

Multimedia International Services Limited

Annual Report and Financial Statements
for the Year Ended 30 September 2020

Multimedia International Services Limited

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Multimedia International Services Limited

Company Information

Directors	Mr D Ravenscroft Ms AM Darnell Mr AJ Reed
Company secretary	Ms AM Darnell
Registered office	Premier House Premier Way Poulton Business Park Poulton-Le-Fylde Lancashire FY6 8JP
Auditors	Crossley & Davis Ground Floor, Seneca House Links Point, Amy Johnson Way Blackpool FY4 2FF

Multimedia International Services Limited

Strategic Report for the Year Ended 30 September 2020

The directors present their strategic report for the year ended 30 September 2020.

Principal activity

The principal activity of the company is advertising promotion in the United Kingdom and the Republic of Ireland.

Fair review of the business

We consider the key financial indicators to be turnover and operating profit as these show the financial performance of the company as a whole. The results of both KPIs are detailed below.

Turnover has reduced from £6,992,558 in 2019 to £6,238,151 in 2020, a reduction of £754,407, 10.8%. The fall in turnover is a result of the Coronavirus pandemic, which has caused successive lockdowns, resulting in reduced opportunities to sell advertising. However the company benefits from good quality advertising products, such as the digital touch screen which can be used through double glazing, and an extensive customer base, making this company a well established advertising business. Operating profit has fallen to £1,120,548 from £1,286,743 in 2019. A reduction of £166,196, 12.9%. This has been driven by the coronavirus pandemic, and a resulting increase in bad debts written off the the profit and loss account. This is a very successful result given the wider challenging circumstances. The directors have worked assiduously over the past two years to reduce overheads in order to strengthen the underlying profitability of the business and have been successful in doing so. They expect this success to continue into the medium and long term.

Looking forward, there are no concerns about the long term economic viability of the company. The company has a strong cash reserve, both at and beyond the year end and is expected to experience growth in profitability in future years.

Principal risks and uncertainties

The risks facing the company are the continued difficulties in macro economic trading conditions which have been caused by the Covid-19 pandemic. This could undermine confidence in the market and reduce the ability of the company to sell advertising if its customers decide to reduce their businesses advertising budgets. However, this is a market wide issue and does not put Multimedia International Services Limited at a relative disadvantage to its competitors. In addition, although the company has experienced business interruption caused by Covid-19, this has not materially impeded its ability to do new business using telephone and other remote technology.

A continued potential risk of the company is the failure of the new advertising technology that is used to sell advertising to customers. However this is mitigated by a sophisticated technology management system which alerts operation managers when there is a problem with a product. This ensures there is an immediate response for a solution to be found quickly.

Approved and authorised by the Board on 30 November 2021 and signed on its behalf by:

.....

Mr AJ Reed

Director

Multimedia International Services Limited

Directors' Report for the Year Ended 30 September 2020

The directors present their report and the financial statements for the year ended 30 September 2020.

Director of the company

The directors who held office during the year were as follows:

Mr D Ravenscroft

Ms AM Darnell - Company secretary and director

Mr AJ Reed

Future developments

The company will continue with the activities currently being carried out. The company has a strong customer base and an established reputation with customers. They will continue to source innovative high quality advertising technology and new sites to use as outlets for selling advertising to customers.

The objectives of the company are to continue to increase turnover and operating profit through the sale of advertising on new media and through the development of new markets for its services. Management have placed emphasis on reducing operating costs during the current and future financial periods to further improve profit margins.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 30 November 2021 and signed on its behalf by:

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Mr AJ Reed

Director

Multimedia International Services Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; 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.

Multimedia International Services Limited

Independent Auditor's Report to the Members of Multimedia International Services Limited

Opinion

We have audited the financial statements of Multimedia International Services Limited (the 'company') for the year ended 30 September 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Multimedia International Services Limited

Independent Auditor's Report to the Members of Multimedia International Services Limited

Other information

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

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

We have nothing to report in this regard.

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.

Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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.

Multimedia International Services Limited

Independent Auditor's Report to the Members of Multimedia International Services Limited

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 purpose of expressing an opinion on the effectiveness of the company'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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

Multimedia International Services Limited

Independent Auditor's Report to the Members of Multimedia International Services Limited

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Mr Peter Swarbrick FCA (Senior Statutory Auditor)
For and on behalf of Crossley & Davis, Statutory Auditor
Ground Floor, Seneca House
Links Point, Amy Johnson Way
Blackpool
FY4 2FF

30 November 2021

Multimedia International Services Limited

Profit and Loss Account for the Year Ended 30 September 2020

	Note	2020 £	2019 £
Turnover	<u>3</u>	6,238,151	6,992,558
Cost of sales		<u>(1,965,423)</u>	<u>(2,294,421)</u>
Gross profit		4,272,728	4,698,137
Administrative expenses		(4,972,211)	(4,925,130)
Other operating income	<u>4</u>	<u>1,120,548</u>	<u>1,286,743</u>
Operating profit	<u>5</u>	<u>421,065</u>	<u>1,059,750</u>
Other interest receivable and similar income	<u>7</u>	4,623	22,603
Interest payable and similar expenses	<u>8</u>	<u>(1,318)</u>	-
		<u>3,305</u>	<u>22,603</u>
Profit before tax		424,370	1,082,353
Tax on profit	<u>12</u>	<u>(83,408)</u>	<u>(401,184)</u>
Profit for the financial year		<u>340,962</u>	<u>681,169</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Multimedia International Services Limited

Statement of Comprehensive Income for the Year Ended 30 September 2020

	2020	2019
	£	£
Profit for the year	<u>340,962</u>	<u>681,169</u>
Total comprehensive income for the year	<u><u>340,962</u></u>	<u><u>681,169</u></u>

Multimedia International Services Limited

(Registration number: 03834803)

Balance Sheet as at 30 September 2020

		2020	(As restated) 2019
	Note	£	£
Fixed assets			
Tangible assets	<u>14</u>	50,470	60,544
Current assets			
Stocks	<u>15</u>	921,642	1,740,779
Debtors	<u>16</u>	6,520,236	6,838,222
Cash at bank and in hand		407,773	334,688
		<u>7,849,651</u>	<u>8,913,689</u>
Creditors: Amounts falling due within one year	<u>18</u>	<u>(7,886,381)</u>	<u>(9,216,455)</u>
Net current liabilities		<u>(36,730)</u>	<u>(302,766)</u>
Net assets/(liabilities)		<u>13,740</u>	<u>(242,222)</u>
Capital and reserves			
Called up share capital		10,100	10,100
Profit and loss account		3,640	(252,322)
Shareholders' funds/(deficit)		<u>13,740</u>	<u>(242,222)</u>

Approved and authorised by the Board on 30 November 2021 and signed on its behalf by:

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Mr AJ Reed
Director

Multimedia International Services Limited

Statement of Changes in Equity for the Year Ended 30 September 2020

	Share capital	Profit and loss account	Total
	£	£	£
At 1 October 2019	10,100	(252,322)	(242,222)
Profit for the year	-	340,962	340,962
Total comprehensive income	-	340,962	340,962
Dividends	-	(85,000)	(85,000)
At 30 September 2020	10,100	3,640	13,740
	Share capital	Profit and loss account	Total
	£	£	£
At 1 October 2018	10,100	(1,095,934)	(1,085,834)
Prior period adjustment	-	162,443	162,443
At 1 October 2018 (As restated)	10,100	(933,491)	(923,391)
Profit for the year	-	681,169	681,169
Total comprehensive income	-	681,169	681,169
At 30 September 2019	10,100	(252,322)	(242,222)

Multimedia International Services Limited

Statement of Cash Flows for the Year Ended 30 September 2020

		2020	(As restated) 2019
	Note	£	£
Cash flows from operating activities			
Profit for the year		340,962	681,169
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	20,726	52,826
Finance income	<u>7</u>	(4,623)	(22,603)
Finance costs	<u>8</u>	1,318	-
Income tax expense		83,407	401,186
Foreign exchange gains/losses		26,493	29,683
		468,283	1,142,261
Working capital adjustments			
Decrease in stocks	<u>15</u>	819,137	115,796
Decrease/(increase) in trade debtors	<u>16</u>	315,379	(1,655,913)
Decrease in trade creditors	<u>18</u>	(1,088,711)	(393,252)
Cash generated from operations		514,088	(791,108)
Income taxes (paid)/received	<u>12</u>	(322,164)	225,669
Net cash flow from operating activities		191,924	(565,439)
Cash flows from investing activities			
Interest received	<u>7</u>	4,623	22,603
Acquisitions of tangible assets		(10,651)	(18,146)
Net cash flows from investing activities		(6,028)	4,457
Cash flows from financing activities			
Interest paid	<u>8</u>	(1,318)	-
Dividends paid		(85,000)	-
Net cash flows from financing activities		(86,318)	-
Net increase/(decrease) in cash and cash equivalents		99,578	(560,982)
Cash and cash equivalents at 1 October		334,688	925,353
Effect of exchange rate fluctuations on cash held		(26,493)	(29,683)
Cash and cash equivalents at 30 September		407,773	334,688

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Premier House
Premier Way
Poulton Business Park
Poulton-Le-Fylde
Lancashire
FY6 8JP
United Kingdom

These financial statements were authorised for issue by the Board on 30 November 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises advertising contracts sold on a one or two year contract in the ordinary course of the company's activities. Turnover is net of sales/value added tax, rebates and discounts.

The company charges an artwork fee which is treated as income on the date the contract is signed, all other income is recognised over the term of the contract commencing from the date the advertisement is first published. To the extent that income relates to future accounting periods, it is treated as deferred income and included in creditors.

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

Bad debt provision

A specific provision to bad debts is made only when the following conditions are met: when the contract is agreed to be written off by the company, the contract has expired or the debt is considered bad due to non-payment.

A general provision is provided against all contracts where the contract term ends after the accounting period. The general provision is calculated as the lower of:

(a) 20% of the original value and

(b) the balance outstanding at the end of the accounting period.

Government grants

Government grants are recognised on an accruals basis.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	Over term of lease
Computer equipment	33% straight line
Fixtures and fittings	15% straight line
Motor vehicles	20% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 3 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for advertising services performed in the ordinary course of business. Trade debtors are recognised initially at the contract value. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods comprises direct materials. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

Work in progress

Work in progress relates to commissions paid to sales agents which are deferred over the term of the contract to which they relate. The deferral of agents' commissions is not spread over the contract renewal term.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Sale of advertising	6,238,151	6,992,558

The analysis of the company's turnover for the year by market is as follows:

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

	2020 £	2019 £
UK	4,838,450	5,629,510
Europe	1,399,701	1,363,048
	<u>6,238,151</u>	<u>6,992,558</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020 £	2019 £
Government grants	347,815	-
Miscellaneous other operating income	772,733	1,286,743
	<u>1,120,548</u>	<u>1,286,743</u>

5 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	20,726	52,826
Foreign exchange losses	26,493	29,683

6 Government grants

Included within other operating income is government grants receivable. The grants relate to the UK job retention scheme. The amount of grants recognised in the financial statements was £347,815 (2019 - £Nil).

7 Other interest receivable and similar income

	2020 £	2019 £
Interest income on bank deposits	3,993	7,395
Other finance income	630	15,208
	<u>4,623</u>	<u>22,603</u>

8 Interest payable and similar expenses

	2020 £	2019 £
Interest expense on other finance liabilities	1,318	-

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	1,595,129	1,880,943
Social security costs	140,708	175,263
Pension costs, defined contribution scheme	30,438	34,114
Other employee expense	23,326	36,546
	<u>1,789,601</u>	<u>2,126,866</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Administration and support	35	51
Sales, marketing and distribution	27	26
Other departments	3	3
	<u>65</u>	<u>80</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	39,235	43,595
Contributions paid to money purchase schemes	3,407	3,396
	<u>42,642</u>	<u>46,991</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No.
Accruing benefits under defined benefit pension scheme	3	3

11 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>17,700</u>	<u>29,050</u>

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

The company entered into a liability limitation agreement with the auditor on 31 January 2018. The liability of the auditor in respect of any claim or claims made by the company is limited to £4,000,000 inclusive of interest and costs.

12 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	80,801	71,842
UK corporation tax adjustment to prior periods	-	148,621
	<u>80,801</u>	<u>220,463</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>2,607</u>	<u>180,721</u>
Tax expense in the income statement	<u>83,408</u>	<u>401,184</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>424,370</u>	<u>1,082,353</u>
Corporation tax at standard rate	80,630	205,647
Effect of expense not deductible in determining taxable profit (tax loss)	6,199	5,182
Effect of tax losses	-	(138,767)
Increase in UK and foreign current tax from adjustment for prior periods	-	148,621
Tax (decrease)/increase from effect of capital allowances and depreciation	(6,029)	1,934
Tax increase from other short-term timing differences	2,608	2,223
Tax increase from effect of unrelieved tax losses carried forward	-	178,499
Tax decrease arising from group relief	<u>-</u>	<u>(2,155)</u>
Total tax charge	<u>83,408</u>	<u>401,184</u>

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

Deferred tax

Deferred tax assets and liabilities

	Asset £
2019	
Deferred tax on losses carried forward	-
Deferred tax on fixed assets	13,066
	<u>13,066</u>

13 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 October 2019	<u>92,500</u>	<u>92,500</u>
At 30 September 2020	<u>92,500</u>	<u>92,500</u>
Amortisation		
At 1 October 2019	<u>92,500</u>	<u>92,500</u>
At 30 September 2020	<u>92,500</u>	<u>92,500</u>
Carrying amount		
At 30 September 2020	<u>-</u>	<u>-</u>
At 30 September 2019	<u>-</u>	<u>-</u>

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

14 Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation					
At 1 October 2019	304,847	321,006	1,741	120,211	747,805
Additions	-	7,538	-	3,113	10,651
At 30 September 2020	304,847	328,544	1,741	123,324	758,456
Depreciation					
At 1 October 2019	295,937	291,857	488	98,979	687,261
Charge for the year	495	6,970	250	13,010	20,725
At 30 September 2020	296,432	298,827	738	111,989	707,986
Carrying amount					
At 30 September 2020	8,415	29,717	1,003	11,335	50,470
At 30 September 2019	8,910	29,149	1,253	21,232	60,544

Included within the net book value of land and buildings above is £8,415 (2019 - £8,910) in respect of long leasehold land and buildings.

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

15 Stocks

	2020	2019
	£	£
Work in progress	885,583	1,656,817
Other inventories	36,059	83,962
	<u>921,642</u>	<u>1,740,779</u>

16 Debtors

		2020	(As restated) 2019
	Note	£	£
Trade debtors		3,231,787	3,880,368
Amounts owed by related parties	<u>22</u>	3,187,652	1,765,718
Other debtors		22,923	1,062,293
Prepayments		67,415	116,777
Deferred tax assets	<u>12</u>	10,459	13,066
		<u>6,520,236</u>	<u>6,838,222</u>

17 Cash and cash equivalents

	2020	2019
	£	£
Cash on hand	8,800	7,656
Cash at bank	398,973	327,032
	<u>407,773</u>	<u>334,688</u>

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

18 Creditors

	Note	2020 £	2019 £
Due within one year			
Trade creditors		144,396	107,935
Amounts due to related parties	<u>22</u>	762,379	-
Social security and other taxes		546,220	723,204
Outstanding defined contribution pension costs		679	2,185
Other payables		147,222	106,654
Accruals		6,138,544	7,888,173
Income tax liability	<u>12</u>	146,941	388,304
		<u>7,886,381</u>	<u>9,216,455</u>

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £30,438 (2019 - £34,114).

Contributions totalling £679 (2019 - £2,185) were payable to the scheme at the end of the year and are included in creditors.

20 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.01 each	1,010,000	10,100.00	1,010,000	10,100.00

21 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	15,457	18,905
Later than one year and not later than five years	<u>3,651</u>	<u>19,108</u>
	<u>19,108</u>	<u>38,013</u>

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

The amount of non-cancellable operating lease payments recognised as an expense during the year was £15,457 (2019 - £18,905).

22 Related party transactions

Key management compensation

	2020	2019
	£	£
Salaries and other short term employee benefits	158,354	181,131

Summary of transactions with other related parties

During the year Multimedia International Services Ltd made advancements to Media Solutions International Pty Ltd of £399 and received repayments of £267. Media Solutions International Pty Ltd is a company jointly owned by D Ravenscroft, A Darnell and A Reed. At the year end 30th September 2020, the creditor balance owing to Media Solutions International Pty Ltd was £6,043 (2019: £6,175).

During the year Multimedia International Services Limited made advancements to SAAS Technologies Ltd of £19,855 and received repayments of £15,194. SAAS Technologies Ltd is a company jointly owned by D Ravenscroft, A Darnell and A Reed. At the year end 30th September 2020, the debtor balance owing from SAAS Technologies Ltd was £5,509 (2019: £848).

During the year Multimedia International Services Limited made advancements to Media Solutions (NZ) Ltd of £0 and received repayments of £91. Media Solutions (NZ) Ltd is a company jointly owned by D Ravenscroft, A Darnell and A Reed. At the year end 30th September 2020, the balance owing from Multimedia International Services (NZ) was £0 (2019: £91).

Loans to related parties

	Key management	Total
	£	£
2020		
At start of period	673,731	673,731
Advanced	702,420	702,420
Repaid	(1,585,000)	(1,585,000)
Interest transactions	631	631
At end of period	(208,218)	(208,218)
	Key management	Total
	£	£
2019		
At start of period	217,205	217,205
Advanced	822,384	822,384
Repaid	(380,000)	(380,000)
Interest transactions	14,142	14,142
At end of period	673,731	673,731

Multimedia International Services Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

Terms of loans to related parties

Loans are advanced to the directors. Loans are repayable upon demand and interest is charged at the official rate of interest on any balance that exceeds £10,000 throughout the year.

23 Parent and ultimate parent undertaking

The company's immediate parent is Media International Holdings Limited, incorporated in England and Wales. These financial statements are available upon request from www.companieshouse.gov.uk

The parent of the largest group in which these financial statements are consolidated is Media International Holdings Limited, incorporated in England and Wales.

The address of Media International Holdings Limited is:
Ground Floor, Seneca House
Links Point, Amy Johnson Way
Blackpool
FY4 2FF
United Kingdom

The parent of the smallest group in which these financial statements are consolidated is Media International Holdings Limited, incorporated in England and Wales.

The address of Media International Holdings Limited is:
Ground Floor, Seneca House
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FY4 2FF
United Kingdom

Barclays Bank PLC has debentures for use of their direct debit facilities which are secured by way of fixed and floating charges over all of the property or undertaking of the company.

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