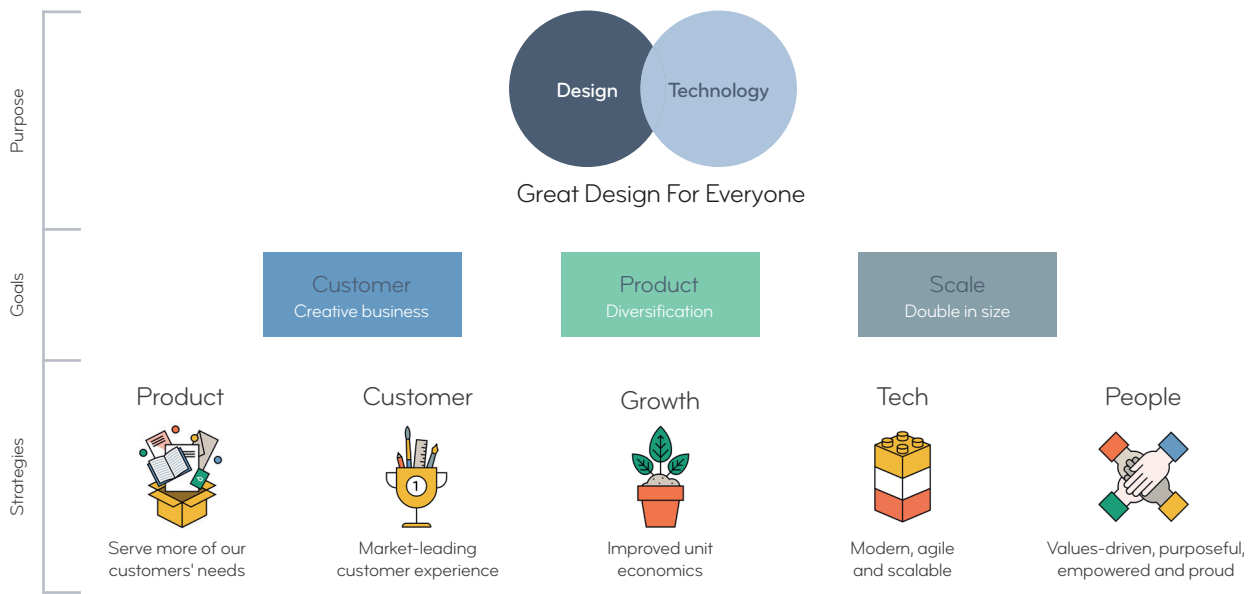
2017 Headlines



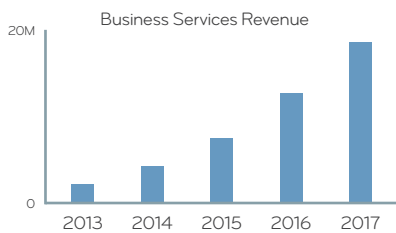
Financial Highlights



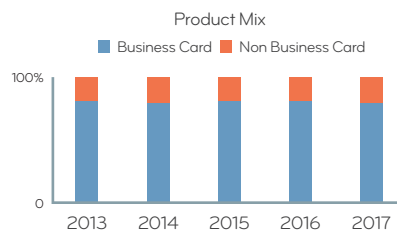
Strategic Framework



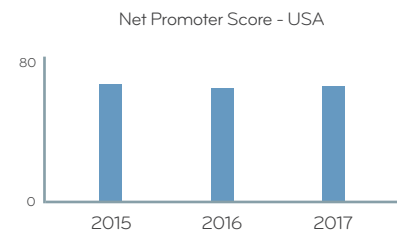
KPIs By Year



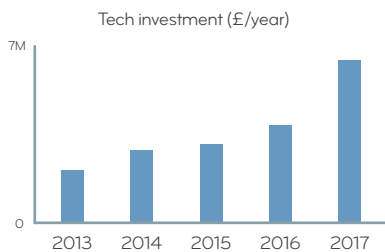
- MBS revenues continue to grow rapidly, up 47% y/y
- Larger companies now represent 20% of total revenues



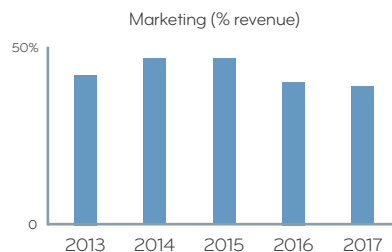
- New products will unlock new customers and revenue growth opportunities in 2018 and beyond



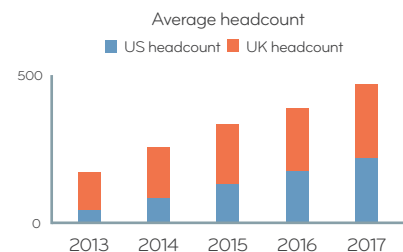
- Net Promoter Score remains very high at 70
- TrustPilot score also five stars (9.6/10)



- Technology investment grew 66% to £6.4m in 2017
- Long term investments will create new opportunities in 2019 and beyond



- Marketing as a % of revenue down from 47% in 2015 to 39% in 2017
- Efficiency not at the expense of growth: marketing spend up 17% y/y



- 46% of new hires in 2017 were US-based
- CFO and COO both US hires

CEO's Report

2017 marked MOO's eleventh successive year of positive growth, with group revenues up by over £15m (20%) to £90m. MOO's four year CAGR is 33%, having increased revenues by £61m since 2013 in absolute terms during that time.

During the year we printed and shipped over 2 million customised products for over 770,000 customers in 191 countries. As we enter our second decade as a business it's great to maintain our investment in quality and customer-focussed initiatives, scaling the unique MOO experience to more and more customers every year.

Here are a few things I would like highlight from 2017:

North America:

Over the last four years revenue from customers in North America has grown from 64% to 70% of total, reinforcing our long-standing strategy to focus on and invest in the US market. The USA is a very entrepreneurial market, with over 500,000 new businesses started every month, representing the ideal business culture for our small business-focussed brand, products and services. US employees also grew 24% in the year and now represent 46% of total MOO employees.

MOO Business Services ('MBS'):

Investments made in serving larger businesses and on catering to their needs differently have also proven extremely valuable. Revenue from the MBS platform delivered £18.8m (21% of total) in 2017 and grew at 47% y/y. MBS has enjoyed spectacular success in the last four years, growing 8x in that time.

Technology Investment:

In 2017 we completed our first full year of investment upgrading our software platform. We grew total Technology people costs 66% y/y to £6.4m and completed several important projects, including migrating to Amazon Web Services. These investments will make for a more agile and scalable MOO, allowing us to rapidly launch new physical products in the future.

People:

We were delighted to welcome aboard three new senior team members in 2017. Darren Shapland joined MOO as Chairman. An experienced FTSE Executive and Non-Executive, Darren also Chairs Not On The High Street and Topps Tiles and is a Non-Executive Director of Ferguson PLC.

With new investments set to unlock future opportunities, the business is able to build on excellent current momentum and solid, long-standing foundations. It's great to see our strategies coming to life and MOO being able to offer our customers better service, quality and a wider range of products over time.

Richard Moross

Founder and Chief Executive

.....

Operational Highlights

People & Culture

- Darren Shapland joined as Chairman in January
- Nick Ruotolo joined as COO in June
- Ed Goldfinger joined as CFO in September
- All full time employees were made optionholders

Product

- Collaborated with Mohawk Fine Papers to create a new cotton paper made from recycled T-shirt fabric
- Launched both Hard and Softcover Notebooks in a range of colours
- Collaborated with Timothy Goodman on a customised Notebook

Manufacturing

- Opened 27,000 sq ft state of the art European manufacturing facility in Dagenham, London
- Added three indigo presses and introduced a new MGI JETvarnish system along with scanners and vision systems to improve quality and speed

Marketing & Customer

- Established a new customer-centric operating model focussed around creative customers
- Launched awareness campaigns across broadcast online and outdoor media
- Launched influencer campaigns to 1 million strong social media community

Sales & Service

- Introduced new service offerings of 'Essential' and 'Office' for our larger customers
- Opened a new sales office in Denver to better serve our West Coast customers
- Combined Sales, Service and Design Support to offer all our customers better and more relevant service

Digital Products & Technology

- Undertook the first of a multi-year investment in our Technology platform
- Successfully migrated moo.com to Amazon Web Services
- Began work on the re-architecture of our web services to allow for rapid new physical product development

Executive Team



Darren Shapland
Chairman

Darren chairs our board which is made up of the Executives, Non-Executives and our investors.

Outside of the Board he works with Richard and the team to support them in developing and growing the business over the medium term.

Darren joined MOO in January 2017 and is an experienced Chairman and Non Executive of both public and private companies having previously been a CEO and CFO of large public companies in the consumer sector.



Richard Moross
Founder & CEO

Richard founded MOO in 2004.

In addition to MOO, he was a Non-Executive Director of Ladbrokes PLC from 2012-2016 and has been a Non-Executive Director at N Brown PLC since October 2016.

Richard was awarded an MBE for 'Services to Entrepreneurship' in the Queen's 2015 New Year's Honours.

Richard is based in London.



Ed Goldfinger
Chief Financial Officer

Ed joined MOO in 2017.

He previously led Zipcar to its IPO on the Nasdaq in April 2011, later selling the business to Avis in 2013. Ed has also held senior roles at Veracode, PepsiCo and Sapient, having started his career at KPMG.

He holds a Bachelor of Science and Economics from the Wharton School.

Ed is based in London and Boston.



Nick Ruotolo
Chief Operations Officer

Nick joined MOO in 2017.

Prior to joining MOO, Nick was part of the Executive team at onefinestay who managed the sale of the Company to Accor hotels. Nick also spent a number of years at Vistaprint, where he served as an Executive Officer and a member of the management board, during which time the company went public on the Nasdaq.

He holds a Bachelor of Science and Managerial Economics from Carnegie Mellon.

Nick is based in Boston and London.



Kingsley Macey
Chief People Officer

Kingsley joined MOO in 2018.

Prior to joining MOO, Kingsley was VP HR at King, the creators of Candy Crush, which went public on the New York Stock Exchange in March 2013.

His career to date also includes roles at companies including Coca Cola and Expedia.

He holds a Masters Degree in Human Resources from Westminster University

Kingsley is based in London.



Stephanie Shore
Chief Marketing Officer

Stephanie joined MOO in 2013.

In that time she has held several senior Marketing roles with the company. Her previous experience includes Boston.com and Zipcar.

She holds a Bachelor of Business Administration from the University of Massachusetts.

Stephanie is based in Boston.

Moo Print Limited

Strategic report
for the year ended 31 December 2017 (continued)

Principal activities, trading review and future developments

The principal activity of the group is to produce and sell online personalised printed products. MOO's primary products are business cards, postcards and flyers, which are sold to small and medium sized businesses worldwide. MOO offers an award-winning website which allows customers to use proprietary design templates to create high quality products online. Its largest markets are the US and UK. Larger customers utilise the 'MOO Business Services' order management platform.

Principal risks and uncertainties

In addition to the financial risks facing the group; the group is exposed to a number of risks arising from its operations.

The markets for the group's products are competitive and the group seeks to mitigate this risk by differentiating itself by offering its services exclusively online, by investing heavily in brand marketing to emphasise its premium quality, by ensuring that the product range is of both high quality and design as well as continuing to add new products and features.

By virtue of the group's operations in the online retail industry, it is exposed to changes in demand arising from changes in global economic conditions. The group seeks to minimise this risk by competitively pricing its products and by spending significantly in promoting the 'MOO' brand and its products both online and offline.

The group is exposed to the risk that poor quality products may have a detrimental effect on the reputation of the results of the group. In order to manage this risk, the group has vertically integrated operations from website through to product over which it has direct control and has robust quality control processes in place to ensure that all products meet the required standards of quality.

Key performance indicators (KPIs)

Management drives business performance and growth through the setting of clearly defined and measured key performance indicators (KPIs). The KPIs that are used to monitor and manage the business are primarily:

	2017 £'000	2016 £'000
Revenue	90,251	75,051
Gross margin	60,781	51,529
Adjusted EBITDA	4,699	3,043
Staff costs	27,858	21,134

Research and development

The group continues to invest heavily in research and development. This has resulted in improvements to existing products and the creation and launch of new products throughout the year.

Moo Print Limited

Strategic report
for the year ended 31 December 2017 (continued)

Financial instruments

The group's operations expose it to a variety of financial risks that include the effects of foreign currency risk and liquidity risk.

Foreign currency risk

The group is exposed to foreign currency risk on its operations by virtue of entering into transactions in currencies other than the group's functional currency. In order to manage this risk the group makes use of natural hedges where possible, purchasing goods and services in those currencies other than sterling which it collects through sales outside the UK. The group also makes use of forward contracts to mitigate foreign currency risk.

Liquidity risk

The group monitors cash flow as part of its day-to-day control procedures to ensure appropriate financing is available as necessary.

Approval

This strategic report was approved on behalf of the Board on 25th September 2018.

Richard Moross
Director

Moo Print Limited

Directors' report
for the year ended 31 December 2017

The directors present their report together with the audited financial statements for the year ended 31 December 2017.

Directors

The directors of the company during the year were:

R Klein
R Moross
N Rimer (resigned 30th January 2018)
B Holmes (appointed 30th January 2018)
R Moore
A Pooler
S Calver
D Shapland

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1-4. These matters relate to the principal risks to which the company is exposed and future developments.

Moo Print Limited

Directors' report
for the year ended 31 December 2017 (continued)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board

Richard Moross
Director

Date

Moo Print Limited

Corporate Governance Report for the year ended 31 December 2017

Corporate Governance Statement

The Board's objective is to build a sustainable business through consistent, profitable growth and to make sure that it acts responsibly in meeting its accountabilities to shareholders. Sound corporate governance is key to achieving this objective.

Remuneration Committee

The Remuneration Committee was established in September 2014 and comprised three Non-Executive Directors of the Company, Mandy Pooler (Chair), Darren Shapland and Simon Calver.

Meetings

Pursuant to its Terms of Reference, the Remuneration Committee is scheduled to meet at least twice annually. The Executive Directors and other senior executives of the Group may be invited to attend meetings of the Remuneration Committee so as to advise the Remuneration Committee members, to discuss the performance of senior staff, and to make proposals as necessary. Professional advisers and other persons with relevant experience may also be invited to attend except for deliberations relating to that person's remuneration if applicable.

Terms of reference

The Remuneration Committee is advisory in nature to the Board and makes recommendations to the Board in accordance with the Corporate Governance guidelines. No Director plays a part in any discussion about his own remuneration.

Governance

Appropriate specialist advice is taken where necessary, bearing in mind the international operations of the Company.

Employment arrangements

In accordance with its remit, the Committee determines the terms and conditions of service of the Group's senior staff and Executive Directors which includes the determination of appropriate salaries, bonuses, share options, pension and long term incentive arrangements and all other relevant terms and conditions of service, as well as termination arrangements, which are prudently designed to attract, motivate and retain staff of the high calibre needed to maintain the Group's position and to reward them for enhancing value to shareholders.

The remuneration and terms and conditions of the Non-Executive Directors are determined by the Board with due regard to the interests of shareholders and the performance of the Group. No Executive or Non-Executive Director plays any part in the discussion or approval of his/her own remuneration.

Share-based remuneration

The Company's EMI share option scheme was introduced in December 2006 and ceased in April 2014 when the EMI employee limit was exceeded. During 2015 the company has implemented a CSOP (Company Share Option Scheme).

Audit Committee

The Audit Committee was established in September 2014 and comprises two members, Simon Calver (Chairman) and Darren Shapland. The Company Secretary is Secretary to the Audit Committee and attends its meetings.

Moo Print Limited

Corporate Governance Report for the year ended 31 December 2017 (continued)

Terms of reference

In accordance with its remit, and acting as a sub-committee of the Board, the Committee is responsible for exercising the full powers and authority of the Board in reviewing a wide range of accounting and financial reporting matters, as well as internal control and risk management issues.

The Audit Committee is advisory in nature to the Board, and its Terms of Reference require it to be independent in relation to controls, procedures, policies and accounting. The Audit Committee supports the Board's responsibilities in respect of the monitoring, review and reporting on internal controls and risk management.

The Committee reviews the published financial results, Annual Report and other published information for statutory and regulatory compliance. It reports its views to the Board to assist in its review and approval of the results announcements and the Annual Report.

The Terms of Reference are reviewed annually and are approved by the Board.

Meetings

The Audit Committee is required to meet at least twice a year. Meetings generally proceed with the Chairman, Chief Executive Officer, Chief Financial Officer and the external auditors (BDO LLP) attending by invitation as considered appropriate.

Moo Print Limited

Independent auditor's report

TO THE MEMBERS OF MOO PRINT LIMITED

Opinion

We have audited the financial statements of Moo Print Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2017 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and 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's affairs as at 31 December 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 or the Parent Company'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.

Moo Print Limited

Independent auditor's report (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

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 strategic report and Director's report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Moo Print Limited

Independent auditor's report (continued)

Responsibilities of Directors

As explained more fully in the directors' report, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Andy Viner (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Moo Print Limited

Consolidated income statement
for the year ended 31 December 2017

	Note	2017 £'000	2016 As restated £'000
Turnover	3	90,251	75,051
Cost of sales		(29,470)	(23,522)
Gross Profit		<u>60,781</u>	<u>51,529</u>
Administrative expenses		(58,971)	(53,578)
Operating Profit/(Loss)	4	<u>1,810</u>	<u>(2,049)</u>
Profit on disposal of fixed assets		2	49
Interest payable and similar charges	7	(1,037)	(431)
Profit/(Loss) on ordinary activities before taxation and other income		<u>775</u>	<u>(2,431)</u>
Taxation	8	168	688
Profit/(Loss) on ordinary activities after taxation		<u>943</u>	<u>(1,743)</u>
Profit/(Loss) for the financial year		<u><u>943</u></u>	<u><u>(1,743)</u></u>

All amounts relate to continuing activities.

The notes on pages 25 to 40 form part of these financial statements.

Moo Print Limited

Consolidated statement of comprehensive income for the year ended 31 December 2017

	2017 £'000	2016 £'000
Profit/(Loss) for the financial year	943	(1,743)
Currency translation differences	(606)	891
Total comprehensive Profit/(Loss) for year	<u>337</u>	<u>(852)</u>

The notes on pages 25 to 40 form part of these financial statements.

Moo Print Limited

Consolidated balance sheet
at 31 December 2017

Company number 5121723	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Intangible assets	9		6,596		3,782
Tangible assets	10		5,132		4,245
			<u>11,728</u>		<u>8,027</u>
Current assets					
Stocks	12	1,533		1,614	
Debtors	13	6,289		5,595	
Cash at bank and in hand		4,058		1,375	
		<u>11,880</u>		<u>8,584</u>	
Creditors: amounts falling due within one year	14	(13,834)		(16,873)	
Net current liabilities			<u>(1,954)</u>		<u>(8,289)</u>
Total assets less current liabilities			<u>9,774</u>		<u>(262)</u>
Creditors: amounts falling due after more than one year	15		(10,021)		(472)
			<u>(247)</u>		<u>(734)</u>
Capital and reserves					
Called up share capital	17		2		2
Share premium			11,038		10,907
Profit and loss reserve			(11,287)		(11,643)
Shareholders' funds			<u>(247)</u>		<u>(734)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25th September 2018.

R Moross
Director

The notes on pages 25 to 40 form part of these financial statements.

Moo Print Limited

Consolidated statement of changes in equity for the year ended 31 December 2017

	Share capital £	Share premium £	Profit and loss account £	Total equity £
1 January 2017	2	10,907	(11,643)	(734)
Comprehensive income for the year				
Profit for the year	-	-	943	943
	<hr/>	<hr/>	<hr/>	<hr/>
Currency translation differences	-	-	(606)	(606)
	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	(606)	(606)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	337	337
	<hr/>	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners				
Share based payment	-	-	19	19
Exercise of share options	-	131	-	131
	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	131	19	150
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2017	2	11,038	(11,287)	(247)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 25 to 40 form part of these financial statements.

Moo Print Limited

Consolidated statement of changes in equity for the year ended 31 December 2016 (continued)

	Share capital £	Share premium £	Advance share subscription £	Profit and loss account £	Total equity £
1 January 2016	2	4,935	5,944	(10,807)	74
Comprehensive income for the year					
Loss for the year	-	-	-	(1,743)	(1,743)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Currency translation differences	-	-	-	891	891
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-	891	891
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-	(852)	(852)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners					
Share based payment	-	-	-	16	16
Exercise of share options	-	28	-	-	28
Conversion of advance subscription	-	5,944	(5,944)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	5,972	(5,944)	16	44
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2016	2	10,907	-	(11,643)	(734)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 25 to 40 form part of these financial statements.

Moo Print Limited

Consolidated statement of cash flows for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Profit/ (Loss) for the financial year		943	(1,743)
Adjustments for:			
Depreciation of tangible fixed assets	10	1,807	1,552
Amortisation of intangible fixed assets	9	1,829	1,342
Impairment of intangible fixed assets		323	-
Taxation charge		(166)	223
Net interest payable		1,037	431
Share based payment charges		19	16
Trade and other debtors		(725)	(2,068)
Stocks		(3)	(359)
Trade and other creditors		785	3,232
Profit on sale of fixed assets		-	(49)
Foreign exchange results		(768)	891
Cash from operations		5,081	3,468
Interest paid: finance leases			
		(26)	(31)
Interest paid: bank loans			
		(1,013)	(400)
Taxation paid			
		(8)	(223)
Net cash generated from operating activities		4,034	2,814
Cash flows from investing activities			
Purchases of tangible fixed assets	10	(2,694)	(3,768)
Purchases of intangible assets	9	(4,966)	(2,345)
Sales of tangible fixed assets	10	-	55
Net cash used in investing activities		(7,660)	(6,058)
Cash flows from financing activities			
Capital element of lease repaid		(147)	(29)
Advance Subscription		131	28
Issue costs of new lease		(54)	-
New bank loans		6,500	-
New finance leases		-	594
Net cash generated from financing activities		6,430	593
Net increase in cash and cash equivalents		2,804	(2,651)
Effect of exchange rates on cash and cash equivalents		(121)	-
Cash and cash equivalents at beginning of year		1,375	4,026
Cash and cash equivalents at end of year		4,058	1,375
Cash and cash equivalents comprise:			
Cash at bank and in hand		4,058	1,375

The notes on pages 25 to 40 form part of these financial statements.

Moo Print Limited

Company balance sheet
at 31 December 2017

Company number 5121723	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Intangible assets	9		6,595		3,782
Tangible assets	10		3,396		2,644
Investments	11		-		-
			<u>9,991</u>		<u>6,426</u>
Current assets					
Stocks	12	659		613	
Debtors	13	5,081		3,677	
Cash at bank and in hand		1,582		759	
		<u>7,322</u>		<u>5,049</u>	
Creditors: amounts falling due within one year	14	(8,912)		(12,530)	
Net current liabilities			<u>(1,590)</u>		<u>(7,481)</u>
Total assets less current liabilities			<u>8,401</u>		<u>(1,055)</u>
Creditors: amounts falling due after more than one year	15		(9,500)		-
			<u>(1,099)</u>		<u>(1,055)</u>
Capital and reserves					
Called up share capital	17		2		2
Share premium			11,038		10,907
Profit and loss reserve			(12,139)		(11,964)
Shareholders' funds			<u>(1,099)</u>		<u>(1,055)</u>

The company made a loss of £194,000 (2016 – loss of £2,350,000).

The financial statements were approved by the Board of Directors and authorised for issue on 25th September 2018.

R Moross
Director

The notes on pages 25 to 40 form part of these financial statements.

Moo Print Limited

Company statement of changes in equity for the year ended 31 December 2017

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
1 January 2017	2	10,907	(11,964)	(1,055)
Comprehensive income for the year				
Loss for the year	-	-	(194)	(194)
	<hr/>	<hr/>	<hr/>	<hr/>
Currency translation differences	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	(194)	(194)
	<hr/>	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners				
Share based payment	-	-	19	19
Exercise of share options	-	131	-	131
	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	131	19	150
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2017	2	11,038	(12,139)	(1,099)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 25 to 40 form part of these financial statements.

Moo Print Limited

Company statement of changes in equity for the year ended 31 December 2016 (continued)

	Share capital £'000	Share premium account £'000	Advance share subscription £'000	Profit and loss account £'000	Total equity £'000
1 January 2016	2	4,935	5,944	(9,630)	1,251
Comprehensive income for the year					
Loss for the year	-	-	-	(2,350)	(2,350)
Currency translation differences	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(2,350)	(2,350)
Contributions by and distributions to owners					
Share based payment	-	-	-	16	16
Exercise of share options	-	28	-	-	28
Conversion of advance subscription	-	5,944	(5,944)	-	-
Total contributions by and distributions to owners	-	5,972	(5,944)	16	44
31 December 2016	2	10,907	-	(11,964)	(1,055)

The notes on pages 25 to 40 form part of these financial statements.

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017

1 Accounting policies

Moo Print Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Moo Print Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

As permitted by section 408 of the Companies Act 2006, the company has not presented its own income statement. The company made a loss of £194,000 for the year (2016 - loss of £2,350,000).

Turnover

Turnover represents sales to external customers via the website at invoiced amounts less VAT and trade discounts. Sales are recognised upon despatch of the ordered goods.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

Computer equipment	-	cost depreciated over 3 years
Fixtures, fittings and equipment	-	cost depreciated over 3-10 years
Software	-	cost depreciated over 4 years

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

Intangible fixed assets and amortisation

Domain name

The costs of acquiring the moo.com domain name are treated as an intangible asset. Amortisation is provided to write off the cost less estimated residual value over its expected useful economic life of 10 years.

Development costs

Where group companies' products and websites are expected to generate future revenues in excess of the costs of developing those products and websites, expenditure on new products and the functionality of the website is capitalised and treated as an intangible fixed asset. Expenditure incurred on maintaining existing products and websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred. Development costs that are capitalised are amortised through the profit and loss account over three years which is the directors' estimate of their useful economic life. Development costs held as intangible assets are stated at cost less any provision for impairment.

Purchased goodwill

Purchased Goodwill arising on an acquisition is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over 3 years which is the directors' estimate of its useful economic life. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial year following acquisition;
- in other periods of events or changes in circumstances indicate that the carrying value may not be recoverable.

Investments

Investments are stated at cost less any provision for impairment.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in first out basis. Net realisable value is based on estimated selling price.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the company's functional and the group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Advance Subscription

The proceeds received on issue of an advanced share subscription are allocated within equity and shown separately to other equity components. The future allocation between share capital and share premium is dependent on factors present at a time the shares are converted into ordinary share capital.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Leases

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

Share based payments

Where share options over equity instruments are awarded to employees, the fair value of the options at the date of the grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other non-market vesting conditions (if any) are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, any increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

Warrants

The fair value at the date of issue is charged in full to the profit and loss account in the year of issue.

Pension costs

Contributions to the defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Current and deferred taxation

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

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's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as short-term deposits.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Reserves

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Advance Subscription reserve represents the equity component of convertible debt instruments.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 10)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Development costs (see note 9)

Capitalised development costs are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

3 Turnover

Turnover is wholly attributable to the principal activity of the group which is undertaken within the United Kingdom and United States of America.

	2017 £'000	2016 £'000
Geographical market (by destination)		
UK	11,485	11,432
Europe	11,798	10,988
USA & Canada	63,415	49,462
Rest of World	3,553	3,169
	<u>90,251</u>	<u>75,051</u>

4 Operating profit/loss

	2017 £'000	2016 £'000
This has been arrived at after charging/(crediting):		
Amortisation of intangible assets	1,829	1,342
Depreciation of tangible assets	1,807	1,552
Auditors' remuneration		
- Audit	54	58
- Tax	12	3
Exchange differences	(768)	2,159
Share based payment (credit)	19	16
	<u>=====</u>	<u>=====</u>

5 Employees

	2017 £'000	2016 £'000
Staff costs consist of:		
Wages and salaries	24,757	18,694
Social security costs	2,446	1,904
Other pension costs	655	536
	<u>27,858</u>	<u>21,134</u>

The average number of employees, including directors, during the year was 479 (2016 - 392).

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

6 Directors' remuneration	2017 £'000	2016 £'000
Directors' emoluments	458	337
Amounts paid to third parties in respect of directors' services	-	-
	<u>458</u>	<u>337</u>
	<u><u>458</u></u>	<u><u>337</u></u>

One Director was a member of the defined contribution pension schemes in the current year (2016 – One).

No director exercised share options in the year (2016 - Nil).

The total amount payable to the highest paid director in respect of emoluments was £351,000 (2016 - £262,000).

7 Interest payable and similar charges	2017 £'000	2016 £'000
Bank and other loans	1,011	400
Finance leases and hire purchase contracts	26	31
	<u>1,037</u>	<u>431</u>
	<u><u>1,037</u></u>	<u><u>431</u></u>

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

8 Taxation	2017	2016
	£'000	As restated £'000
Current tax		
UK corporation tax on profit/(loss) for the year	(537)	(241)
Adjustments in respect of prior years	(348)	(670)
Overseas tax	547	223
Total current tax credit	<u>(338)</u>	<u>(688)</u>
Deferred tax		
Origination and reversal of timing differences	179	-
Foreign exchange on overseas tax balances	(9)	-
Total deferred tax	<u>170</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>(168)</u>	<u>(688)</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2017	2016
	£'000	As restated £'000
Profit/(Loss) on ordinary activities before tax	775	(2,431)
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	149	(486)
Effects of:		
Fixed asset differences	5	16
Expenses not deductible for tax purposes	31	102
Other permanent differences	44	-
Deferred tax not recognised	192	534
Prior year adjustments in respect of R&D tax credits	(348)	(670)
Current year R&D tax credits	(537)	(241)
Difference in overseas tax rate	305	57
Foreign exchange on overseas tax balances	(9)	-
Total tax credit for year	<u>(168)</u>	<u>(688)</u>

The company has estimated losses of £3,600,000 (2016 - £8,500,000) available for carry forward against future trading profits. No deferred tax asset has been recognised in accordance with the group's accounting policy.

Restatement – Reclassification of R&D tax credit

The Directors have determined that, in line with best practice for large companies, the R&D tax credit should be shown within the tax line rather than as a deduction from employment costs. The directors have therefore reclassified the 2016 R&D tax credit of £911,000 accordingly. There is no overall impact of this reclassification on the consolidated income statement, consolidated balance sheet, consolidated cash flow statement or consolidated statement of changes in equity.

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

9 Intangible assets

Group and Company	Capitalised development costs £'000	Domain name £'000	Purchased goodwill £'000	Total £'000
Cost				
At 1 January 2017	6,342	95	536	6,973
Additions	4,966	-	-	4,966
Disposals	(401)	-	(524)	(925)
At 31 December 2017	<u>10,907</u>	<u>95</u>	<u>12</u>	<u>11,014</u>
Amortisation				
At 1 January 2017	2,585	76	530	3,191
Charge for the year	1,817	10	2	1,829
Disposals	(78)	-	(524)	(602)
At 31 December 2017	<u>4,324</u>	<u>86</u>	<u>8</u>	<u>4,418</u>
Net book value				
At 31 December 2017	<u>6,583</u>	<u>9</u>	<u>4</u>	<u>6,596</u>
At 31 December 2016	<u>3,757</u>	<u>19</u>	<u>6</u>	<u>3,782</u>

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

10 Tangible fixed assets

Group	Plant and machinery £'000	Computer equipment £'000	Furniture and fixtures £'000	Software £'000	Total £'000
Cost					
At 1 January 2017	2,517	1,593	4,107	390	8,607
Additions	872	263	1,559	-	2,694
Disposals	-	-	-	-	-
At 31 December 2017	<u>3,389</u>	<u>1,856</u>	<u>5,666</u>	<u>390</u>	<u>11,301</u>
Depreciation					
At 1 January 2017	1,172	1,045	1,922	223	4,362
Charge for the year	600	321	816	70	1,807
Disposals	-	-	-	-	-
At 31 December 2017	<u>1,772</u>	<u>1,366</u>	<u>2,738</u>	<u>293</u>	<u>6,169</u>
Net book value					
At 31 December 2017	<u>1,617</u>	<u>490</u>	<u>2,928</u>	<u>97</u>	<u>5,132</u>
At 31 December 2016	<u>1,345</u>	<u>548</u>	<u>2,185</u>	<u>167</u>	<u>4,245</u>
Company					
Cost					
At 1 January 2017	1,392	1,085	3,058	390	5,925
Additions	201	172	1,629	-	2,002
Disposals	-	-	-	-	-
At 31 December 2017	<u>1,593</u>	<u>1,257</u>	<u>4,687</u>	<u>390</u>	<u>7,927</u>
Depreciation					
At 1 January 2017	814	735	1,509	223	3,281
Charge for the year	345	231	604	70	1,250
At 31 December 2017	<u>1,159</u>	<u>966</u>	<u>2,113</u>	<u>293</u>	<u>4,531</u>
Net book value					
At 31 December 2017	<u>434</u>	<u>291</u>	<u>2,574</u>	<u>97</u>	<u>3,396</u>
At 31 December 2016	<u>578</u>	<u>350</u>	<u>1,549</u>	<u>167</u>	<u>2,644</u>

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

10 Tangible fixed assets (continued)

The net book value of tangible assets for the group includes an amount of £684,000 (2016 - £595,000) in respect of assets held under finance leases. The company has assets held under finance leases with a net book value of £ Nil (2016 - £ Nil).

11 Investments £'000

Cost	-
At 1 January 2017 and 31 December 2017	-

Investment held at a cost of £1 (2016 - £1).

Subsidiary undertakings

The principal undertakings in which the company's interest at the year-end is 20% or more are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Moo Inc.	USA	100%	Sale of personalised printed products

12 Stocks

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Raw materials and consumables	971	1,152	343	354
Finished goods and goods for resale	562	462	316	259
	<u>1,533</u>	<u>1,614</u>	<u>659</u>	<u>613</u>

There is no material difference between the replacement cost of stocks and the amounts stated above. £7,413,000 (2016 - £5,959,000) of raw materials were recognised through the Income Statement during the year.

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

13 Debtors	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Trade debtors	1,509	1,078	360	247
Other debtors	2,262	2,041	2,026	1,801
Amounts due to subsidiary	-	-	873	-
Prepayments	2,518	2,476	1,822	1,629
	<u>6,289</u>	<u>5,595</u>	<u>5,081</u>	<u>3,677</u>

Included in other group debtors are amounts due after one year of £1,042,000 (2016 - £768,000). Included in other company debtors are amounts due after one year of £805,000 (2016 - £768,000).

14 Creditors: amounts falling due within one year	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Trade creditors	6,357	7,990	4,063	3,771
Taxation and social security	431	236	252	112
Amounts due to subsidiary	-	-	-	1,458
Finance leases	163	123	-	-
Bank loan	2,000	5,000	2,000	5,000
Accruals and deferred income	4,883	3,524	2,597	2,189
	<u>13,834</u>	<u>16,873</u>	<u>8,912</u>	<u>12,530</u>

15 Creditors: amounts falling due after more than one year	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Finance leases	521	472	-	-
Bank loans	9,500	-	9,500	-
	<u>10,021</u>	<u>472</u>	<u>9,500</u>	<u>-</u>

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

15 Creditors: amounts falling due after more than one year (continued)

Maturity of debt:	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Finance leases				
In more than one but not more than two years	163	123	-	-
In more than two but not more than five years	521	349	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Bank loans				
In more than one but not more than two years	1,333	-	1,333	-
In more than two but not more than five years	8,167	-	8,167	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The amounts payable under finance leases are secured against the assets themselves.

16 Financial instruments

The Group's and Company's financial instruments may be analysed as follows:

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Financial assets				
Financial assets measured at amortised cost	7,734	4,254	3,874	2,566
Derivative financial instruments	95	-	95	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial liabilities				
Financial liabilities measured at amortised cost	22,740	16,426	18,160	10,871
Derivative financial instruments	-	88	-	88
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

Derivative financial instruments comprise forward currency exchange contracts.

Information regarding the group's exposure and management liquidity risk and foreign exchange risk is included in the Directors' report.

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

17 Share capital

	2017 £'000	2016 £'000
Allotted, called up and fully paid		
2,047,076 ordinary shares of £0.001 each (2016 - 1,971,798)	2	2
873,020 'A' preferred ordinary shares of £0.000001 each (2016 - 873,020)	-	-
249,978 'B' preferred ordinary shares of £0.000001 each (2016 - 249,978)	-	-
106,332 'B-1' preferred ordinary shares of £0.001 each (2016 - 106,332)	-	-
	<u>2</u>	<u>2</u>
	<u><u>2</u></u>	<u><u>2</u></u>

Movement in share capital

During the year options over 35,278 (2016 - 47,464) ordinary shares were exercised with an aggregate nominal value of £35.28 (2016 - £20.46) and total consideration received of £58,333 (2016 - £29,026). The weighted average share price at the date of exercise was £0.315 (2016 - £0.315). During the year nil shares (2016 - 27,000) under ESS grants were issued with an aggregate nominal value of £nil (2016 - 27.00). During the year 40,000 shares (2016 - nil) under a restricted share purchase agreement were issued with an aggregate nominal value of £40.00 (2016 - nil).

Share warrants

Warrants over shares in the company have been issued in relation to a loan facility. As at 31 December 2017, 60,504 warrants over preference shares (2016 - 53,414) had been issued. The warrants have a weighted average strike price of £10.41 (2016 - £7.02). The warrants were valued using the Black-Scholes option-pricing model.

A reconciliation of option movements over the year to 31 December 2017 is shown below:

	Number	2017 Weighted average exercise price	Number	2016 As restated Weighted average exercise price
Outstanding at 1 January	155,567	£1.327	179,860	£1.351
Granted	126,489	£1.888	6,040	£1.970
Exercised	(35,278)	£1.654	(20,464)	£1.418
Lapsed	(11,759)	£1.954	(9,869)	£1.970
Outstanding at 31 December	<u>235,019</u>	£1.548	<u>155,567</u>	£1.403
Exercisable at 31 December	-		-	

The weighted average exercise price of options outstanding at the year-end was £ 1.548 (2016 - £1.403) and their weighted average contractual life was 10 years (2016 - 10 years).

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

18 Commitments under operating leases

Lessee

The group and company had minimum lease payments under non-cancellable operating leases as set out below:

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Not later than 1 year	3,442	3,379	2,034	1,890
Later than 1 year and not later than 5 years	7,054	9,852	5,840	7,615
Later than 5 years	1,018	1,278	1,018	1,278
Total	<u>11,514</u>	<u>14,509</u>	<u>8,892</u>	<u>10,783</u>

19 Pensions

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charged represents contributions payable by the company to the fund of £406,000 (2016 - £343,000). The amount outstanding to the fund at the balance sheet date was £65,000 (2016 - £63,000).

20 Related party disclosures

The company has taken advantage of the exemption conferred by FRS102, S.33, "Related Party Disclosures" not to disclose transactions with wholly owned members of the group headed by Moo Print Limited.

During the year, the company entered into no other related party transactions.

Moo Print Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

21 Reconciliation of loss on ordinary activities after taxation to Adjusted EBITDA

Adjusted EBITDA is defined as results of operating activities before depreciation and amortisation and exceptional non-recurring items which are defined as items of income and expense of such size, nature or incidence, that in the view of management their disclosure is relevant to explain the performance of the Group for the year.

Adjusted EBITDA is not a financial measure calculated in accordance with UK GAAP. The presentation on these financial measures may not be comparable to similarly titled measures reported by other companies due to the differences in the ways the measures are calculated.

Adjusted EBITDA is calculated as follows:

	2017	2016
	£'000	As restated £'000
Profit/(Loss) on ordinary activities after taxation	943	(1,743)
Amortisation	1,829	1,342
Depreciation	1,807	1,552
Interest paid	1,037	431
Taxation paid/(rebate)	(168)	(1,133)
Exchange rate (gains)/losses	(768)	2,159
Share based payment expense	19	16
One-off non-recurring costs	-	419
Adjusted EBITDA	<u>4,699</u>	<u>3,043</u>