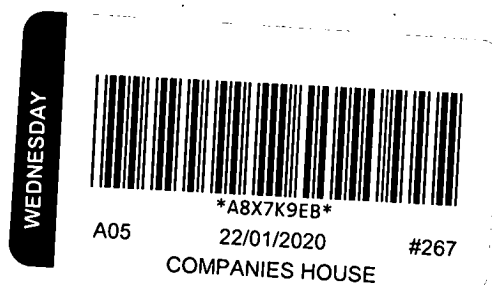


Company Registration No. 02335832 (England and Wales)

MB ADVERTISING AND MARKETING LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019



MB ADVERTISING AND MARKETING LTD

COMPANY INFORMATION

Directors	N J Evans J G Bennett
Secretary	J G Bennett
Company number	02335832
Registered office	MB House 248 Shepcote Lane Sheffield South Yorkshire S9 1TP
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD
Bankers	Yorkshire Bank 157 Bradfield Road Sheffield South Yorkshire S6 2LY

MB ADVERTISING AND MARKETING LTD

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MB ADVERTISING AND MARKETING LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present the strategic report for the year ended 30 April 2019.

Fair review of the business

MB Advertising & Marketing is a full service advertising and marketing services agency (mbadvertising.co.uk/aboutus). Our primary market sector is serving motor dealers, groups and automotive manufacturers. We are also retained to provide marketing solutions and consultancy by a number of sector specific service companies.

Our focus is on delivering performance led marketing solutions using our sector specific knowledge, expertise and data, and by ensuring that the services we provide are completely aligned with needs of our clients. By putting our clients at the heart of our business and by ensuring everything we do has the goal of making their businesses better we have built a sustainable business with strong customer loyalty.

The on-going innovation and development of both our products and of our team keeps us at the cutting edge and ensures our services are relevant to our clients needs and ahead of our competition.

The results of the first half of the year were negatively impacted by GDPR and the introduction of WLTP emission regulations. Initially after the introduction of GDPR clients were cautious when marketing to their databases and this affected revenue and margins due to less frequent communications and reduced data volumes. However, over the course of the year this returned to a more normal historical pattern. Due to WLTP many motor manufacturers had a backlog of vehicles that hadn't been tested under the new rules leading to a new vehicle stock shortage for most of our clients, and with demand exceeding supply for several months there wasn't the need for the usual increased marketing push around the key 68 registration quarter. Again this did wash through with more stock available in the second half of our financial year which caused turnover and margins to pick back up.

Overall we feel with the challenges we faced during the year we have achieved a satisfactory performance, although still disappointing after a number of years of sustained growth. Despite the challenge we made sure that we continued to focus on initiatives that would drive the future sustainability and growth of the business. We continued to grow our technology capability and put live our new website CMS and boilerplate systems whilst continuing to automate as many jobs as possible and completing the upgrade of our digital event platform ready for Q1 of our new financial year.

Research and development projects are very much an integral part of the future proofing of the agency and we have more exciting innovations and initiatives to launch in the new year. Our new websites are almost completed and these will be used to showcase our new products and services in conjunction with new group branding and marketing.

The new year has started much more positively and we expect the first half to be ahead of the previous year. With Brexit and the political landscape still somewhat uncertain it is difficult to predict too far ahead. That said we are debt free with a strong balance sheet so believe we are set to take advantage of any opportunities that do arise and if necessary to weather anything unforeseen.

Our main charity in the year continued to be Weston Park Cancer Charity and with the on-going support of our staff the sum raised is now over £165,000. Our community projects are our opportunity to support the areas where we operate in and so in addition to other smaller charitable donations we have also continued our association with local schools for work experience opportunities and to support the charitable efforts of other local businesses and our clients.

On behalf of the board

X 

N.J. Evans

Director

9/1/20

MB ADVERTISING AND MARKETING LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present their annual report and financial statements for the year ended 30 April 2019.

Principal activities

The principal activity of the company continued to be that of an advertising and marketing agency.

Directors

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

N J Evans

J G Bennett

A M Crane

(Resigned 3 December 2018)

Results and dividends

The results for the year are set out on page 6.

Dividends of £950,000 were paid during the year.

Auditor

The auditor, BHP LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

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 company's auditor 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 company's auditor is aware of that information.

MB ADVERTISING AND MARKETING LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

On behalf of the board

X 

N J Evans

Director

Date: 9 / 1 / 20

MB ADVERTISING AND MARKETING LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MB ADVERTISING AND MARKETING LTD

Opinion

We have audited the financial statements of MB Advertising and Marketing Ltd (the 'company') for the year ended 30 April 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 30 April 2019 and of its 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 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.

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.

MB ADVERTISING AND MARKETING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MB ADVERTISING AND MARKETING LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 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.

Paul Winwood (Senior Statutory Auditor)
for and on behalf of BHP LLP

Chartered Accountants
Statutory Auditor

20.1.20

2 Rutland Park
Sheffield
S10 2PD

MB ADVERTISING AND MARKETING LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2018 £
Turnover	3	15,199,102	15,902,877
Cost of sales		(13,208,861)	(13,274,365)
Gross profit		1,990,241	2,628,512
Administrative expenses		(1,057,826)	(1,021,965)
Operating profit	4	932,415	1,606,547
Interest receivable and similar income	6	24,203	12,255
Profit before taxation		956,618	1,618,802
Tax on profit	7	(12,341)	(201,235)
Profit for the financial year		944,277	1,417,567

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

MB ADVERTISING AND MARKETING LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2019

	2019	2018
	£	£
Profit for the year	944,277	1,417,567
Other comprehensive income	-	-
Total comprehensive income for the year	944,277	1,417,567

MB ADVERTISING AND MARKETING LTD

BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	9		64,649		69,856
Current assets					
Debtors	10	4,704,316		4,251,288	
Cash at bank and in hand		4,167,714		4,402,425	
		<u>8,872,030</u>		<u>8,653,713</u>	
Creditors: amounts falling due within one year	11	<u>(2,861,707)</u>		<u>(2,642,874)</u>	
Net current assets			<u>6,010,323</u>		<u>6,010,839</u>
Total assets less current liabilities			<u>6,074,972</u>		<u>6,080,695</u>
Capital and reserves					
Called up share capital	14		10,000		10,000
Profit and loss reserves			<u>6,064,972</u>		<u>6,070,695</u>
Total equity			<u>6,074,972</u>		<u>6,080,695</u>

The financial statements were approved by the board of directors and authorised for issue on 9/1/20 and are signed on its behalf by:

x 
 N J Evans
 Director

Company Registration No. 02335832

MB ADVERTISING AND MARKETING LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2017		10,000	5,053,128	5,063,128
Year ended 30 April 2018:				
Profit and total comprehensive income for the year		-	1,417,567	1,417,567
Dividends	8	-	(400,000)	(400,000)
Balance at 30 April 2018		10,000	6,070,695	6,080,695
Year ended 30 April 2019:				
Profit and total comprehensive income for the year		-	944,277	944,277
Dividends	8	-	(950,000)	(950,000)
Balance at 30 April 2019		10,000	6,064,972	6,074,972

MB ADVERTISING AND MARKETING LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Company information

MB Advertising and Marketing Ltd is a private company limited by shares incorporated in England and Wales. The registered office is MB House, 248 Shepcote Lane, Sheffield, South Yorkshire, S9 1TP.

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 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.

This 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:

- 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;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of MB Group (UK) Limited. These consolidated financial statements are available from its registered office.

1.2 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.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 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:

Fixtures, fittings & equipment	straight line over 12 months
Motor vehicles	35% reducing balance

MB ADVERTISING AND MARKETING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company 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.

1.6 Cash at bank and in hand

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.

1.7 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

MB ADVERTISING AND MARKETING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.8 Equity instruments

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

1.9 Taxation

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

MB ADVERTISING AND MARKETING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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 company'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.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.11 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.

1.12 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

MB ADVERTISING AND MARKETING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company'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 company's turnover is as follows:

	2019 £	2018 £
Turnover		
United Kingdom	15,199,103	15,902,877

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	13,800	14,500
Depreciation of owned tangible fixed assets	48,551	41,347
Profit on disposal of tangible fixed assets	(3,069)	(2,162)
Operating lease charges	49,724	51,033

5 Employees

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

	2019 Number	2018 Number
Administration	5	5
Sales and production	66	66
	71	71

MB ADVERTISING AND MARKETING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,869,816	1,769,526
Social security costs	161,877	168,391
Pension costs	25,870	13,920
	<u>2,057,563</u>	<u>1,951,837</u>

6 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	23,430	11,699
Other interest income	773	556
	<u>24,203</u>	<u>12,255</u>

7 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	11,341	201,235
	<u>11,341</u>	<u>201,235</u>
Deferred tax		
Origination and reversal of timing differences	1,000	-
	<u>1,000</u>	<u>-</u>
Total tax charge	<u>12,341</u>	<u>201,235</u>

MB ADVERTISING AND MARKETING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

7 Taxation

(Continued)

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

	2019 £	2018 £
Profit before taxation	956,618	1,618,802
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	181,757	307,572
Tax effect of expenses that are not deductible in determining taxable profit	869	2,417
Change in unrecognised deferred tax assets	805	(31)
Group relief	(43,733)	(17,885)
Research and development tax credit	(127,334)	(91,601)
Effect of change in deferred tax rates	(23)	763
Taxation charge for the year	12,341	201,235

8 Dividends

	2019 £	2018 £
Interim paid	950,000	400,000

MB ADVERTISING AND MARKETING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

9 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 May 2018	362,331	114,427	476,758
Additions	29,706	14,750	44,456
Disposals	-	(14,230)	(14,230)
At 30 April 2019	392,037	114,947	506,984
Depreciation and impairment			
At 1 May 2018	357,052	49,850	406,902
Depreciation charged in the year	21,349	27,202	48,551
Eliminated in respect of disposals	-	(13,118)	(13,118)
At 30 April 2019	378,401	63,934	442,335
Carrying amount			
At 30 April 2019	13,636	51,013	64,649
At 30 April 2018	5,279	64,577	69,856

10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	2,066,383	1,652,952
Corporation tax recoverable	138,659	-
Amounts owed by group undertakings	2,478,384	2,567,718
Prepayments and accrued income	15,390	24,118
	4,698,816	4,244,788
Deferred tax asset (note 12)	5,500	6,500
	4,704,316	4,251,288

MB ADVERTISING AND MARKETING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

11 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,125,367	1,818,393
Amounts owed to group undertakings	58,180	89,371
Corporation tax	-	26,269
Other taxation and social security	248,303	235,377
Accruals and deferred income	429,857	473,464
	<u>2,861,707</u>	<u>2,642,874</u>

12 Deferred taxation

Deferred tax assets and liabilities are offset where the 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:

	Assets 2019 £	Assets 2018 £
Balances:		
Decelerated capital allowances	<u>5,500</u>	<u>6,500</u>
Movements in the year:		2019 £
Liability/(Asset) at 1 May 2018		(6,500)
Charge to profit or loss		1,000
Liability/(Asset) at 30 April 2019		<u>(5,500)</u>

13 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>25,870</u>	<u>13,920</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

14 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

MB ADVERTISING AND MARKETING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

15 Financial commitments, guarantees and contingent liabilities

The bank has a debenture over the assets and undertakings of the company in respect of facilities provided to MB Advertising and Marketing Ltd and fellow group companies.

16 Operating lease commitments

Lessee

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

	2019 £	2018 £
Within one year	30,805	49,039
Between two and five years	3,750	34,555
	<u>34,555</u>	<u>83,594</u>

17 Ultimate controlling party

The company's parent company is MBM Holdings Limited, a company incorporated and registered in England.

The smallest and largest group into which the results of the company are consolidated is MB Group (UK) Limited. Copies of the group accounts can be obtained from the group's registered office.