

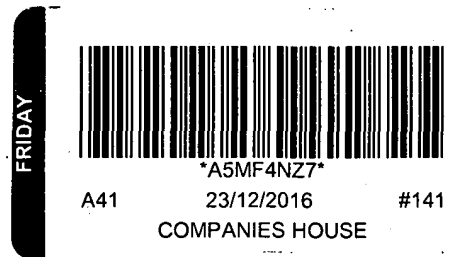
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# The Design Portfolio Marketing Services Ltd

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**Directors' report and financial statements**

For the year ended 31 July 2016



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# Company information

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**Directors**

IB Restall  
CC Vann  
JE Wilford  
AAE Carey  
PJ Crabb

**Secretary**

AAE Carey

**Company number**

03677122

**Registered office**

7 Ensign House  
Admirals Way  
London E14 9XQ

**Auditors**

Kingston Smith LLP  
Orbital House  
20 Eastern Road  
Romford  
Essex RM1 3PJ

# Directors' report

## For the year ended 31 July 2016

The directors present their report and financial statements for the year ended 31 July 2016.

### Principal activities

The principal activity of the company throughout the year was that of a corporate communications consultancy.

### Directors

The directors who served the company during the year together with their interests (including family interests) in the shares of the parent company at the beginning (or subsequent date of appointment) and end of the year, were as follows:

IB Restall  
CC Vann  
JE Wilford  
AAE Carey  
PJ Crabb

### Results and dividends

The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### 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 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 auditors

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 auditors are 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 auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



AAE Carey  
Secretary

Date: 17 November 2016

# Independent auditors' report

To the members of The Design Portfolio Marketing Services Limited

We have audited the financial statements of The Design Portfolio Marketing Services Limited for the year ended 31 July 2016 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 auditors' 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.

## Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 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.

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and from preparing a Strategic Report.

Kingston Smith LLP

Steve Rushmer (Senior Statutory Auditor)

for and on behalf of Kingston Smith LLP

Chartered Accountants

Statutory Auditor

Orbital House

20 Eastern Road

Romford

Essex RM1 3PJ

Date: 17/11/16

# Statement of income and retained earnings

For the year ended 31 July 2016

	Notes	2016 £	2015 £
<b>Turnover</b>	3	<b>3,523,918</b>	3,488,320
Cost of sales		<b>(739,883)</b>	(817,395)
<b>Gross profit</b>		<b>2,784,035</b>	2,670,925
Administrative expenses		<b>(2,702,069)</b>	(2,620,843)
<b>Profit before taxation</b>		<b>81,966</b>	50,082
Taxation	6	<b>(19,889)</b>	(16,382)
<b>Total comprehensive income for the year</b>		<b>62,077</b>	33,700
Retained earnings at 1 August 2015		<b>202,049</b>	168,349
Retained earnings at 31 July 2016		<b>264,126</b>	202,049

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# Balance sheet

As at 31 July 2016

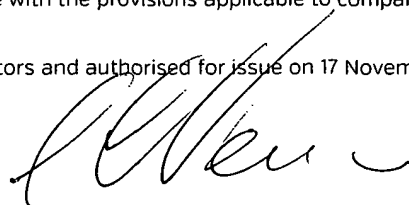
		2016		2015	
	Notes	£	£	£	£
<b>Current assets</b>					
Stocks	7	120,046		49,651	
Debtors	8	912,653		783,426	
Cash at bank and in hand		162,671		147,771	
		1,195,370		980,848	
<b>Creditors: amounts falling due within one year</b>	9	[931,144]		[778,699]	
<b>Net current assets</b>			264,226		202,149
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Profit and loss reserves			264,126		202,049
<b>Total equity</b>			264,226		202,149

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17 November 2016 and are signed on its behalf by:



I B Restall  
Director



C C Vann  
Director

Company Registration No. 03677122

# Notes to the financial statements

For the year ended 31 July 2016

## 1 Accounting policies

### Company information

The Design Portfolio Marketing Services Limited is a company limited by shares incorporated in England and Wales. The registered office is 7 Ensign House, Admirals Way, London, E14 9XQ.

### 1.1 Accounting convention

These financial statements for the year ended 31 July 2016 are the first financial statements of The Design Portfolio Marketing Services Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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 pound.

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

### 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 represents the invoiced value of services provided net of value added tax. It is attributable to the principal activity of the company being that of a corporate communications consultancy.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

### 1.4 Stocks

Work in progress is stated at the lower of cost and net realisable value. The work in progress figure represents expenses incurred by the company relating to specific jobs which were in progress at the year end, but it does not include any staff costs as these are considered an overhead expense of the company.

### 1.5 Cash and cash equivalents

Cash and cash equivalents 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.

### 1.6 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.

#### Basic financial assets

Basic financial assets, which include trade and other receivables 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.

#### Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price and are subsequently carried at amortised cost.

### 1.7 Equity instruments

Equity instruments issued by the company 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 company.



# Notes to the financial statements

For the year ended 31 July 2016 (continued)

## 1 Accounting policies (continued)

### 1.8 Taxation

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

#### 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.

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 when the company has 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.

### 1.9 Employee benefits

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

### 1.10 Retirement benefits

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

### 1.11 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### 1.12 Foreign exchange

Transactions in currencies other than pounds 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.

### 1.13 Exemptions for qualifying entities under FRS 102

As a wholly owned subsidiary of Flathill Communications Group PLC, the company has taken advantage of the following qualifying entity exemptions under the provisions of FRS 102:

- (i) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv) to prepare a reconciliation of the number of equity shares outstanding at the beginning and at the end of the financial year;
- (ii) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d) to prepare a statement of cash flows;
- (iii) The requirements of Section 11 paragraphs 11.39 to 11.48(a) and Section 12 paragraphs 12.26 to 12.29A, regarding disclosures for financial liabilities and assets, as the equivalent disclosures required by FRS 102 are included in the consolidated financial statements of the Flathill group in which the entity is consolidated;
- (iv) From disclosing the company key management personnel compensation, as required by paragraph 33.7; and
- (v) The requirement of Section 33 Related Party Disclosures paragraph 33.9 to disclose related party transactions within other members of the Flathill group.

## 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.

# Notes to the financial statements

For the year ended 31 July 2016 [continued]

## 2 Judgements and key sources of estimation uncertainty (continued)

### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

### Work in progress

Work in progress from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, work in progress is recognised only to the extent of the expenses recognised that are recoverable.

## 3 Turnover and other revenue

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

	2016 £	2015 £
<b>Turnover</b>		
Rendering of services	3,523,918	3,488,320

### Turnover analysed by geographical market

	2016 £	2015 £
<b>United Kingdom</b>	3,303,887	3,334,476
Rest of the World	220,031	153,844
	3,523,918	3,488,320

## 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging:		
Exchange gains	(13,160)	–
Fees payable to the company's auditors for the audit of the company's financial statements	6,000	6,000
Operating lease charges	87,619	95,125

## 5 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	317,862	302,209
Company pension contributions to defined contribution schemes	26,040	16,880
	343,902	319,089

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015: 3).

# Notes to the financial statements

For the year ended 31 July 2016 [continued]

## 6 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	19,889	16,382
<b>The charge for the year can be reconciled to the profit per the profit and loss account as follows:</b>		
Profit before taxation	81,966	50,082
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	16,393	10,517
Tax effect of expenses that are not deductible in determining taxable profit	4,073	5,100
Tax at marginal rate	–	[364]
Unpaid pension contributions	(577)	1,399
Change in tax rate	–	[270]
<b>Tax charge for the year</b>	<b>19,889</b>	<b>16,382</b>

## 7 Stocks

	2016 £	2015 £
Work in progress	120,046	49,651

## 8 Debtors

Amounts falling due within one year:

	2016 £	2015 £
Trade debtors	729,142	628,285
Amounts due from fellow group undertakings	84,729	60,680
Prepayments and accrued income	98,782	94,461
	<b>912,653</b>	<b>783,426</b>

Trade debtors disclosed above are measured at amortised costs.

## 9 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	319,882	207,781
Amounts due to fellow group undertakings	91,611	100,736
Corporation tax	19,889	15,480
Other taxation and social security	205,210	203,704
Other creditors	11,383	15,487
Accruals and deferred income	283,169	235,511
	<b>931,144</b>	<b>778,699</b>

The bank overdraft facility is secured by an unlimited debenture issued to HSBC PLC including a fixed and floating charge over all of the present & future assets of the company as dated 21 April 2005. The bank also has a group set off arrangement between the company, its parent company, Flathill Communications Group PLC and its subsidiaries. The net contingent liability not reflected in the accounts after taking account of bank borrowing, totalled £nil (2015: £nil).

Included within other creditors are pension contributions unpaid at the year end of £12,603 (2015: £15,487)

# Notes to the financial statements

For the year ended 31 July 2016 [continued]

## 10 Retirement benefit schemes

### Defined contribution schemes

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.

The charge to profit and loss in respect of defined contribution schemes was £49,411 (2015: £30,677).

## 11 Share capital

	2016	2015
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100

## 12 Operating lease commitments

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:

	2016	2015
	£	£
Within one year	56,209	61,091
Between two and five years	78,051	127,712
	134,260	188,803

## 13 Related party transactions

Sales totalling £209,867 (2015: £219,819 ) were made to Ford Sinclair Limited during the year. At the year end, Ford Sinclair Limited owed the company an amount of £44,979 (2015: £63,003). Ford Sinclair Limited is a company in which Mrs CM Restall has a controlling interest.

Purchases totalling £1,760 (2015: £944) were made from Impressions Communications Limited during the year. At the year end, Impressions Communications Limited owed an amount of £378 (2015: £nil). Impressions Communications Limited is a company controlled by MB Carey, husband of Mrs AAE Carey.

## 14 Directors transactions

Included within creditors is an amount of £nil (2015: £5,086) due to the director, IB Restall, and an amount of £312 due from (2015: £43 due to) the director, Mrs AAE Carey.

## 15 Controlling party

Flathill Communications Group PLC, which is incorporated in England and Wales, is the company's immediate and ultimate parent undertaking. During the year Flathill Communications Group PLC was controlled by Mrs C M Restall who was a director of that company. Flathill Communications Group PLC prepares group accounts (which is the smallest and largest group of undertakings for which group accounts are drawn up), copies of which can be obtained from the registered office, 7 Ensign House, Admirals Way, London, E14 9XQ.