

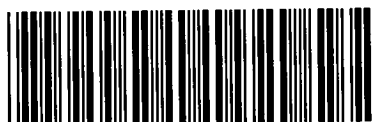
**Company Registration No. 03935480 (England and Wales)**

**BLOWUP MEDIA UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**TUESDAY**



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## **BLOWUP MEDIA UK LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	Ms K Robertson Mr S Russell Mr S J Tokaya
<b>Company number</b>	03935480
<b>Registered office</b>	The Media Centre 6th Floor 3-8 Carburton Street London W1W 5AJ
<b>Auditor</b>	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
<b>Bankers</b>	HSBC 92 Kensington High Street London W8 4SH

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# **BLOWUP MEDIA UK LIMITED**

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# **BLOWUP MEDIA UK LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present the strategic report for the year ended 31 December 2019.

### **Fair review of the business**

The 2019 turnover for the year increased by 21% compared to 2018. In the same period, the gross profit increased by 10% against 2018 which is line with the growth of the business. Costs are reviewed periodically and the market is researched for the best suppliers that can offer high quality and cost-effective solutions.

Due to cost control being integral throughout the company, the overheads have only increased by 15% when compared to 2018. The directors continue to monitor and analyse the overheads into 2020.

Management closely monitor the key performance indicators which include sales, gross margins, operational costs and detailed overhead analysis. Any material variances are investigated and managed.

### **Principal risks and uncertainties**

The company delivers high impact adverts at locations that achieve the maximum target audiences, and fills a unique position in the 'out of home' advertising landscape.

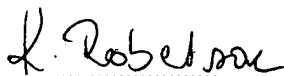
The directors expect that the company will remain profitable in the future through the continued monitoring of the company's performance based on revenue and gross profit on a company wide basis as well as on a site by site basis, average selling price and occupancy, and with the development of new locations.

Inflation and the general macro-economic climate keep being a risk for the company. The company directors meet regularly to discuss KPI's and the effect of the economy on them. blowUP Media UK Ltd continue to be market leader in the Giant Poster market, due to its commitment to maintaining high standards of customer delivery, quality locations and maintaining good relations with the local planning authorities and by ensuring that strict health and safety measures are adhered to. This mitigates the risk, as the company has demonstrated with its results from the previous years.

### **Development and performance**

The board expect to see some growth in 2020 with the development of new locations. This will be achieved through the continued work with new and existing landlords. Also ensuring close monitoring of key performance indicators, the outdoor advertising market and continued cost control.

On behalf of the board



Ms K Robertson

**Director**

04.03.2020

# **BLOWUP MEDIA UK LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their annual report and financial statements for the year ended 31 December 2019.

#### **Principal activities**

The principal activity of the company is that of the provision of giant outdoor advertising sites and consultancy relating to the outdoor market.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ms K Robertson  
Mr S Russell  
Mr S J Tokaya

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid during the year ended 31 December 2019 (2018: £nil). The directors do not recommend payment of a final dividend.

#### **Auditor**

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible 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 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.

**BLOWUP MEDIA UK LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

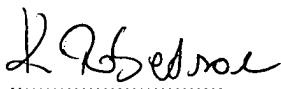
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Statement of disclosure to auditor**

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 auditor is 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 auditor is aware of that information.

On behalf of the board



Ms K Robertson

**Director**

Date: 04.03.2020

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BLOWUP MEDIA UK LIMITED**

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#### **Opinion**

We have audited the financial statements of blowUP Media UK Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 FRS 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 31 December 2019 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's 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.

#### **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.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BLOWUP MEDIA UK LIMITED**

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#### **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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 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.

#### **Responsibilities of directors**

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, 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.



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF BLOWUP MEDIA UK LIMITED**

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**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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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.



**Matthew Anderson (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

4 March 2020

**Chartered Accountants**  
**Statutory Auditor**

**BLOWUP MEDIA UK LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

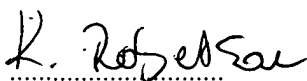
		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	13,104,710	10,806,390
Cost of sales		(8,768,544)	(6,854,517)
<b>Gross profit</b>		<u>4,336,166</u>	<u>3,951,873</u>
Administrative expenses		(2,450,752)	(2,130,049)
Other operating income		157,194	467,627
<b>Operating profit</b>	<b>4</b>	<u>2,042,608</u>	<u>2,289,451</u>
Interest receivable and similar income	<b>7</b>	57,453	41,475
Interest payable and similar expenses	<b>8</b>	(274)	1,757
<b>Profit before taxation</b>		<u>2,099,787</u>	<u>2,332,683</u>
Tax on profit	<b>9</b>	(416,892)	(446,788)
<b>Profit for the financial year</b>		<u><u>1,682,895</u></u>	<u><u>1,885,895</u></u>

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

**BLOWUP MEDIA UK LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	10		234,448		243,271
<b>Current assets</b>					
Stocks	12	67,434		40,879	
Debtors	13	12,078,717		8,542,113	
Cash at bank and in hand		1,363,911		3,635,711	
		<u>13,510,062</u>		<u>12,218,703</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(6,340,299)</u>		<u>(6,817,609)</u>	
<b>Net current assets</b>			7,169,763		5,401,094
<b>Total assets less current liabilities</b>			<u>7,404,211</u>		<u>5,644,365</u>
<b>Provisions for liabilities</b>	15		(284,776)		(207,825)
<b>Net assets</b>			<u><u>7,119,435</u></u>		<u><u>5,436,540</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		10,000		10,000
Profit and loss reserves			7,109,435		5,426,540
<b>Total equity</b>			<u><u>7,119,435</u></u>		<u><u>5,436,540</u></u>

The financial statements were approved by the board of directors and authorised for issue on 03.03.2020 and are signed on its behalf by:



Ms K Robertson  
Director

Company Registration No. 03935480

**BLOWUP MEDIA UK LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2018</b>	10,000	3,540,645	3,550,645
<b>Year ended 31 December 2018:</b>			
Profit and total comprehensive income for the year	-	1,885,895	1,885,895
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2018</b>	10,000	5,426,540	5,436,540
<b>Year ended 31 December 2019:</b>			
Profit and total comprehensive income for the year	-	1,682,895	1,682,895
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2019</b>	<u>10,000</u>	<u>7,109,435</u>	<u>7,119,435</u>

**BLOWUP MEDIA UK LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	22		(1,711,982)		1,945,388
Interest paid			(274)		1,757
Income taxes paid			(501,796)		(428,439)
<b>Net cash (outflow)/inflow from operating activities</b>			(2,214,052)		1,518,706
<b>Investing activities</b>					
Purchase of tangible fixed assets		(115,201)		(255,697)	
Proceeds on disposal of tangible fixed assets		-		14,156	
Interest received		57,453		41,475	
<b>Net cash used in investing activities</b>			(57,748)		(200,066)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(2,271,800)		1,318,640
Cash and cash equivalents at beginning of year			3,635,711		2,317,071
<b>Cash and cash equivalents at end of year</b>			1,363,911		3,635,711

# **BLOWUP MEDIA UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **1 Accounting policies**

##### **Company information**

blowUP Media UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Media Centre, 6th Floor, 3-8 Carburton Street, London, W1W 5AJ.

##### **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 £.

The financial statements have been prepared on the historical cost convention.

##### **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 amounts (excluding VAT) derived from the provision of advertising services during the year. Turnover is recognised based on the pro rata of production costs and media element. The production element is fully recognised on the first day of the campaign, and the media element is recognised on a time basis, and both are shown net of turnover rebates.

##### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over life of lease
Plant and machinery	From 3 to 15 years on a straight line basis
Fixtures, fittings & equipment	5 years on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# **BLOWUP MEDIA UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **1 Accounting policies**

**(Continued)**

##### **1.5 Impairment of fixed assets**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### **1.6 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### **1.7 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and 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.

##### **1.8 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.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# **BLOWUP MEDIA UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **1 Accounting policies**

**(Continued)**

##### ***Basic financial assets***

Basic financial assets, which include debtors 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.



# **BLOWUP MEDIA UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **1 Accounting policies**

**(Continued)**

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# **BLOWUP MEDIA UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.10 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.

#### **1.11 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

# **BLOWUP MEDIA UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

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

#### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.15 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.

### **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.

One of the key estimates is the dismantling provision which is based on the company's assessment of past experience of removal expenditure.

**BLOWUP MEDIA UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019****3 Turnover and other revenue**

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

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Advertising	13,104,710	10,806,390

	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	57,453	41,475

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	13,104,710	10,806,390

**4 Operating profit**

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Exchange losses	194,621	7,588
Fees payable to the company's auditor for the audit of the company's financial statements	15,800	13,250
Depreciation of owned tangible fixed assets	124,024	260,857
Loss on disposal of tangible fixed assets	-	5,197
Operating lease charges	134,235	116,706

**BLOWUP MEDIA UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****5 Employees**

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Development	6	5
Sales	10	10
Administration	2	2
Operations	2	2
	<u>20</u>	<u>19</u>

Their aggregate remuneration comprised:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,299,239	1,206,548
Social security costs	124,817	106,315
Pension costs	29,714	23,675
	<u>1,453,770</u>	<u>1,336,538</u>

**6 Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	485,070	459,101
Company pension contributions to defined contribution schemes	8,620	5,995
	<u>493,690</u>	<u>465,096</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>202,199</u>	<u>191,531</u>
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**BLOWUP MEDIA UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****7 Interest receivable and similar income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	4,343	2,833
Interest receivable from group companies	53,110	38,642
	<u>57,453</u>	<u>41,475</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>57,453</u>	<u>41,475</u>
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**8 Interest payable and similar expenses**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Other finance costs:</b>		
Other interest	<u>274</u>	<u>(1,757)</u>

**9 Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	444,000	471,000
Adjustments in respect of prior periods	(5,204)	(13,761)
	<u>438,796</u>	<u>457,239</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(21,904)</u>	<u>(10,451)</u>
	<u>416,892</u>	<u>446,788</u>

**BLOWUP MEDIA UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****9 Taxation****(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	2,099,787	2,332,683
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	398,960	443,210
Tax effect of expenses that are not deductible in determining taxable profit	17,822	16,336
Permanent capital allowances in excess of depreciation	1,454	199
Under/(over) provided in prior years	(5,204)	(13,761)
Other tax adjustments	348	(426)
Deferred tax charge	3,512	1,230
Taxation charge for the year	416,892	446,788

**10 Tangible fixed assets**

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 January 2019	60,571	1,293,521	71,450	1,425,542
Additions	-	98,947	16,254	115,201
At 31 December 2019	60,571	1,392,468	87,704	1,540,743
<b>Depreciation and impairment</b>				
At 1 January 2019	56,964	1,070,565	54,742	1,182,271
Depreciation charged in the year	767	115,330	7,927	124,024
At 31 December 2019	57,731	1,185,895	62,669	1,306,295
<b>Carrying amount</b>				
At 31 December 2019	2,840	206,573	25,035	234,448
At 31 December 2018	3,607	222,956	16,708	243,271

**BLOWUP MEDIA UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019****11 Financial instruments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	11,703,630	8,199,856
	<u>                    </u>	<u>                    </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	5,697,143	6,006,461
	<u>                    </u>	<u>                    </u>

**12 Stocks**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Work in progress	67,434	40,879
	<u>                    </u>	<u>                    </u>

**13 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	5,035,449	4,442,406
Amounts owed by group undertakings	6,627,639	3,706,342
Other debtors	40,542	51,108
Prepayments and accrued income	292,888	281,962
	<u>                    </u>	<u>                    </u>
	11,996,518	8,481,818
	<u>                    </u>	<u>                    </u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 16)	82,199	60,295
	<u>                    </u>	<u>                    </u>
<b>Total debtors</b>	<u>12,078,717</u>	<u>8,542,113</u>

Amounts owed by group undertakings include a €5.3m loan (2018: €1.2m) and £2m loan (2018: £2m) by BlowUp Media GmbH in accordance with a loan agreement dated 15 August 2016. The loans are interest bearing on the basis of Euribor +1% and Libor +1% respectively. The loans are repayable on demand.



**BLOWUP MEDIA UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****14 Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	990,911	1,024,594
Amounts owed to group undertakings	219,959	109,159
Corporation tax	252,000	315,000
Other taxation and social security	391,156	496,148
Other creditors	117,203	12,913
Accruals and deferred income	4,369,070	4,859,795
	<u>6,340,299</u>	<u>6,817,609</u>

**15 Provision for Liabilities**

	Contractual Provision £	Compensation Provision £	Dismantling Provision £	Total £
At 1 January 2019	(11,750)	-	(196,075)	(207,825)
Additional provisions in the year	-	(158,176)	-	(158,176)
Reversal of provision	11,750	-	69,475	81,225
	<u>-</u>	<u>(158,176)</u>	<u>(126,600)</u>	<u>(284,776)</u>
At 31 December 2019	<u>-</u>	<u>(158,176)</u>	<u>(126,600)</u>	<u>(284,776)</u>

**Dismantling Provision**

The provision relates to the removal of specific digital screens in Birmingham (£41,600), Leeds (£50,000) and Manchester (£35,000). These provisions have been created as BlowUp is obliged to pay for the removal of the sites once the contract has been satisfied. There is therefore a present obligation and a probable outflow. This is based on the company's assessment of past experience of removal expenditure.

**Compensation Provision**

This provision relates to unexpected site related incidents, losses and refunds.

**BLOWUP MEDIA UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019****16 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Assets 2019 £</b>	<b>Assets 2018 £</b>
<b>Balances:</b>		
Accelerated capital allowances	17,274	21,041
Timing differences	64,925	39,254
	<u>82,199</u>	<u>60,295</u>

**17 Retirement benefit schemes**

	<b>2019 £</b>	<b>2018 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	29,714	23,675
	<u>29,714</u>	<u>23,675</u>

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.

**18 Share capital**

	<b>2019 £</b>	<b>2018 £</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
8,750 'A' Ordinary shares of £1 each	8,750	8,750
1,250 'B' Ordinary shares of £1 each	1,250	1,250
	<u>10,000</u>	<u>10,000</u>

The 'A' ordinary shares and 'B' ordinary shares constitute different classes of shares but rank pari passu in all respects.

**BLOWUP MEDIA UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019**

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**19 Operating lease commitments****Lessee**

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:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Within one year	627,239	1,827,475
Between two and five years	933,722	2,591,077
	<u>1,560,961</u>	<u>4,418,552</u>

**20 Related party transactions****Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	<u>493,690</u>	<u>465,096</u>

No guarantees have been given or received.

**21 Ultimate controlling party**

The immediate parent company is blowUP Media GmbH, a company registered in Germany, and the ultimate parent company is Ströer SE & Co. KGaA, a company also registered in Germany. Ströer SE & Co. KGaA is not under the control of any one party.

Ströer SE & Co. KGaA prepares group financial statements and copies can be obtained from The Media Centre, 6th Floor, 3-8 Carburton Street, London, W1W 5AJ.

**BLOWUP MEDIA UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****22 Cash (absorbed by)/generated from operations**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	1,682,895	1,885,895
<b>Adjustments for:</b>		
Taxation charged	416,892	446,788
Finance costs	274	(1,757)
Investment income	(57,453)	(41,475)
(Gain)/loss on disposal of tangible fixed assets	-	5,197
Depreciation and impairment of tangible fixed assets	124,024	260,857
Increase/(decrease) in provisions	76,951	(496,323)
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(26,555)	169,655
Increase in debtors	(3,514,700)	(2,433,241)
(Decrease)/increase in creditors	(414,310)	2,149,792
<b>Cash (absorbed by)/generated from operations</b>	<b>(1,711,982)</b>	<b>1,945,388</b>

**23 Analysis of changes in net funds**

	<b>1 January 2019</b>	<b>Cash flows</b>	<b>31 December 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	3,635,711	(2,271,800)	1,363,911