

Bray Leino Limited
Annual Report
Year Ended 31 December 2021
Company Registration Number 1352705



Bray Leino Limited

Financial Statements

Year Ended 31 December 2021

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Bray Leino Limited

Strategic Report

Year Ended 31 December 2021

Overview

Bray Leino is a Creative Communications company with a unique range of skills and expertise that delivers a real benefit to Clients through either integration of these skills or specific single-service expertise.

Being situated largely outside central London gives the company a real competitive advantage. We benefit from lower establishment costs and attract top-flight people who seek an exciting work environment enhanced by improved quality of life.

Our businesses have a proven, long-term ability to help Clients win. They are driven by uncommonly talented people whose creative business thinking and specialist knowledge complement those of their colleagues across the Company and the wider network, The MISSION Group plc.

We are proud to work with some of the world's leading brands and the UK's biggest names. We intend to increase shareholder value by growing profits and optimising our capital structure. We aim to grow profits by exploiting our competitive advantage to gain market share, investing intelligently in future income streams and continuing to improve our creative product.

Business Review

2021 saw trading recover strongly from the pandemic-hit 2020 with the Marketing Agency performing particularly well after the COVID-19 crisis. Our Events Agency continued to be impacted by lockdowns and travel restrictions but still managed to out-perform 2020.

As a consequence, financial performance has been good, with a 34% increase in like for like Gross profit (£16,432k, 2020 £12,245k) driving a convincing recovery in Operating profit before exceptional items (£2,809k, 2020 loss of £104k) and, importantly, a very strong recovery in Operating margins (17.1%, 2020 -0.8%).

So, with a solid year's trading and new business performance behind us and further room for recovery at our Events business still to come, it is with continued confidence that we embark on 2022 and beyond.

Key Trading Performance Indicators

	2021	2020	Movement
Turnover	£51,334k	£38,467k	£12,867k
Gross profit	£16,432k	£12,245k	£4,187k
Gross profit : Turnover %	32%	31.8%	0.2%
Operating Profit / (Loss)	£2,809k	£(104)k	£2,913k
Operating profit : Gross profit %	17.1%	(0.8)%	17.9%
Number of employees	201	208	(7)
Gross profit per head	£82k	£59k	£23k
Staff costs	£9,031k	£8,339k	£692k
Staff costs : Gross Profit %	55.0%	68.1%	-13.1%
Staff costs per head	£45k	£40k	£5k

Bray Leino Limited

Strategic Report

Year Ended 31 December 2021

Principal Risks and Uncertainties

Adverse Economic Conditions

The risk with the greatest potential impact on the Company's financial position is a widespread and dramatic economic downturn, as seen by the impact of Government lockdowns in response to COVID-19. The effect is reduced volumes, profitability and cash flows. The entrepreneurial culture that runs through our Agencies means that, while we will inevitably feel the impact of an economic downturn, we adapt quickly to changed circumstances and seek out opportunities that inevitably emerge in times of economic challenge.

COVID-19

The immediate impact of COVID-19 during 2020 was a swift and sharp reduction in revenues in our Agencies operating in specific areas, particularly Events, which were seriously affected by lockdowns and travel restrictions. The more general impact was created by the huge uncertainty around the economic impact of COVID-19, which resulted in many of our Clients pausing or deferring marketing expenditure.

Being primarily a provider of services, we had no material supply chain challenges and we benefitted from the investment in systems, relationships and wellness initiatives that enabled our workforce to work effectively from home when required and maintain social distancing, thereby ensuring we remained open for business and minimised any disruption for our Clients. A measure of our success is that, although revenues were significantly impacted by COVID-19, we did not lose any significant Clients during 2020 or 2021.

With the worst of COVID-19 now appearing to have past, the remaining uncertainty is whether there will be further lockdowns. Although this remains difficult to predict, 2020 and 2021 has demonstrated that we have the resilience to continue to weather the effects of the pandemic.



G D Lee
15 July 2022

**Approved by the Board of Directors
and signed on behalf of the Board**

Bray Leino Limited

Directors' Report

Year Ended 31 December 2021

The Directors have pleasure in presenting their report and the unaudited financial statements of the Company for the year ended 31 December 2021.

Principal Activities

The principal activities of the Company during the year were the provision of a broad suite of marketing services across a number of disciplines to an extensive range of Clients and sectors around the world.

Results and Dividends

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.

The Company paid dividends totalling £1,371,000 (2020 - £324,000).

Directors

The Directors who served the Company during the year were as follows:

G D Lee	Executive Chair and COO/CFO
K J Cox	Chief Executive Officer, Agency Business
R Grahamslaw	Chief Executive Officer, Events Business
P D C Fitzwilliam	Finance Director – The MISSION Group plc (resigned 30 April 2021)

Financial Instruments

The Company is funded through working capital. No further information is considered necessary for the assessment of assets, liabilities, financial position and profit or loss account of the Company. Information regarding the objectives and financial risk management of The MISSION Group plc is given in the group Directors' report.

Bray Leino Limited

Directors' Report

Year Ended 31 December 2021

Employees

Continuous Personal Development

People are at the heart of our offer so developing skills and driving engagement is vital in giving us the competitive edge. Nurturing, directing and growing an individual's knowledge and learning is key, which is why we make significant investments in leadership and management development. This commitment continues to pay dividends with clear, positive change in staff performance, retention and engagement at all levels.

Employee Engagement

The Company benefits from a two-way dialogue with employees. There are a number of formal and informal channels for this to take place including an annual staff survey with analysis and resulting actions reported back to all employees and Company-wide briefings on trading performance and other key issues.

Equal Opportunity

We are always mindful of our responsibilities to promote equality of opportunity and to avoid discrimination at all times. Our policy is:

- To ensure that in regard to hiring, continuing employment and training, career development and promotion and all other such matters that no person is treated less favourably than another because of their race, age, colour, ethnic origin, religion, sex, disability or sexual orientation.
- To abide by the Race, Disability and Gender Equality legislation and to implement the provisions of the Equality and Human Rights Commission.
- To review practices and policies to ensure that discrimination does not exist.

Responsibility for implementing the policy in practical terms rests with the Board.

Streamlined Energy and Carbon Reporting

The company has not reported on Streamlined Energy and Carbon Reporting (SECR) as the parent company, The MISSION Group plc, has prepared a group SECR report for the year to 31 December 2021.

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 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.

Bray Leino Limited

Directors' Report

Year Ended 31 December 2021

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting policies 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 disclose with reasonable accuracy at any time the financial position of the Company and to 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.



G D Lee
15 July 2022

**Approved by the Board of Directors
and signed on behalf of the Board**

Bray Leino Limited

Profit and Loss Account

Year Ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	5	51,334,201	38,467,283
Cost of sales		(34,902,282)	(26,222,512)
Gross Profit		16,431,919	12,244,771
Distribution costs		(623,762)	(541,886)
Administrative expenses		(13,163,275)	(12,536,447)
Other operating income	6	163,663	729,583
Operating Profit / (Loss)	7	2,808,545	(103,979)
Interest (payable) / receivable		(156)	913
Profit / (Loss) on Ordinary Activities Before Taxation		2,808,389	(103,066)
Tax on profit / (loss) on ordinary activities	10	(536,724)	(20,823)
Profit / (Loss) on Ordinary Activities After Taxation		2,271,665	(123,889)

Bray Leino Limited

Balance Sheet

31 December 2021

	Note	2021 £	2020 £
Fixed Assets			
Intangible assets	11	10,924	35,749
Tangible assets	12	259,256	323,297
Investments	13	2,787,985	2,787,985
		<u>3,058,165</u>	<u>3,147,031</u>
Current Assets			
Debtors	14	14,731,812	14,779,370
Cash at bank and in hand		3,019,438	1,156,530
		<u>17,751,250</u>	<u>15,935,900</u>
Creditors: Amounts falling due within one year	15	<u>(11,945,238)</u>	<u>(11,126,910)</u>
Net Current Assets		<u>5,806,012</u>	<u>4,808,990</u>
Total Assets Less Current Liabilities		<u>8,864,177</u>	<u>7,956,021</u>
		<u>8,864,177</u>	<u>7,956,021</u>
Capital and Reserves			
Called-up share capital	19	250,000	250,000
Share premium account		1,416,863	1,416,863
Staff remuneration reserve		67,700	67,700
Capital contribution reserve		7,491	-
Profit and loss account		7,122,123	6,221,458
Shareholders' Funds		<u>8,864,177</u>	<u>7,956,021</u>


Company Registration Number 1352705

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.

These financial statements were approved for issue by the Directors on 15 July 2022 and were signed on their behalf by:


G D Lee
Director

Bray Leino Limited

Statement of Changes in Equity

31 December 2021

	Called-up Share capital £	Share Premium account £	Staff remuneration reserve £	Capital contribution reserve £	Profit and Loss account £	Total Equity £
At 1 January 2020	250,000	1,416,863	67,700	37,326	6,626,532	8,398,421
Loss for the year	-	-	-	-	(123,889)	(123,889)
Total comprehensive income	-	-	-	-	(123,889)	(123,889)
Dividends paid	-	-	-	-	(324,000)	(324,000)
Capital contribution	-	-	-	(37,326)	42,815	5,489
At 31 December 2020	250,000	1,416,863	67,700	-	6,221,458	7,956,021
Profit for the year	-	-	-	-	2,271,665	2,271,665
Total comprehensive income	-	-	-	-	2,271,665	2,271,665
Dividend paid	-	-	-	-	(1,371,000)	(1,371,000)
Capital contribution	-	-	-	7,491	-	7,491
At 31 December 2021	250,000	1,416,863	67,700	7,491	7,122,123	8,864,177

Bray Leino Limited

Notes and Accounting Policies

31 December 2021

1. Company Information

Bray Leino Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is The Old Sawmills, Filleigh, EX32 0RN.

The company's principal place of business is The Old Rectory, Filleigh EX32 0RX.

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.

Going concern

The Covid-19 pandemic has resulted in an unprecedented global trading environment to which no business can be immune. It is impossible to predict the impact with any accuracy, but, as a member of a group of companies, the company has access to the resources available to its ultimate parent, The MISSION Group plc ("MISSION"). MISSION provides financial support to its subsidiary undertakings wherever necessary and has indicated that it has sufficient financial resources to weather the Covid-19 storm. After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Further details can be found in the accounts of The MISSION Group plc. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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.

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Notes and Accounting Policies

31 December 2021

4. Principal Accounting Policies

(a) Turnover and Income Recognition

Turnover represents the provision of 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.

Income is taken on fees in the period to which the fee relates. 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.
- 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 financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument. 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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as fair value through profit and loss, which are initially measured at fair value.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Debt instruments which meet the conditions to be classified as basic instruments are subsequently measured at amortised cost using the effective interest method.

Basic debt instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial liabilities are released to the profit and loss account when the liability is extinguished.

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Notes and Accounting Policies

31 December 2021

(c) Intangible fixed assets

Goodwill

Intangible assets arising on acquisition are capitalised, classified as an asset on the Balance Sheet and amortised over their estimated useful life of 5 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.

Software

Software assets are stated at cost less accumulated amortisation. Amortisation 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. The economic life of software is estimated to be 4 years.

(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	-	15 years straight line/remainder of lease
Fixtures and Fittings	-	20% straight line
Plant and Equipment	-	3 to 7 years reducing balance
Technical Equipment	-	25% straight line
Motor Vehicles	-	25% straight line

(e) Investments in associates

Investments in associates are stated at cost less any impairment in the associate's financial statements.

(f) 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.

(g) Pension costs

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

(h) 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.

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31 December 2021

(i) Deferred consideration

The terms of an acquisition may provide that the value of the purchase consideration, which may be payable in cash, shares or other securities at a future date, depends on uncertain future events such as the future performance of the acquired Company. Where it is not possible to determine definitively the amounts payable, the amounts recognised in the financial statements represent a reasonable estimate at the balance sheet date of the amounts expected to be paid. Where deferred consideration may be settled by either the issue of shares or loan notes, it is classified in the balance sheet in accordance with the substance of the transaction. Where the agreement gives rise to an obligation that may be settled by the delivery of a variable number of shares to meet a defined monetary liability, these amounts are disclosed as debt.

(j) 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.

(k) 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.

(l) Research and Development expenditure credit

The company has submitted claims to HM Revenue & Customs in relation to the government's Research and Development Expenditure Credit regime based on costs qualifying for the relief. The value of the claims has been accounted for under s.24 of FRS 102 and has been included within the Profit & Loss Account as part of Other Income under the Accrual model.

The credits have no unfulfilled conditions and are contingent on the company's Research and Development claim being approved by HM Revenue & Customs.

(m) Government grants

Grant income is accounted for using the accruals method. The income is recognised when the costs to which the grants relate are recognised.

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	2021 £	2020 £
5. Turnover		
Turnover by destination		
United Kingdom	46,464,101	30,514,283
Rest of Europe	1,272,500	1,492,800
Rest of the World	3,597,600	6,460,200
	<u>51,334,201</u>	<u>38,467,283</u>
All turnover is derived by the rendering of services.		
6. Other operating income		
Research and Development expenditure credit	27,184	54,890
Coronavirus Job Retention Scheme	108,887	656,152
Miscellaneous	27,592	18,541
	<u>163,663</u>	<u>729,583</u>
7. Operating Profit / (Loss)		
Operating profit / (loss) is stated after charging:		
Amortisation of intangible fixed assets	24,153	143,987
Depreciation of tangible fixed assets	102,676	133,462
Loss / (Profit) on disposal of fixed assets	1,118	35,798
Operating lease costs	450,716	470,875
Research and development expenditure	<u>800,000</u>	<u>800,000</u>

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Notes and Accounting Policies

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	2021	2020
8. Particulars of Employees		
The average number of staff employed by the Company during the financial year, analysed by category, was as follows:		
	No.	No.
Client services	197	206
Production	-	1
Administration	4	1
	201	208

The aggregate payroll costs of the above were:

	£	£
Wages and salaries	7,750,000	7,158,099
Social security costs	892,034	792,249
Other pension costs	388,818	388,648
	9,030,852	8,338,996

9. Directors' Emoluments

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

Emoluments receivable	210,755	212,355
Value of company pension contributions to money purchase schemes	14,875	20,500
	225,630	232,855

Emoluments of highest paid Director:

Emoluments receivable	210,755	157,398
Value of Company pension contributions to money purchase schemes	14,875	14,500
	255,630	171,898

The number of Directors who accrued benefits under Company pension schemes and long term incentive plans was as follows:

	No.	No.
Money purchase schemes	1	2
Long term incentive schemes (share options)	1	2

During the year no directors exercised share options in the parent company, The MISSION Group plc. No further directors became entitled to exercise share options.

Bray Leino Limited

Notes and Accounting Policies

31 December 2021

	2021 £	2020 £
10. Taxation on Ordinary Activities		
(a) Analysis of charge in the year		
Current tax:		
UK Corporation tax based on the results for the year	545,400	26,000
Adjustments in respect of prior years	(8,676)	(5,177)
Total tax charge	<u>536,724</u>	<u>20,823</u>
(b) Factors affecting current tax charge		
The current tax charge for the year is higher (2020 - higher) than the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below.		
Profit / (Loss) on ordinary activities before taxation	<u>2,808,389</u>	<u>(103,066)</u>
Theoretical tax charge at 19% (2020 - 19%)	533,594	(19,583)
Effects of:		
Rate changes	(24,017)	-
Expenses not deductible for tax purposes	24,613	43,773
Deferred tax not recognised	11,665	(3,612)
Enhanced capital allowances	(580)	-
Research and Development tax credits	-	5,272
Sundry tax adjusting items	125	150
Over provision in respect of prior years	(8,676)	(5,177)
Total tax charge for the period	<u>536,724</u>	<u>20,823</u>

Bray Leino Limited

Notes and Accounting Policies

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11. Intangible Fixed Assets

	Goodwill £	Software £	Total £
Cost			
At 1 January 2021	1,747,952	369,584	2,117,536
Additions	-	-	-
Disposals	-	(32,278)	(32,278)
At 31 December 2021	<u>1,747,952</u>	<u>337,306</u>	<u>2,085,258</u>
Amortisation			
At 1 January 2021	1,747,952	333,835	2,081,787
Charge for the year	-	24,153	24,153
Eliminated on disposals	-	(31,606)	(31,606)
At 31 December 2021	<u>1,747,952</u>	<u>326,382</u>	<u>2,074,334</u>
Net Book Value			
At 31 December 2021	<u>-</u>	<u>10,924</u>	<u>10,924</u>
At 31 December 2020	<u>-</u>	<u>35,749</u>	<u>35,749</u>

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12. Tangible Fixed Assets

	Leasehold Improvements £	Fixtures, Fittings, Plant and Equipment £	Technical Equipment £	Motor Vehicles £	Total £
Cost					
At 1 January 2021	1,267,774	345,907	363,140	49,330	2,026,151
Additions	18,654	20,426	-	-	39,080
Disposals	-	(205,485)	(45,761)	-	(251,246)
At 31 December 2021	1,286,428	160,848	317,379	49,330	1,813,985
Depreciation					
At 1 January 2021	1,052,965	295,085	311,373	43,431	1,702,854
Charge for the year	40,775	25,002	33,900	2,999	102,676
Eliminated on disposals	-	(205,040)	(45,761)	-	(250,801)
At 31 December 2021	1,093,740	115,047	299,512	46,430	1,554,729
Net Book Value					
At 31 December 2021	192,688	45,801	17,867	2,900	259,256
At 31 December 2020	214,809	50,822	51,767	5,899	323,297

13. Investments

	Subsidiary undertakings £	Other investments £	Total £
Cost			
At 1 January 2021	2,538,531	249,454	2,787,985
Additions	-	-	-
Disposal	-	-	-
At 31 December 2021	2,538,531	249,454	2,787,985

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Notes and Accounting Policies

31 December 2021

13. Investments (continued)

The details of the principle companies in which an investment in the issued ordinary share capital is held are:

Company	Country of registration or incorporation	Percentage owned	Capital and reserves £	Profit / (loss) for the year £
Bray Leino Productions Limited	England and Wales	100%	18	-
Registered office: The Old Sawmills, Filleigh EX32 0RN				
TMGPLC Asia Pte Ltd	Singapore	100%	(807,300)	(186,700)
Registered office: 78B Tras Street Singapore, 079017				
Bray Leino Splash PTE Limited	Singapore	70%	891,000	(347,000)
Registered office: 51 Tai Seng Avenue #04-04, Pixel Red Singapore, 533941				
Fenturi Limited	England and Wales	25%	(56,000)	(68,800)
Registered office: Church Farm House, Easton Grey, Malmesbury, SN16 0PF				

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, The MISSION Group plc, a company incorporated in England and Wales.

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Notes and Accounting Policies

31 December 2021

	2021 £	2020 £
14. Debtors		
Trade debtors	9,833,508	7,812,129
Amounts owed by group undertakings	1,154,539	4,152,942
Other debtors	321,565	399,190
Prepayments and accrued income	3,422,200	2,333,300
Corporation tax	-	81,809
	<u>14,731,812</u>	<u>14,779,370</u>
15. Creditors: Amounts falling due within one year		
Bank overdraft	-	681,306
Payments received on account	1,151,984	1,581,643
Trade creditors	4,849,775	4,695,025
Amounts owed to group undertakings	1,051,787	126,048
Other taxation and social security	1,116,612	1,315,857
Corporation tax	108,369	-
Accruals and deferred income	3,666,711	2,727,031
	<u>11,945,238</u>	<u>11,126,910</u>

The bank overdraft is secured by a cross guarantee structure in place 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.

16. Pensions

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £388,818 (2020 - £388,648).

At the beginning of the financial year there were outstanding contributions of £49,059. At the end of the financial year outstanding contributions amounted to £52,420.

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17. Commitments under Operating Leases

At 31 December 2021 the Company had total commitments under non-cancellable operating leases as set out below.

	2021		2020	
	Land and Buildings	Other Items	Land and Buildings	Other Items
	£	£	£	£
Within 1 year	213,000	30,000	347,792	72,000
Within 2 to 5 years	786,000	-	721,000	72,000
Over 5 years	1,469,250	-	1,500,000	-
	<u>2,468,250</u>	<u>30,000</u>	<u>2,568,792</u>	<u>144,000</u>

18. 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 financial statements is Enil (2020 - £681,306)

As at 31 December 2021 the net assets of the Group were £93,472,000 (2020 - £90,299,000) and the net borrowings under this group arrangement amounted to £10,327,000 (2020 - £1,163,000).

19. Share Capital

Allotted and called up

	2021		2020	
	No.	£	No.	£
Equity shares				
Ordinary "A" shares of £1 each	50,000	50,000	50,000	50,000
Ordinary "B" shares of £1 each	200,000	200,000	200,000	200,000
	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

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20. Related Party Transactions

Entities over which the company has control

Entity	Nature of control	Sales to / (Purchases from):	Debtor / (creditor) at year end:
<u>Current year</u>		£	£
Bray Leino Splash PTE Limited and subsidiaries	70% owned by the company	-	281,929
<u>Prior year</u>			
Bray Leino Splash PTE Limited and subsidiaries	70% owned by the company	300 (10,121)	124,795

Other related parties

The company rents property from entities under the control of D W Morgan, a director of its parent company, and members of his close family. During the year the company paid annual rental and property fees totalling £75,000 (2020 - £75,000). There were no amounts owed at the balance sheet date to these entities.

The company loaned £10,000 to one of the directors throughout the year. No interest is charged on this loan, and it is repayable on demand.

21. Ultimate Parent Company

The immediate parent company is The Mission Marketing Holdings Limited and the ultimate parent company is The MISSION Group plc, both companies are incorporated in England and Wales. The consolidated accounts of the ultimate parent company are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.