designportfolio

Directors' report and financial statements

For the year ended 31 July 2017

WEDNESDAY
A6ZA2JLF
A12 07/02/2018 #31
COMPANIES HOUSE

Company Registration No. 03677122 (England and Wales)

The Design Portfolio Marketing Services Limited.

Introduction

The Design Portfolio Marketing Services (Design Portfolio)

Design Portfolio was founded more than 25 years ago and supports businesses ranging from AIM to the FTSE 350, as well as private companies and those new to market across numerous sectors. We work in print, digital and moving image and specialise in six core areas:

- Annual reports
- Corporate and IR websites
- Video and animation
- Corporate branding
- Investor presentations
- Sustainability communications

Our blend of considered creativity and expert consultancy is delivered by expert teams through a local, personal and hands-on service. We are the complete communications partner to our clients.

@WeAre_DP

www.design-portfolio.co.uk

Contents

2	Company Information
3	Directors' report
4 – 5	Independent auditors' report
6	Statement of income and retained earnings
7	Balance sheet
8 – 13	Notes to the financial statements

Company information

Directors
IB Restall
CC Vann (Resigned 5 May 2017)
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 2017

The directors present their annual report and financial statements for the year ended 31 July 2017.

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 (Resigned 5 May 2017)
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:

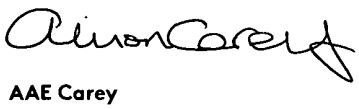
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

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

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
Director

Date: 22 January 2018

Independent auditors' report

To the members of The Design Portfolio Marketing Services Limited

Opinion

We have audited the financial statements of The Design Portfolio Marketing Services Limited for the year ended 31 July 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet 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 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 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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

Independent auditors' report (continued)

To the members of The Design Portfolio Marketing Services Limited

- certain disclosures of directors' remuneration specified by law are not made;
- 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 the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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: 31 January 2018

Statement of income and retained earnings

For the year ended 31 July 2017

	Notes	2017 £	2016 £
Turnover	3	**3,901,317**	3,523,918
Cost of sales		**(828,688)**	(739,883)
Gross profit		**3,072,629**	2,784,035
Administrative expenses		**(3,050,607)**	(2,702,069)
Other operating income		**44,248**	–
Operating profit	4	**66,270**	81,966
Interest payable and similar charges	7	**(1,024)**	–
Profit before taxation		**65,246**	81,966
Taxation	8	**(22,072)**	(19,889)
Total comprehensive income for the year		**43,174**	62,077
Retained earnings at 1 August 2016		**264,126**	202,049
Retained earnings at 31 July 2017		**307,300**	264,126

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

Balance sheet

As at 31 July 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Current assets					
Stocks	9	**130,161**		120,046	
Debtors	10	**1,275,714**		912,653	
Cash at bank and in hand		**67,185**		162,671	
		1,473,060		1,195,370	
Creditors: amounts falling due within one year	11	**(1,165,660)**		(931,144)	
Net current assets			**307,400**		264,226
Capital and reserves					
Called up share capital	13		**100**		100
Profit and loss reserves			**307,300**		264,126
Total equity			**307,400**		264,226

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 22 January 2018 and are signed on its behalf by:

IB Restall
Chairman

Company Registration No. 03677122

Notes to the financial statements

For the year ended 31 July 2017

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 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 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

All of the company's financial assets and liabilities are basic and measured 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.

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.

1.9 Employee benefits

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

Notes to the financial statements

For the year ended 31 July 2017 (continued)

Accounting policies (continued)

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 Limited, the company has taken advantage of the following qualifying entity exemptions under the provisions of FRS 102:

- 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;
- 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;
- 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;
- From disclosing the company key management personnel compensation, as required by paragraph 33.7; and
- 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.

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.

Notes to the financial statements

For the year ended 31 July 2017 (continued)

Accounting policies (continued)

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover		
Rendering of services	**3,901,317**	3,523,918

Turnover analysed by geographical market

	2017 £	2016 £
United Kingdom	**3,697,152**	3,303,887
Rest of the World	**204,165**	220,031
	3,901,317	3,523,918

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging:		
Exchange gains	**(2,773)**	(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	**94,993**	87,619

5 Employees

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

	2017 £	2016 £
Administration	**4**	3
Management	**3**	3
Marketing and sales	**12**	11
Production	**32**	30
	51	47

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	**1,885,738**	1,637,328
Social security costs	**199,173**	172,909
Pension costs	**79,822**	49,411
	2,164,733	1,859,648

Notes to the financial statements

For the year ended 31 July 2017 (continued)

Accounting policies (continued)

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	**285,879**	317,862
Company pension contributions to defined contribution schemes	**20,740**	26,040
	306,619	343,902

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2016: 3).

7 Interest payable and similar charges

	2017 £	2016 £
Interest on bank overdrafts and loans	**1,024**	–

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	**22,072**	19,889
The charge for the year can be reconciled to the profit per the profit and loss account as follows:		
Profit before taxation	**65,246**	81,966
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	**12,397**	16,393
Tax effect of expenses that are not deductible in determining taxable profit	**7,606**	4,073
Unpaid pension contributions	**1,019**	(577)
Change in tax rate	**1,050**	–
Tax charge for the year	**22,072**	19,889

9 Stocks

	2017 £	2016 £
Work in progress	**130,161**	120,046

10 Debtors

Amounts falling due within one year:

	2017 £	2016 £
Trade debtors	**782,140**	729,142
Amounts due from fellow group undertakings	**328,016**	84,729
Prepayments and accrued income	**165,558**	98,782
	1,275,714	912,653

Trade debtors disclosed above are measured at amortised costs.

Notes to the financial statements

For the year ended 31 July 2017 (continued)

Accounting policies (continued)

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	**395,508**	319,882
Amounts due to fellow group undertakings	**4,124**	91,611
Corporation tax	**22,072**	19,889
Other taxation and social security	**189,083**	205,210
Other creditors	**207,986**	11,383
Accruals and deferred income	**346,887**	283,169
	1,165,660	931,144

The bank overdraft facility and invoice finance agreement is secured by an unlimited debenture issued to The Royal Bank of Scotland plc and RBS Invoice Finance Limited, including a fixed and floating charge over all of the present and future assets of the company as dated 3 May 2017. The bank also has a group set off arrangement between the company and its ultimate parent company, Flathill Newco Limited and its subsidiaries. The net contingent liability not reflected in the accounts after taking account of bank borrowing, totalled £nil (2016: £nil).
A Personal Guarantee by IB Restall and Mrs CM Restall limited to £50,000 is in place with The Royal Bank of Scotland plc.

12 Retirement benefit schemes

Defined contribution schemes

The company operates a defined cantribution 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 £79,822 (2016 - £49,411).

Included in other creditors at the year end is £17,965 (2016: £12,603) of unpaid pension contributions.

13 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	**100**	100

There is a single class of ordinary shares, there are no restrictions on distributions or repayment of capital.

14 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:

	2017 £	2016 £
Within one year	**68,090**	56,209
Between two and five years	**56,458**	78,051
	124,548	134,260

Notes to the financial statements

For the year ended 31 July 2017 (continued)

15 Related party transactions

Sales totalling £205,986 (2016: £209,867) were made to and purchases totalling £7,500 (2016: £nil) were made from Ford Sinclair Limited during the year. At the year end, Ford Sinclair Limited owed the company an amount of £41,646 (2016: £44,979). Ford Sinclair Limited is a company in which Mrs CM Restall has a controlling interest.

Purchases totalling £48 (2016: £1,760) were made from Impressions Communications Limited during the year. At the year end, Impressions Communications Limited owed an amount of £330 (2016: £378). Impressions Communications Limited is a company controlled by MB Carey, husband of Mrs AAE Carey.

16 Directors transactions

Included within creditors is an amount of £nil due from (2016: £312) the director, Mrs AAE Carey, and an amount of £269 (2016: £nil) due to the director, Mrs JE Wilford.

17 Controlling party

Flathill Newco Limited, which is incorporated in England and Wales, is the company's ultimate parent undertaking. During the year Flathill Newco Limited was controlled by Mrs CM Restall who was a director of that company. Flathill Communications Group Limited, the immediate parent of the company 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.