

Company Registration No. 02120366 (England and Wales)

**MARK ALLEN HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

THURSDAY



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29/11/2018

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# MARK ALLEN HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	B Allen M Allen K Toumba B Goodridge S Allen E Tranter J Benson M Govett S Thompson P Rigby A Kerr	(Appointed 3 July 2017) (Appointed 23 April 2018)
<b>Secretary</b>	B Allen	
<b>Company number</b>	02120366	
<b>Registered office</b>	St Jude's Church Dulwich Road Herne Hill London SE24 0PB	
<b>Auditor</b>	Blick Rothenberg Audit LLP Palladium House 1-4 Argyll Street London W1F 7LD	
<b>Business address</b>	St Jude's Church Dulwich Road Herne Hill London SE24 0PB	

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# MARK ALLEN HOLDINGS LIMITED

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# MARK ALLEN HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2018

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The directors present the strategic report for the year ended 31 March 2018.

#### **Fair review of the business**

The principal activities of the group are the publishing of medical, educational, leisure and trade magazines and journals, the publishing of medical and educational books, the organisation of conferences and exhibitions, the organisation of world-wide study tours and on-line trading through its websites.

The directors were delighted by the performance in 2018. Turnover increased by £6.2 million from £37.1 million to £43.3 million, an increase of 16.8%. Profit before taxation went up from £3.7 million to £5.0 million, with the net profit margin improving from 9.9% to 11.6%. Similarly, EBITDA improved by an impressive 30.5%, from £5.5 million to £7.2 million. Cash conversion of net cash inflow from operating activities/profit for the financial year increased from 1.32 in 2017 to 1.97 in 2018. This performance was all the more gratifying given the challenging financial and political environment.

#### **Principal risks and uncertainties**

The financial instruments used by the group, which comprise debtors, cash at bank and creditors, arise wholly and directly from its activities. The group manages the financial risks relating thereto by means of the following measures:

1. The group regularly monitors the level of its debtors and follows up on any overdue balances;
2. The group maintains monthly management accounts and monitors its cash flow daily; and
3. The possible risk of the withdrawal of credit by suppliers is managed by paying promptly within agreed credit terms and regular monitoring of the level of trade creditors.

#### **Key performance indicators**

The following are the key performance indicators used by the group:

- Revenue in the year - £43.3 million (2017: £37.1 million)
- Gross profit for the year - £14.8 million (2017: £11.5 million)
- EBITDA - £7.2 million (2017: £5.5 million)

#### **Post balance sheet events and future developments**

The directors intend to continue growing the business both organically and by acquisition. The pace at which they do so will depend on the prevailing economic conditions and outlook.

On behalf of the board



M Allen

Director

22/11/2018.

# MARK ALLEN HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2018

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The directors present their annual report and financial statements for the year ended 31 March 2018.

#### Principal activities

The principal activities of the group are the publishing of medical, educational, leisure and trade magazines and journals, the publishing of medical and educational books, the organisation of conferences and exhibitions, the organisation of world-wide study tours and on-line trading through its websites.

#### Directors

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

B Allen

M Allen

K Toumba

B Goodridge

S Allen

E Tranter

J Benson

M Govett

S Thompson

P Rigby

(Appointed 3 July 2017)

A Kerr

(Appointed 23 April 2018)

#### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £972,000. The directors do not recommend payment of a further dividend.

#### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Employee involvement

The group's policy is to consult and discuss with employees, through consultations and and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

# MARK ALLEN HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

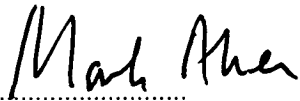
### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

### Strategic report

Particulars of post balance sheet events, future developments and risk exposure are disclosed in the Strategic Report as permitted Statutory Instrument 2008/410 (as amended).

On behalf of the board



M Allen

Director

Date: 22/11/2018

# MARK ALLEN HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MARK ALLEN HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Mark Allen Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company 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 FRS 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 the parent company's affairs as at 31 March 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the 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's 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.

#### 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.

# **MARK ALLEN HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MARK ALLEN HOLDINGS LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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**

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 on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.



# MARK ALLEN HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MARK ALLEN HOLDINGS LIMITED

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*Blick Rothenberg Audit Ltd*  
Stephen Fenton FCA (Senior Statutory Auditor)  
for and on behalf of Blick Rothenberg Audit LLP

*22.11.2018*  
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Statutory Auditor

Palladium House  
1-4 Argyll Street  
London  
W1F 7LD

# MARK ALLEN HOLDINGS LIMITED

## GROUP STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	43,382,806	37,147,083
Cost of sales		(28,621,997)	(25,682,601)
<b>Gross profit</b>		14,760,809	11,464,482
Administrative expenses		(9,491,034)	(8,190,501)
<b>Operating profit</b>	<b>4</b>	5,269,775	3,273,981
Interest receivable and similar income	<b>8</b>	2,732	1,484
Interest payable and similar expenses	<b>9</b>	(257,947)	(178,513)
Other income	<b>10</b>	-	580,614
<b>Profit before taxation</b>		5,014,560	3,677,566
Taxation	<b>11</b>	(1,406,151)	(789,687)
<b>Profit for the financial year</b>		3,608,409	2,887,879

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

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

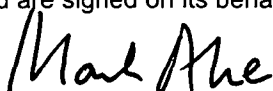
# MARK ALLEN HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Goodwill	13	26,343,896		21,661,470	
Other intangible assets	13	167,056		-	
Total intangible assets		26,510,952		21,661,470	
Tangible assets	14	787,253		691,000	
		27,298,205		22,352,470	
<b>Current assets</b>					
Stocks	18	50,483		128,026	
Debtors	19	11,531,269		7,247,662	
Cash at bank and in hand		2,399,035		3,165,073	
		13,980,787		10,540,761	
<b>Creditors: amounts falling due within one year</b>	20	(21,227,742)		(16,380,724)	
<b>Net current liabilities</b>		(7,246,955)		(5,839,963)	
<b>Total assets less current liabilities</b>		20,051,250		16,512,507	
<b>Creditors: amounts falling due after more than one year</b>	21	(5,605,750)		(4,725,251)	
<b>Provisions for liabilities</b>	23	(21,835)		-	
<b>Net assets</b>		14,423,665		11,787,256	
<b>Capital and reserves</b>					
Called up share capital	26	100,000		100,000	
Profit and loss reserves		14,323,665		11,687,256	
<b>Total equity</b>		14,423,665		11,787,256	

The financial statements were approved by the board of directors and authorised for issue on 22/11/2018 and are signed on its behalf by:



M Allen  
Director

# MARK ALLEN HOLDINGS LIMITED

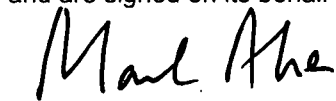
## COMPANY BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Investments	15	6,790,982		6,790,982	
<b>Current assets</b>					
Debtors	19	7,251,105		3,215,628	
Cash at bank and in hand		1,779		6,803	
		<u>7,252,884</u>		<u>3,222,431</u>	
<b>Creditors: amounts falling due within one year</b>	20	<u>(8,304,247)</u>		<u>(5,266,608)</u>	
<b>Net current liabilities</b>			(1,051,363)		(2,044,177)
<b>Total assets less current liabilities</b>			5,739,619		4,746,805
<b>Creditors: amounts falling due after more than one year</b>	21		(5,605,750)		(4,725,251)
<b>Net assets</b>			<u>133,869</u>		<u>21,554</u>
<b>Capital and reserves</b>					
Called up share capital	26	100,000		100,000	
Profit and loss reserves		33,869		(78,446)	
<b>Total equity</b>			<u>133,869</u>		<u>21,554</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,084,315 (2017 - £179,582 loss).

The financial statements were approved by the board of directors and authorised for issue on 22/11/2018 and are signed on its behalf by:



M Allen  
Director

Company Registration No. 02120366

# MARK ALLEN HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2016		100,000	8,799,377	8,899,377
<b>Year ended 31 March 2017:</b>				
Profit and total comprehensive income for the year		-	2,887,879	2,887,879
Balance at 31 March 2017		100,000	11,687,256	11,787,256
<b>Year ended 31 March 2018:</b>				
Profit and total comprehensive income for the year		-	3,608,409	3,608,409
Dividends	12	-	(972,000)	(972,000)
Balance at 31 March 2018		100,000	14,323,665	14,423,665

# MARK ALLEN HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2016</b>		100,000	101,136	201,136
<b>Year ended 31 March 2017:</b>				
Loss and total comprehensive income for the year		-	(179,582)	(179,582)
<b>Balance at 31 March 2017</b>		100,000	(78,446)	21,554
<b>Year ended 31 March 2018:</b>				
Profit and total comprehensive income for the year		-	1,084,315	1,084,315
Dividends	12	-	(972,000)	(972,000)
<b>Balance at 31 March 2018</b>		100,000	33,869	133,869

# MARK ALLEN HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	32	6,613,647		4,790,488	
Interest paid		(257,947)		(178,513)	
Income taxes paid		(258,820)		(799,117)	
<b>Net cash inflow from operating activities</b>		<b>6,096,880</b>		<b>3,812,858</b>	
<b>Investing activities</b>					
Purchase of business		(5,173,546)		-	
Purchase of intangible assets		(2,434,142)		(3,606,727)	
Purchase of tangible fixed assets		(439,322)		(503,273)	
Proceeds on disposal of tangible fixed assets		5,968		18,400	
Proceeds from other investments and loans		(284)		-	
Proceeds arising from research and development		-		580,614	
Interest received		2,368		1,848	
<b>Net cash used in investing activities</b>		<b>(8,038,958)</b>		<b>(3,509,138)</b>	
<b>Financing activities</b>					
Proceeds of new bank loans		4,900,000		2,500,000	
Repayment of bank loans		(2,751,960)		(2,241,018)	
Dividends paid to equity shareholders		(972,000)		-	
<b>Net cash generated from financing activities</b>		<b>1,176,040</b>		<b>258,982</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(766,038)</b>		<b>562,702</b>	
Cash and cash equivalents at beginning of year		3,165,073		2,602,371	
<b>Cash and cash equivalents at end of year</b>		<b>2,399,035</b>		<b>3,165,073</b>	

# MARK ALLEN HOLDINGS LIMITED

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	33	(2,310,766)		(95,638)	
Interest paid		(257,298)		(178,390)	
<b>Net cash outflow from operating activities</b>		<u>(2,568,064)</u>		<u>(274,028)</u>	
<b>Investing activities</b>					
Dividends received		<u>1,387,000</u>		<u>-</u>	
<b>Net cash generated from/(used in) investing activities</b>		1,387,000		-	
<b>Financing activities</b>					
Proceeds of new bank loans		4,900,000		-	
Repayment of bank loans		(2,751,960)	258,982		
Dividends paid to equity shareholders		<u>(972,000)</u>	<u>-</u>		
<b>Net cash generated from financing activities</b>		1,176,040		258,982	
<b>Net decrease in cash and cash equivalents</b>		<u>(5,024)</u>		<u>(15,046)</u>	
Cash and cash equivalents at beginning of year		6,803		21,849	
<b>Cash and cash equivalents at end of year</b>		<u><u>1,779</u></u>		<u><u>6,803</u></u>	



# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

##### Company information

Mark Allen Holdings Limited ("the company") is a private company limited by shares and domiciled and incorporated in England and Wales. The registered office is St Jude's Church, Dulwich Road, Herne Hill, London, SE24 0PB.

The group consists of Mark Allen Holdings Limited and all of its subsidiaries.

#### 1.1 Accounting convention

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

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

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

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

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Mark Allen Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Subscription income is taken to the profit and loss account over the period to which the subscription relates. Advertising income is taken to the profit and loss account in the month of issue of the related publication. Subscription and fees received in advance at the balance sheet date are carried forward in creditors. Event sponsorship income is recognised on the date of the event. Marketing income is recognised as contract activity progresses to reflect the group's partial performance of its contractual obligations. Tour sales are recognised at the departure date of each tour. Payments received from customers for tours departing after the balance sheet date are carried forward in creditors.

#### 1.5 Intangible fixed assets - goodwill

Intangible fixed assets represent the goodwill, intellectual property and publishing rights in titles or conferences acquired by the group and the excess of acquisition costs over the net worth of companies acquired. These are stated at cost less amortisation. Amortisation is provided on acquired titles and events only, at rates calculated to write off the cost over the expected useful life, 5% of cost on a straight line basis or, if sooner, over the period to which the rights apply. Goodwill generated on the acquisition of subsidiary undertakings is written off to the profit and loss account over 14 to 20 years.

Goodwill does not include the development cost of new titles originated and launched in-house, which represents the majority of the group's portfolio of titles. Such development costs are written off as incurred and are not recognised in the balance sheet.

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Titles	Straight line over 14 to 20 years
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# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 1 Accounting policies

(Continued)

##### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings short leasehold	33.33% straight line on improvement works
Fixtures, fittings & equipment	20-50% straight line
Computer equipment	20-50% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

##### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

##### 1.10 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.11 Cash and cash equivalents

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

##### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

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

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

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

##### ***Derecognition of financial liabilities***

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

#### **1.13 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.14 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

(Continued)

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.16 Retirement benefits**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### **1.17 Leases**

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

#### **1.18 Foreign exchange**

Transactions in currencies other than pound sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### **1.19 Website costs**

Website development costs incurred with third parties relating to the application and infrastructure development, graphical design and content development stages are recognised as tangible fixed assets initially at cost for all websites that are deemed to generate future economic benefit in excess of the costs incurred. All other expenditure relating to planning, maintenance and service costs is recognised as an expense in the year which it is incurred.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Advertising	14,820,974	13,738,599
Conferences	15,230,467	12,122,767
Royalties	696,014	546,841
Book and bookstall sales	1,029,398	659,327
Other income	1,397,513	969,998
Subscriptions	8,450,919	8,642,892
Tour income	-	466,659
Direct Marketing	587,582	-
Projects	1,169,939	-
	<u>43,382,806</u>	<u>37,147,083</u>
	2018 £	2017 £
<b>Other significant revenue</b>		
Interest income	<u>2,732</u>	<u>1,484</u>
	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
Within UK	35,140,073	31,365,023
Outside UK	8,242,733	5,782,060
	<u>43,382,806</u>	<u>37,147,083</u>

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	26,766	(1,524)
Research and development costs	-	13,270
Depreciation of owned tangible fixed assets	347,711	328,836
Loss on disposal of tangible fixed assets	3,607	61,188
Amortisation of intangible assets	1,650,219	1,313,104
Profit on disposal of intangible assets	-	(867)
Cost of stocks recognised as an expense	811,403	813,090
Operating lease charges	631,628	505,517
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	-	-
Audit of the financial statements of the company's subsidiaries	105,200	79,082
	<u>          </u>	<u>          </u>
<b>For other services</b>		
All other non-audit services	29,335	18,720
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2018 Number	2017 Number
Editorial	108	25
Sales	59	76
Administrative	46	50
Studio and production	29	32
Circulation	13	30
IT and web development	13	20
Conference	32	10
Subs	15	13
Warehouse	2	2
Marketing and awards	7	13
Casuals	-	9
	<u>          </u>	<u>          </u>
	324	280
	<u>          </u>	<u>          </u>



# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	12,981,034	11,856,157
Social security costs	1,148,756	1,264,729
Pension costs	685,671	638,108
	<u>14,815,461</u>	<u>13,758,994</u>

### 7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	1,520,591	1,518,326
Company pension contributions to defined contribution schemes	89,193	98,535
	<u>1,609,784</u>	<u>1,616,861</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 9 (2017 - 8).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	<u>427,500</u>	<u>510,000</u>

### 8 Interest receivable and similar income

	2018 £	2017 £
<b>Interest income</b>		
Interest on bank deposits	1,671	1,484
Other interest income	1,061	-
Total income	<u>2,732</u>	<u>1,484</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>1,671</u>	<u>1,484</u>
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# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 9 Interest payable and similar expenses

	2018 £	2017 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	257,301	178,390
Other interest on financial liabilities	76	-
	<u>257,377</u>	<u>178,390</u>
<b>Other finance costs:</b>		
Other interest	570	123
	<u>257,947</u>	<u>178,513</u>

### 10 Other income

	2018 £	2017 £
Other gains and losses	-	580,614
	<u>-</u>	<u>580,614</u>

### 11 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,506,591	839,486
Adjustments in respect of prior periods	32,754	(35,283)
	<u>1,539,345</u>	<u>804,203</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(133,194)	(14,516)
	<u>(133,194)</u>	<u>(14,516)</u>
<b>Total tax charge for the year</b>	<u>1,406,151</u>	<u>789,687</u>

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 11 Taxation

(Continued)

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

	2018 £	2017 £
Profit before taxation	5,014,560	3,677,566
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	952,766	735,513
Tax effect of expenses that are not deductible in determining taxable profit	21,814	29,749
Adjustments in respect of prior years	185,786	(151,407)
Group relief	66,185	-
Permanent capital allowances in excess of depreciation	(41,582)	(61,378)
Depreciation on assets not qualifying for tax allowances	67,015	65,768
Amortisation on assets not qualifying for tax allowances	275,259	208,615
Deferred tax adjustments in respect of prior years	(133,194)	(14,516)
Fixed asset profit on disposal	686	12,237
Adjustments for provisions	10,058	(2,064)
Other adjustments	1,358	(32,830)
Taxation charge for the year	1,406,151	789,687

#### 12 Dividends

	2018 £	2017 £
Interim paid	972,000	-

#### 13 Intangible fixed assets

Group	Goodwill £	Titles £	Total £
<b>Cost</b>			
At 1 April 2017	25,197,396	314,195	25,511,591
Additions - separately acquired	2,434,142	-	2,434,142
Additions - business combinations	3,891,638	-	3,891,638
At 31 March 2018	31,523,176	314,195	31,837,371
<b>Amortisation and impairment</b>			
At 1 April 2017	3,535,926	140,274	3,676,200
Amortisation charged for the year	1,643,354	6,865	1,650,219
At 31 March 2018	5,179,280	147,139	5,326,419

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 13 Intangible fixed assets

(Continued)

##### Carrying amount

At 31 March 2018	26,343,896	167,056	26,510,952
At 31 March 2017	21,661,470	-	21,661,470

The company had no intangible fixed assets at 31 March 2018 or 31 March 2017.

#### 14 Tangible fixed assets

Group	Land and buildings short leasehold	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2017	484,952	633,934	372,391	130,826	1,622,103
Additions	99,540	291,147	48,635	-	439,322
Business combinations	-	9,032	5,185	-	14,217
Disposals	-	(9,032)	(2,349)	(46,631)	(58,012)
At 31 March 2018	584,492	925,081	423,862	84,195	2,017,630
<b>Depreciation and impairment</b>					
At 1 April 2017	334,897	341,141	124,964	130,101	931,103
Depreciation charged in the year	102,948	170,719	74,044	-	347,711
Eliminated in respect of disposals	-	(1,806)	-	(46,631)	(48,437)
At 31 March 2018	437,845	510,054	199,008	83,470	1,230,377
<b>Carrying amount</b>					
At 31 March 2018	146,647	415,027	224,854	725	787,253
At 31 March 2017	150,055	292,793	247,427	725	691,000

The company had no tangible fixed assets at 31 March 2018 or 31 March 2017.

#### 15 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	16	-	-	6,790,982	6,790,982

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 15 Fixed asset investments

(Continued)

##### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

##### Cost or valuation

At 1 April 2017 and 31 March 2018

6,790,982

##### Carrying amount

At 31 March 2018

6,790,982

At 31 March 2017

6,790,982

#### 16 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
George Warman Publications (UK) Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Publishing and conferences	Ordinary		100
Headfirst Publishing Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Non-trading	Ordinary		100
Hopscotch Educational Publishing Ltd	St Jude's Church, Dulwich Road, London, SE24 0PB	Non-trading	Ordinary		100
MA Business Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Publishing and conferences	Ordinary	100	
MA Education Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Publishing and conferences	Ordinary	100	
MA Exhibitions Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Exhibition and fair organisation	Ordinary	100	
MA Healthcare Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Publishing and conferences	Ordinary	100	
MA Interiors Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Non-trading	Ordinary		100

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 16 Subsidiaries (Continued)

MA Music, Leisure & Travel Ltd	St Jude's Church, Dulwich Road, London, SE24 0PB	Publishing and conferences	Ordinary	100
Mark Allen Scientific Publishing Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Non-trading	Ordinary	100
Master Travel Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Tour operator	Ordinary	100
PR Please Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Non-trading	Ordinary	100
Step Forward Publishing Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Non-trading	Ordinary	100
The Airports Publishing Network Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Publishing and conferences	Ordinary	100
Miles Publishing Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Publishing and conferences	Ordinary	100
Unity Exhibitions Limited	St Jude's Church, Dulwich Road, London, SE24 0PB	Exhibition and fair organisation	Ordinary	100
Unity Media Plc	St Jude's Church, Dulwich Road, London, SE24 0PB	Publishing and conferences	Ordinary	100

The investments in subsidiaries are all stated at cost.

#### 17 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	8,544,802	5,533,848	7,251,071	3,215,628
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	21,947,846	19,357,494	13,909,997	9,991,859

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 18 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and consumables	15,462	66,447	-	-
Finished goods and goods for resale	35,021	61,579	-	-
	<u>50,483</u>	<u>128,026</u>	<u>-</u>	<u>-</u>

### 19 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Amounts falling due within one year:</b>				
Trade debtors	8,213,194	5,212,776	-	-
Corporation tax recoverable	7,943	234,836	-	-
Amounts owed by group undertakings	-	-	7,251,071	3,215,628
Other debtors	322,511	292,999	34	-
Prepayments and accrued income	2,987,621	1,507,051	-	-
	<u>11,531,269</u>	<u>7,247,662</u>	<u>7,251,105</u>	<u>3,215,628</u>

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

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	22	3,591,014	2,323,473	3,591,014	2,323,473
Trade creditors		2,506,820	2,054,323	-	-
Amounts due to group undertakings		-	-	4,713,025	2,943,135
Corporation tax payable		1,623,453	616,313	-	-
Other taxation and social security		1,352,817	1,132,168	-	-
Deferred income	24	1,909,376	-	-	-
Other creditors		1,064,087	1,455,586	208	-
Accruals and deferred income		9,180,175	8,798,861	-	-
		<u>21,227,742</u>	<u>16,380,724</u>	<u>8,304,247</u>	<u>5,266,608</u>

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

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	22	<u>5,605,750</u>	<u>4,725,251</u>	<u>5,605,750</u>	<u>4,725,251</u>

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 22 Loans and overdrafts

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans	9,196,764	7,048,724	9,196,764	7,048,724
Payable within one year	3,591,014	2,323,473	3,591,014	2,323,473
Payable after one year	5,605,750	4,725,251	5,605,750	4,725,251

The bank loans are secured by fixed and floating charges over the assets of MA Healthcare Limited, Mark Allen Holdings Limited, Master Travel Limited, MA Music, Leisure & Travel Ltd, MA Education Limited, MA Business Limited, Headfirst Publishing Limited and George Warman Publications (UK) Limited.

The bank loans are repayable in equal instalments over four to five years and incur interest at 2-3% per annum over the Bank of England Base Rate.

#### 23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2018 £	Liabilities 2017 £
Accelerated capital allowances	21,835	-

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
<b>Movements in the year:</b>		
Liability at 1 April 2017	-	-
Credit to profit or loss	(131,197)	-
Liability/(asset) at 31 March 2018	(131,197)	-



# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 24 Deferred income

	Group 2018 £	2017 £	Company 2018 £	2017 £
Other deferred income	1,909,376	-	-	-

#### 25 Retirement benefit schemes

	2018 £	2017 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	685,671	638,108

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 26 Share capital

	Group and company	
	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100,000 ordinary shares of £1 each	100,000	100,000

Each share is entitled to one vote in any circumstances. All dividends must be apportioned and paid out proportionately to the amounts paid up on the shares.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 27 Acquisitions

On 23 June 2017 the company acquired the business of Unity Media Plc and Unity Exhibitions Limited. MA Business Limited acquired 100% of the ordinary share capital of both companies.

These companies publish magazines in print and online including e-zines, for the building industry.

	Book Value £	Adjustments £	Fair Value £
Intangible assets	173,921	-	173,921
Property, plant and equipment	3	-	3
Trade and other receivables	2,052,545	-	2,052,545
Cash and cash equivalents	552,938	-	552,938
Trade and other payables	(959,727)	-	(959,727)
Tax liabilities	(54,767)	-	(54,767)
Provisions	(153,032)	-	(153,032)
Total identifiable net assets	1,611,881	-	1,611,881
Goodwill			(1,611,881)
Total consideration			-
The consideration was satisfied by:			£
Cash			3,853,501
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			2,399,182
Profit after tax			349,438

The goodwill arising on the acquisition of the business is attributable to the titles and conferences acquired, anticipated profitability of the company's publications and conferences and the future operating synergies from the combination.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 27 Acquisitions

(Continued)

On 19 December 2017 the company acquired the business of Miles Publishing Limited. MA Business Limited acquired 100% of the ordinary share capital of Miles Publishing Limited.

This company publishes magazines in print and online including e-zines.

	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	14,214	-	14,214
Trade and other receivables	299,912	-	299,912
Cash and cash equivalents	1,053,943	-	1,053,943
Trade and other payables	(37,391)	-	(37,391)
Tax liabilities	(52,384)	-	(52,384)
Deferred tax	(1,386)	-	(1,386)
Total identifiable net assets	1,276,908	-	1,276,908
Goodwill			(1,276,908)
Total consideration			-
The consideration was satisfied by:			£
Cash			2,926,926
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			170,600
Loss after tax			(16,999)

The goodwill arising on the acquisition of the business is attributable to the titles and conferences acquired, anticipated profitability of the company's publications and conferences and the future operating synergies from the combination.

#### 28 Financial commitments, guarantees and contingent liabilities

##### Company

The company is party to a multilateral guarantee in favour of HSBC Bank plc given by MA Business Limited, MA Healthcare Limited, Mark Allen Holdings Limited, Master Travel Limited, MA Music, Leisure & Travel Ltd, MA Education Limited, MA Exhibitions Limited, Headfirst Publishing Limited, George Warman Publications (UK) Limited, The Airports Publishing Network Limited, Miles Publishing Limited, Unity Media Plc and Unity Exhibitions Limited. There is also a fixed and floating charge over the assets of the company.

The company is also party to a group set off, held with the group companies named above.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 29 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	291,763	167,224	-	-
Between two and five years	659,488	596,212	-	-
In over five years	-	363,343	-	-
	<u>951,251</u>	<u>1,126,779</u>	<u>-</u>	<u>-</u>

#### 30 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>1,609,783</u>	<u>1,616,861</u>

##### Group

A director has provided a guarantee of £4.8 million as security for the bank loans drawn by the group.

During the year the group paid rent amounting to £144,000 (2017: £144,000) to a director.

Included in other creditors is £nil (2017: £6,603) owed to a company under common control.

An opening balance on the director's current account was an overdrawn by £87,164. During the year there were transactions with a net effect of increasing the overdrawn balance by £24,441, which resulted in an overdrawn balance of £111,605 at the year end. This balance is included within other debtors and no interest has been accrued.

Dividends of £972,000 (2017: £nil) were paid to the ultimate controlling party and their family.

#### 31 Controlling party

The ultimate controlling party is the director M Allen.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 32 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	3,608,409	2,887,879
Adjustments for:		
Taxation charged	1,406,151	789,687
Finance costs	257,947	178,513
Investment income	(2,732)	(1,484)
Loss on disposal of tangible fixed assets	3,607	61,188
Gain on disposal of intangible assets	-	(867)
Amortisation and impairment of intangible assets	1,650,219	1,313,104
Depreciation and impairment of tangible fixed assets	347,711	328,836
Amounts written off investments	-	(580,614)
(Decrease) in provisions	(153,032)	-
Movements in working capital:		
Decrease in stocks	77,543	1,756
(Increase) in debtors	(2,157,395)	(622,762)
(Decrease)/increase in creditors	(334,157)	435,252
Increase in deferred income	1,909,376	-
<b>Cash generated from operations</b>	<b>6,613,647</b>	<b>4,790,488</b>

#### 32 Cash generated from operations - company

	2018 £	2017 £
Profit/(loss) for the year after tax	1,084,315	(179,582)
Adjustments for:		
Finance costs	257,298	178,390
Investment income	(1,387,000)	-
Movements in working capital:		
(Increase) in debtors	(4,035,477)	(1,933,981)
Increase in creditors	1,770,098	1,839,535
<b>Cash absorbed by operations</b>	<b>(2,310,766)</b>	<b>(95,638)</b>