
MARKET LOCATION LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2018



MARKET LOCATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover		7,764,742	8,639,756
Cost of sales		(764,592)	(777,292)
Gross profit		7,000,150	7,862,464
Administrative expenses		(3,560,448)	(3,980,696)
Exceptional administrative expenses		(109,767)	(113,352)
Operating profit		3,329,935	3,768,416
Income from shares in group undertakings		62,839	930,401
Amounts written off investments		(86,659)	(70,000)
Interest receivable and similar income		2,887	-
Interest payable and similar charges	5	(106,378)	(14,508)
Profit before tax		3,202,624	4,614,309
Tax on profit	6	(674,693)	(426,384)
Profit for the financial year		2,527,931	4,187,925

There was no other comprehensive income for 2018 (2017: £Nil).

The notes on pages 4 to 18 form part of these financial statements.

MARKET LOCATION LIMITED
REGISTERED NUMBER:01864009

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	8	2,829,105	-
Tangible assets	9	24,733	12,263
Investments	10	159,591	3,340,980
		<u>3,013,429</u>	<u>3,353,243</u>
Current assets			
Debtors: amounts falling due within one year	11	1,617,802	1,607,549
Cash at bank and in hand	12	1,427,223	208,206
		<u>3,045,025</u>	<u>1,815,755</u>
Creditors: amounts falling due within one year	13	(2,419,604)	(1,519,693)
Net current assets		<u>625,421</u>	<u>296,062</u>
Total assets less current liabilities		<u>3,638,850</u>	<u>3,649,305</u>
Creditors: amounts falling due after more than one year	14	(534,676)	(919,020)
Net assets		<u><u>3,104,174</u></u>	<u><u>2,730,285</u></u>
Capital and reserves			
Called up share capital	16	1,000	1,000
Merger reserve		325,209	-
Profit and loss account		2,777,965	2,729,285
		<u><u>3,104,174</u></u>	<u><u>2,730,285</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2019.


P J Spinks
 Director

The notes on pages 5 to 18 form part of these financial statements.

MARKET LOCATION LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2018	1,000	-	2,729,285	2,730,285
Comprehensive income for the year				
Profit for the year	-	-	2,527,931	2,527,931
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	2,527,931	2,527,931
Dividends paid	-	-	(2,479,251)	(2,479,251)
Other movement type 1	-	325,209	-	325,209
Total transactions with owners	-	325,209	(2,479,251)	(2,154,042)
At 31 December 2018	1,000	325,209	2,777,965	3,104,174

The notes on pages 4 to 18 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	1,000	2,032,584	2,033,584
Comprehensive income for the year			
Profit for the year	-	4,187,925	4,187,925
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	4,187,925	4,187,925
Dividends paid	-	(3,491,224)	(3,491,224)
Total transactions with owners	-	(3,491,224)	(3,491,224)
At 31 December 2017	1,000	2,729,285	2,730,285

The notes on pages 4 to 18 form part of these financial statements.

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Market Location Limited is a private company limited by shares and incorporated in England and Wales. Registered number 01864009. Its registered head office is located at 62 Anchorage Road, Sutton Coldfield, England, B74 2PG.

The principal activity of the business data processing, hosting and related activities.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The functional and presentational currency of the company is GBP Sterling (£).

Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue comprises of fees charged for the use of business information for a contracted period. Revenue is included at the invoice date and deferred income provisions included for invoices relating to future periods. Revenue is recognised exclusive of Value Added Tax and trade discounts.

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Going concern

At the time of approving the financial statements, the directors have reasonable expectations 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 these financial statements.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 10%-33% straight line basis
Fixtures and fittings	- 20%-33% straight line basis
Office equipment	- 33% straight line basis
Software	- 20%-50% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.13 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Auditor's remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

MARKET LOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Employees

The average monthly number of employees, including directors, during the year was 32 (2017: 32).

5. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	2	-
Contingent consideration	-	12,944
Deferred consideration unwinding	106,376	1,564
	<u>106,378</u>	<u>14,508</u>

6. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	384,090	136,027
	<u>384,090</u>	<u>136,027</u>
Group taxation relief	290,323	285,762
	<u>674,413</u>	<u>421,789</u>
Total current tax	<u>674,413</u>	<u>421,789</u>
Deferred tax		
Origination and reversal of timing differences	(37)	4,595
Changes to tax rates	317	-
	<u>280</u>	<u>4,595</u>
Total deferred tax	<u>280</u>	<u>4,595</u>
Taxation on profit on ordinary activities	<u>674,693</u>	<u>426,384</u>

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	3,202,624	4,614,309
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	608,499	888,254
Effects of:		
Expenses not deductible for tax purposes	28,681	31,046
Capital allowances for year in excess of depreciation	85,419	353
Income not taxable	(11,939)	(179,070)
Adjustments to tax charge in respect of prior periods	(68,954)	(28,279)
Hive up	17,540	-
Other differences leading to an increase (decrease) in the tax charge	15,447	(158)
Group relief	-	(285,762)
Total tax charge for the year	674,693	426,384

Factors that may affect future tax charges

Enter details here

7. Dividends

	2018 £	2017 £
Dividends paid on equity capital	2,479,251	3,491,224

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8. Intangible assets

	Goodwill £
Cost	
Transferred on hive up	3,178,593
At 31 December 2018	<u>3,178,593</u>
Amortisation	
Charge for the year	349,488
At 31 December 2018	<u>349,488</u>
Net book value	
At 31 December 2018	<u><u>2,829,105</u></u>
At 31 December 2017	<u><u>-</u></u>

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2018	8,748	11,928	15,235	218,268	254,179
Additions	-	-	5,692	-	5,692
Transferred on hive up	-	2,872	7,704	4,639	15,215
Disposals	-	(352)	-	-	(352)
At 31 December 2018	8,748	14,448	28,631	222,907	274,734
Depreciation					
At 1 January 2018	8,748	10,834	8,800	213,534	241,916
Charge for the year	-	70	3,281	4,734	8,085
At 31 December 2018	8,748	10,904	12,081	218,268	250,001
Net book value					
At 31 December 2018	-	3,544	16,550	4,639	24,733
At 31 December 2017	-	1,094	6,435	4,734	12,263

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	3,340,980
Transferred to goodwill	<u>(3,181,389)</u>
Net book value	
At 31 December 2018	<u>159,591</u>
At 31 December 2017	<u>3,340,980</u>

During the previous year the Company acquired the trade and assets of Cardwell Marketing Limited and IDS Data Services Limited. The net assets at 31 December 2018 of £63,839 and £95,752 respectively have been hived-up .

11. Debtors

	2018 £	2017 £
Trade debtors	1,495,635	1,487,102
Amounts owed by group undertakings	4,445	57,769
Other debtors	67,366	30,456
Prepayments and accrued income	34,120	19,513
Deferred taxation	16,236	12,709
	<u>1,617,802</u>	<u>1,607,549</u>

MARKET LOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>1,427,223</u>	<u>208,206</u>

13. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	76,156	58,550
Deferred consideration	707,828	-
Amounts owed to group undertakings	242,042	16,277
Corporation tax	135,792	123,996
Other taxation and social security	329,497	286,435
Other creditors	-	96,680
Accruals and deferred income	928,289	479,255
Contingent consideration	-	458,500
	<u>2,419,604</u>	<u>1,519,693</u>

14. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Debentures loans	534,676	-
Contingent consideration	<u>-</u>	<u>919,020</u>

The contingent consideration is based on additional amounts to be paid as part of the acquisitions of Cardwell Marketing Limited and IDS Data Services Limited.

The contingent consideration agreements were amended during the financial year. A consideration of £150,000 has been recorded for the acquisition of Cardwell Marketing Limited based on three guaranteed payments of £50,000 during October 2020, 2021 and 2022. This amount has been discounted at a rate of 9.96%.

A consideration of £1.25m has been recorded for the acquisition of IDS Data Services Limited based on three guaranteed payments of £250,000 and £1m split into two payments in November 2019 and November 2020. The consideration has been discounted at a rate of 9.96%.

Recorded in the statement of comprehensive income is an amount of £116,804 relating to the unwinding of the deferred consideration.

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

15. Deferred taxation

	2018 £	2017 £
At beginning of year	12,709	17,304
Charged to profit or loss	(280)	(4,595)
Acquired on hive up	3,807	-
At end of year	16,236	12,709

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	14,408	11,381
Short term timing differences	1,828	1,328

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

16. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2,000 Ordinary shares of £0.50 each	1,000	1,000

17. Business combinations

Acquisition of Cardwell Marketing Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £
Total identifiable net assets	-	-
Total purchase consideration		

Total purchase consideration

Net cash outflow on acquisition

The results of Cardwell Marketing Limited since its acquisition are as follows:

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £72,855 (2017: £71,543).

19. Related party transactions

The Company has taken the exemption in FRS 102 section 33 not to disclose transactions with other wholly owned group companies.

MARKET LOCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

20. Controlling party

The immediate parent undertaking is 118 Group Limited, a Company incorporated in the United Kingdom.

The ultimate controlling party is 118 Group Holdings Limited. There is no overall controlling party of 118 Group Holdings Limited, as no one party holds more than 50% of the companies voting rights.

The group headed by 118 Group Holdings Limited is the largest and smallest group of undertakings for which the group accounts which include the Company are drawn up.

21. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 27 September 2019 by Rebecca Eagle FCA (Senior statutory auditor) on behalf of Grant Thornton UK LLP.