

**RLA Group Limited**

**Annual Report**

**Year Ended 31 December 2018**

**Company Registration Number 03679160**

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# **RLA Group Limited**

## **Financial Statements**

**Year Ended 31 December 2018**

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## **RLA Group Limited**

### **Directors' Report**

Year Ended 31 December 2018

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2018.

### **Principal Activity**

The company continues to act as advertising agents and marketing consultants.

### **Results**

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

### **Directors**

The directors who served the company during the year were as follows:

S. Smith (was Butcher)  
P. Fitzwilliam  
L. Lofthouse  
S. Roycroft (resigned 30.09.18)  
M. Smith (resigned 30.06.18)  
P. Smith

### **Statement of Directors' responsibilities**

The directors are responsible for preparing the Director's 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 UK Financial Reporting Standard 102 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 year.

In preparing those 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.

Signed on behalf of the Directors:



S. Smith  
19<sup>th</sup> September 2019

## RLA Group Limited

### Profit and Loss Account

Year Ended 31 December 2018

	Notes	2018 £	2017 £
<b>Turnover</b>		<b>5,707,116</b>	7,446,072
Cost of sales		<b>(2,481,046)</b>	(2,905,128)
<b>Gross Profit</b>		<b>3,226,070</b>	4,540,944
Administrative expenses		<b>(3,096,946)</b>	(4,012,141)
<b>Operating Profit</b>	5	<b>129,124</b>	528,803
<b>Profit on Ordinary Activities Before Taxation</b>		<b>129,124</b>	528,803
Tax on profit on ordinary activities	8	<b>(15,546)</b>	(107,501)
<b>Profit on Ordinary Activities After Taxation</b>		<b>113,578</b>	421,302
<b>Profit &amp; Loss reserve at 1 January</b>		<b>1,006,552</b>	1,108,345
Profit for the year		<b>113,578</b>	421,302
Dividends paid	9	<b>(220,527)</b>	(523,095)
<b>Profit &amp; Loss reserve at 31 December</b>		<b>899,603</b>	1,006,552

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

## RLA Group Limited

### Balance Sheet

Year Ended 31 December 2018

	Notes	2018 £	2017 £
<b>Fixed Assets</b>			
Intangible assets	10	43,286	59,120
Tangible assets	11	71,586	135,481
		<u>114,872</u>	<u>194,601</u>
<b>Current Assets</b>			
Debtors	12	1,007,338	1,918,986
Cash at bank and in hand		355,211	271,267
		<u>1,362,548</u>	<u>2,190,253</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(576,818)</u>	<u>(1,377,302)</u>
<b>Net Current (Liabilities) / Assets</b>		<u>785,731</u>	<u>812,951</u>
<b>Total Assets Less Current Liabilities</b>		<u>900,603</u>	<u>1,007,552</u>
<b>Total Assets Less Current Liabilities</b>		<u>900,603</u>	<u>1,007,552</u>
<b>Capital and Reserves</b>			
Called-up share capital	16	1,000	1,000
Profit and loss account		899,603	1,006,552
<b>Shareholders' Funds</b>		<u>900,603</u>	<u>1,007,552</u>

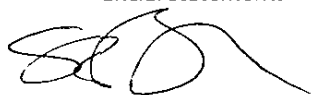
**Company Registration Number 03679160**

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period by virtue of section 479A, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board on 7<sup>th</sup> June 2019 and signed on its behalf by



S. Smith  
Managing Director  
Company Number 03679160

## **RLA Group Limited**

### **Notes and Accounting Policies**

**Year Ended 31 December 2018**

#### **1. Company Information**

RLA Group Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is 36 Percy Street, London W1T 2DH.  
The company's principal place of business is Parley Court Barns, Parley Green Lane, Christchurch, Dorset BH23 6BB

#### **2. Basis of preparation**

The financial statements have been prepared under the historic cost convention and in accordance with the recognition and measurement requirements of Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

##### Reporting exemptions

The company has consent from its shareholder to exclude from its financial reports the following:

- Cash Flow statement
- Compensation of key management personnel
- Share based payments
- Certain disclosure requirements in relation to basic and non-basic financial instruments

#### **3. Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Revenue recognition policies in respect of contracts which straddle the year end. Estimates of revenue to be recognised on contracts which straddle the year end are typically based on the amount of expenditure and time so far committed to those contracts in relation to the total estimated expenditure and time to complete them.

#### **4. Principal Accounting Policies**

##### **(a) Turnover and Income Recognition**

*Turnover is in respect of the provision for services including fees, commissions, rechargeable expenses and sales of materials performed subject to specific contract. Where recorded turnover exceeds amounts invoiced to clients, the excess is classified as accrued income.*

Project income is recognised in the period in which the project is worked on. For projects which fall over the accounting year end, income is recognised to reflect the partial performance of the contractual obligations.

Income is recognised on the following basis:

- Retainer fees are apportioned over the time period to which they relate.
- Project income is recognised by apportioning the fees billed or billable to the time period for which those fees were earned by relationship to the percentage of completeness of the project to which they relate.

## RLA Group Limited

### Notes and Accounting Policies

#### Year Ended 31 December 2018

- Media commission is recognised when the advertising has been satisfactorily aired or placed.
- *Unbilled costs relating to contracts for services are included at rechargeable value in accrued income.*
- Unbilled costs relating to contracts for products are carried forward at the lower of cost and net realisable value with no profit recognition.
- Financial liabilities are released to income when the liability is extinguished.

#### (b) Financial Instruments

Financial assets and liabilities are recognised/derecognised when the Company becomes/ceases to become party to the contractual provisions of the instrument. The company holds the following financial assets and liabilities:

- Short-term debtors and creditors
- Amounts owed to and by group companies

Debtors, creditors and amounts owed to and by group companies with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment ('doubtful debts') are recognised in the profit and loss accounts before operating profit.

#### (c) Intangible fixed assets

Intangible assets arising on acquisition are capitalised, classified as an asset on the Balance Sheet and amortised over their estimated useful life of 3 years. This length of time is presumed to be the maximum useful life because it is difficult to make predictions beyond this period. The carrying value is reviewed for impairment as and when necessary if circumstances emerge that indicate that it may not be recoverable.

#### (d) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	-	remainder of lease
Fixtures & Fittings	-	10 years
Technical Equipment	-	3 years

#### (e) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### (f) Pension costs

The company operates a defined contribution pension policy for employees and makes contributions to employees' personal pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

## RLA Group Limited

### Notes and Accounting Policies

Year Ended 31 December 2018

#### (g) Corporation taxation

UK corporation tax payable is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

#### (h) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### (i) Share based payments

The company has applied the requirements of FRS102: Section 26, Share based payments, which require the fair value of share based payments to be recognised as an expense. Certain employees have received remuneration in the form of share options over the un-issued share capital of the ultimate parent company. The fair value of the equity instruments granted is measured on the grant date by use of a Monte Carlo simulation model and is expensed to the profit and loss account over the appropriate vesting period. This creates a capital contribution reserve.

	2018 £	2017 £
<b>5. Operating Profit</b>		
Operating profit is stated after charging:		
Amortisation of intangible fixed assets	35,357	49,063
Depreciation	53,890	77,079
Operating lease costs	15,842	119,336
Auditor's remuneration - audit fees		12,000
Auditor's remuneration for non-audit services are disclosed in the group accounts of The Mission Marketing Group plc.		

	2018 £	2017 £
<b>6. Particulars of Employees</b>		
The average number of staff employed by the company during the financial period, analysed by category, was as follows:		
	No.	No.
Sales	26	35
Production	21	28
Finance	1	2
Administration	2	2
	50	67



## RLA Group Limited

### Notes and Accounting Policies

Year Ended 31 December 2018

The aggregate payroll costs of the above were:

	£	£
Wages and salaries	<b>2,088,003</b>	2,838,137
Social security costs	<b>152,918</b>	312,034
Other pension costs	<b>75,838</b>	67,768
	<b><u>2,316,759</u></b>	<b><u>3,217,939</u></b>

#### 7. Directors' Emoluments

The Directors' aggregate emoluments in respect of qualifying services were:

Emoluments receivable	<b>461,452</b>	581,532
Benefits	<b>8,612</b>	11,476
Value of Company pension contributions to money purchase schemes	<b>25,494</b>	14,879
	<b><u>495,558</u></b>	<b><u>607,887</u></b>

#### Emoluments of highest paid Director:

Emoluments receivable	<b>116,030</b>	171,492
Value of Company pension contributions to money purchase schemes	<b>9,105</b>	1,650
	<b><u>125,135</u></b>	<b><u>173,142</u></b>

The number of Directors who accrued benefits under Company pension schemes was as follows:

	No.	No.
Money purchase schemes	<b><u>5</u></b>	<b><u>5</u></b>

## RLA Group Limited

### Notes and Accounting Policies

Year Ended 31 December 2018

	2018 £	2017 £
<b>8. Taxation on Ordinary Activities</b>		
<b>(a) Analysis of charge in the year</b>		
Current tax:		
UK Corporation tax based on the results for the year	20,423	93,816
(Over) / Under provision in respect of prior years	(4,877)	13,685
Total current tax	<u>15,546</u>	<u>107,501</u>
<b>(b) Factors affecting current tax charge</b>		
The current tax charge for the year is higher (2017 - higher) than the standard rate of corporation tax in the UK of 19% (2017 – 19.25%).		
Profit on ordinary activities before taxation	<u>129,124</u>	<u>528,803</u>
Theoretical tax charge at 19% (2017 – 19.25%)	24,533	106,222
Effects of:		
Short Term timing differences		(1,717)
Expenses not deductible for tax purposes	2,568	4,586
Depreciation in the period in excess of capital allowances	4,692	6,045
Impact of R&D claims on tax charge	(11,370)	(21,303)
(Over) / Under provision in respect of prior years	(4,877)	13,685
Other adjustments		(17)
Total tax charge for the period	<u>15,546</u>	<u>107,501</u>
<b>9. Dividends</b>		
Ordinary dividend	220,527	523,095

## RLA Group Limited

### Notes and Accounting Policies

Year Ended 31 December 2018

#### 10. Intangible Fixed Assets

	Intellectual Property Rights £	Software Development £	£ Total £
<b>Cost</b>			
At 1 January 2018	56,525	206,308	262,833
Additions		19,524	19,524
Disposals	(56,525)	-	(56,525)
At 31 December 2018	-	225,832	225,832
<b>Depreciation</b>			
At 1 January 2018	56,525	147,188	203,713
Charge for the year	-	35,357	35,357
Eliminated on disposals	(56,525)	-	(56,525)
At 31 December 2018	-	182,546	182,546
<b>Net Book Value</b>			
<b>At 31 December 2018</b>	<b>-</b>	<b>43,286</b>	<b>43,286</b>
At 31 December 2017	-	59,120	59,120

#### 11. Tangible Fixed Assets

	Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	£ Total £
<b>Cost</b>				
At 1 January 2018	57,366	202,802	154,043	414,211
Additions	-	8,536	2,634	11,170
Disposals	-	(68,032)	(63,179)	(131,211)
At 31 December 2018	57,366	143,306	93,498	294,170
<b>Depreciation</b>				
At 1 January 2018	46,730	137,735	94,265	278,730
Charge for the year	3,789	32,215	17,886	53,890
Eliminated on disposals	-	(54,983)	(55,053)	(110,036)
At 31 December 2018	50,519	114,967	57,098	222,584
<b>Net Book Value</b>				
<b>At 31 December 2018</b>	<b>6,847</b>	<b>28,339</b>	<b>36,400</b>	<b>71,586</b>
At 31 December 2017	10,636	71,772	69,152	151,561

## RLA Group Limited

### Notes and Accounting Policies

Year Ended 31 December 2018

	2018 £	2017 £
<b>12. Debtors</b>		
Trade debtors	616,370	1,624,733
Other debtors	9,911	19,027
Prepayments and accrued income	309,418	271,926
Amounts owed by group companies	28,999	3,300
Corporation tax	42,640	-
	<u>1,007,338</u>	<u>1,918,986</u>
<b>13. Creditors: Amounts falling due within one year</b>		
Trade creditors	38,541	363,843
Amounts owed to group undertakings	24,284	96,786
Corporation tax	-	116,816
Other taxation and social security	148,953	409,884
Accruals and deferred income	365,040	338,610
Other creditors		51,363
	<u>576,818</u>	<u>1,377,302</u>

## RLA Group Limited

### Notes and Accounting Policies

Year Ended 31 December 2018

#### 14. Commitments under Operating Leases

##### Capital commitments

The company had no capital commitments outstanding at 31 December 2018 (31 December 2017: none)

##### Lease commitments

At 31 December 2018 the Company had total commitments under non-cancellable operating leases as set out below.

	Land and buildings		Other	
	2018	2017	2018	2017
Operating lease payments fall due as follows:				
Within one year	69,567	89,930	9,906	28,381
Between two and five year	208,701	278,720	7,462	18,728
Greater than five years				
	<u>278,268</u>	<u>368,650</u>	<u>17,368</u>	<u>47,109</u>

#### 15. Contingencies

The Company is party to a cross guarantee structure with the group's bankers by means of a fixed and floating charge over all of the assets of the group companies in favour of the Royal Bank of Scotland plc and HSBC Bank plc. The amount dealt with in these statements is nil (31 December 2017 – nil)

As at 31 December 2018, net assets of the Group were £88,214,000 (2017 - £80,154,000), and net borrowings under this Group arrangement amounted to £3,987,000 (2017 - £7,219,000).

#### 16. Share Capital

##### Allotted and called up: Equity shares

	2018	2017
	£	£
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

#### 17. Ultimate Parent Company

The immediate parent company is The Mission Marketing Group plc, which is incorporated in England and Wales. The consolidated accounts of The Mission Marketing Group plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

#### 18. Related Party Transactions

The company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with wholly owned group companies.