

Registered number: 02592744

EMO Group Limited

Annual report

for the year ended 31 March 2017



EMO Group Limited

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EMO Group Limited

Directors and advisers

Registered office

Unlimited House
10 Great Pulteney Street
London
W1F 9NB

Directors

T J J Bonnet
K L Herrick
I Ferguson (appointed 19.12.2017)
C D Sewell

Company secretary

O A Walker
Unlimited House
10 Great Pulteney Street
London
W1F 9NB

Bankers

Barclays Bank plc
180 Oxford Street
London
W1D 1EA

EMO Group Limited

Directors' report for the year ended 31 March 2017

The directors present their annual report together with the unaudited financial statements of the company for the year ended 31 March 2017.

Results and dividends

The results for EMO Group Limited show a profit for the financial year of £623,000 (2016: £175,000). The directors recommended the following dividends:

	2017	2016
	£'000	£'000
Ordinary dividends declared and paid during the year	<u>1,060</u>	<u>175</u>

The directors have proposed no further dividend (2016: £1,060,000) in respect of the current financial year.

Ultimate parent undertaking

The directors consider that the ultimate parent undertaking incorporated in the United Kingdom of the company is Unlimited Marketing Group Ltd.

Directors

The directors of the company who were in office throughout the year and up to the date of signing the financial statements, were:

P K Brown (resigned on 30 April 2017)

K L Herrick

T J J Bonnet

I Ferguson (appointed 19.12.2017)

B C Brien (resigned on 24 March 2017)

C D Sewell

Company registration number

The company registration number is 02592744.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Financial risk management

The directors' financial risk management objective is to maximise financial assets and minimise financial liabilities whilst not engaging in speculation. The financial risks faced by the company include:

- Interest rates earned on cash and short-term investments;
- Liquidity of investments.

The directors manage each of the above mentioned financial risks as follows:

- Continually review short-term investments to ensure maximum rates of return are being achieved.

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

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



I Ferguson
Director

Date: 20 December 2017

EMO Group Limited

Income Statement for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Investment income	5	623	175
Profit before income tax	3	623	175
Taxation	6	-	-
Profit for the financial year		623	175

All activities of the Company are derived from continuing operations in both the current and prior years.

No separate statement of comprehensive income has been presented as all such gains and losses have been dealt with in the income statement above.

The accompanying notes on pages 8 to 13 form an integral part of these financial statements.

EMO Group Limited

Balance Sheet as at 31 March 2017

	Note	2017 £'000	2016 £'000
Assets			
Non-current assets			
Investments	8	208	208
		<u>208</u>	<u>208</u>
Current assets			
Cash and cash equivalents		437	437
Amounts due from fellow subsidiary companies		623	-
		<u>1,060</u>	<u>437</u>
Liabilities			
Current liabilities			
Amounts due to fellow subsidiary companies		(1,060)	-
		<u>(1,060)</u>	<u>-</u>
Net current assets		-	437
Total assets less current liabilities		<u>208</u>	<u>645</u>
Net Assets		<u>208</u>	<u>645</u>
Shareholders' equity			
Called up share capital	9	85	85
Share premium account		23	23
Retained earnings		100	537
Total equity		<u>208</u>	<u>645</u>

Audit Exemption Statement

For the year ending 31 March 2017, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities

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

EMO Group Limited

The accompanying notes on pages 8 to 13 form an integral part of these financial statements.

The financial statements, which comprise the income statement, the balance sheet, the statement of changes in equity and related notes, were approved by the Board on 20 December 2017 and were signed by:

A handwritten signature in black ink, appearing to be 'I Ferguson', with a large loop at the end.

I Ferguson
Director

Registered number: 02592744

EMO Group Limited

Statements of Changes in Equity for the year ended 31 March 2017

	Note	Called up share capital	Share premium account	Retained earnings	Total equity
Changes in equity for 2016		£'000	£'000	£'000	£'000
At 1 April 2015		85	23	537	645
Profit for the financial year		-	-	175	175
Dividends	7	-	-	(175)	(175)
At 31 March 2016 and 1 April 2016		85	23	537	645
Changes in equity for 2017					
Profit for the financial year		-	-	623	623
Dividends	7	-	-	(1,060)	(1,060)
At 31 March 2017		85	23	100	208

All equity is attributable to owners of the parent.

The accompanying notes on pages 8 to 13 form an integral part of these financial statements.

EMO Group Limited

Notes to the financial statements

1 Principal accounting policies

Basis of preparation

EMO Group Limited (the "Company") is a company incorporated and domiciled in England and Wales. The address of the registered office is Unlimited House, 10 Great Pulteney Street, London, W1F 9NB.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's immediate parent undertaking, Digital Unlimited Group Ltd includes the Company in its consolidated financial statements. The consolidated financial statements of Digital Unlimited Group Ltd are prepared in accordance with International Financial Reporting Standard and are available to the public and may be obtained from Unlimited House, 10 Great Pulteney Street, London, W1F 9NB.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- IFRS 7, 'Financial instruments: Disclosures'; and
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of Digital Unlimited Group Ltd include the equivalent disclosures, the Company has also taken further disclosure exemptions available under FRS 101.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

EMO Group Limited

Notes to the financial statements (continued)

Current and deferred income tax

The income tax expense represents the sum of the tax currently payable and deferred tax. Tax is charged or credited in the Income Statement, except when it relates to items recognised in other comprehensive income or directly to equity, in which case the deferred tax is also recognised in other comprehensive income or equity respectively.

The current income tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement 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 income tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of the deferred tax asset is reviewed at each balance sheet 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.

Dividends

Dividends distributed to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

EMO Group Limited

Notes to the financial statements (continued)

1 Principal accounting policies (continued)

Investment Income

Investment income is recognised when the Company's right to receive payment is established.

Investments

Investments are stated at cost less provision for impairment.

Impairment of assets

The company assesses at each reporting date whether an asset may be impaired. If any such indicator exists, the company tests for impairment by estimating the recoverable amount. If the recoverable amount is less than the carrying value of an asset, an impairment loss is required.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Issue costs are offset against the proceeds of such instruments.

Consolidated financial statements

The financial statements contain information about EMO Group Limited as an individual company and do not contain information as the parent of the group. The company is exempt under section 400 of the Companies Act 2008 from the requirements to prepare consolidated financial statements as the company, and its subsidiary undertakings, are included by full consolidation in the consolidated financial statements of its parent, Digital Unlimited Group Ltd, a company registered in England and Wales.

Share Capital

Share capital is stated at the value of allotted and paid up amount.

Share premium account

Share premium arises from capital raised in an issue of shares, net of costs, to the extent that it exceeds the nominal value of the shares.

2 Critical Accounting Judgements

There were no critical accounting estimates or judgements made in these financial statements.

EMO Group Limited

Notes to the financial statements (continued)

3 Profit before income tax

The company was exempt from audit during the year and did not incur any audit fees (2016: £nil).

4 Employees and directors

No salaries or wages have been paid to employees, including the directors, during the year (2016: £nil). Other than the directors, the company had no employees (2016: nil).

5 Investment income

	2017 £'000	2016 £'000
Dividend income from group undertakings	623	175
	<u>623</u>	<u>175</u>

6 Taxation

	2017 £'000	2016 £'000
The income tax expense comprises:		
Tax charge for the year	-	-

The tax rate for the year is the same as the standard rate of corporation tax in the UK, i.e. 20% (2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
Profit before tax	623	175
Profit before tax multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	125	35
Effects of:		
Non-taxable income	(125)	(35)
Tax charge for the year	-	-

Factors affecting future tax charges:

The rate of UK corporation tax changed from 20% to 19% on 1 April 2017 and will decrease further to 17% from 1 April 2020. The impact of this reduction was not material to the company's tax charge.

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Notes to the financial statements (continued)

7 Dividends

	2017 £'000	2016 £'000
Dividends of £12.40 per share (2016: £2.05 per share)	<u>1,060</u>	<u>175</u>

No further dividend has been declared after the year end (2016: £1,060,000), in respect of the results for the year.

8 Investments

	2017 £'000	2016 £'000
Shares in subsidiary undertakings	<u>208</u>	<u>208</u>

At 31 March 2017, the company held 100% of the ordinary share capital of the following undertakings:

	Country of Incorporation	Nature of business	Capital and reserves £'000	Profit for the financial year £'000
Emery McLaven Orr Limited	England and Wales	Marketing communications	1,533	669
John Bowler Associates Limited	England and Wales	Dormant	20	-

The directors consider the carrying value of investments are supported by the underlying capital and reserves of each subsidiary.

EMO Group Limited

Notes to the financial statements (continued)

9 Called up share capital

Authorised	2017 £'000	2016 £'000
250,366 (2016: 250,366) Ordinary shares of £1 each	<u>250</u>	<u>250</u>
Called up and fully paid	2017 £'000	2016 £'000
85,486 (2016: 85,486) Ordinary shares of £1 each	<u>85</u>	<u>85</u>

10 Ultimate controlling party

The Company is a subsidiary undertaking of Unlimited Marketing Group Ltd which is the ultimate parent company incorporated in the United Kingdom. The ultimate controlling party is RedWhiteBlue Champion Limited (incorporated in the Cayman Islands).

The largest group in which the results of the Company are consolidated is that headed by Unlimited Marketing Group Ltd.

The smallest group in which they are consolidated is that headed by Digital Unlimited Group Ltd, Unlimited House, 10 Great Pulteney Street, London, W1F 9NB.

The consolidated financial statements of these groups may be obtained from the company's registered address at Unlimited House, 10 Great Pulteney Street, London, W1F 9NB.

11 Related party transactions

During the year the company entered into £nil (2016: £nil) transactions with fellow Group undertakings which are not fully owned members of the Group.