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# designportfolio

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## Annual report and financial statements

For the year ended 31 July 2020



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# Company information

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## Directors

IB Restall  
JE Wilford  
AAE Corey  
LA Channon  
NF Callan (Appointed 1 August 2020)

## Secretary

AAE Corey

## Company number

03677122

## Registered office

4th Floor  
77 Marsh Wall  
London  
E14 9SH

## Auditors

Moore Kingston Smith LLP  
Orbital House  
20 Eastern Road  
Romford  
Essex RM1 3PJ

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# Introduction

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Design Portfolio is a team of more than 60 communication specialists. We are strategic advisors, creative thinkers and compelling storytellers. We are trusted partners to companies of all sizes and all stages of growth, helping them to tell their unique stories effectively to their stakeholders.

We advise on strategic direction, create engaging narratives and memorable brands, and ensure that each client's story is told consistently through:

- Corporate reporting
- Websites
- Branding
- Sustainability
- Investor presentations
- Video and animation
- Employee communications

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# Directors' report

## For the year ended 31 July 2020

The directors present their annual report and financial statements for the year ended 31 July 2020.

### Principal activities

The principal activity of the company throughout the year was that of a corporate communications consultancy.

### Directors

The directors who served the company during the year together with their interests (including family interests) in the shares of the parent company at the beginning (or subsequent date of appointment) and end of the year, were as follows:

IR Restall  
JE Wilford  
AAE Carey  
LA Channon  
NF Callan (Appointed 1 August 2020)

### Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

The COVID-19 pandemic has had a relatively minor effect on the company's trading operations and, following assistance from the UK Government's various forms of support, the directors have assessed that the company will be able to continue in operation for a period of not less than 12 months from the date of approval of these financial statements.

### Auditor

The auditor, Moore Kingston Smith LLP, 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.

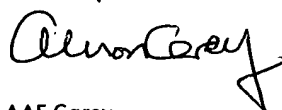
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

### 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 auditors are 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 auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



AAE Carey  
Director

Date: 15 April 2021

# Independent auditors' report

To the members of The Design Portfolio Marketing Services Limited

## Opinion

We have audited the financial statements of The Design Portfolio Marketing Services Limited (the 'company') for the year ended 31 July 2020 which comprise the Statement of Income and Retained Earnings, the Balance Sheet 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 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities on 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.

## 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

## 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 auditors' report (continued)

## To the members of The Design Portfolio Marketing Services Limited

### 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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

**Steven Rushmer (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP  
Chartered Accountants  
Statutory Auditor  
Orbital House  
20 Eastern Road  
Romford  
Essex RM1 3PJ

Date: 27 April 2021

# Statement of income and retained earnings

For the year ended 31 July 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	3	<b>5,477,550</b>	5,074,056
Cost of sales		<b>(953,299)</b>	(925,735)
<b>Gross profit</b>		<b>4,524,251</b>	4,148,321
Administrative expenses		<b>(4,366,251)</b>	(4,006,780)
Other operating income		<b>24,303</b>	—
<b>Operating profit</b>	4	<b>182,303</b>	141,541
Interest payable and similar expenses	7	<b>(5,817)</b>	(7,669)
<b>Profit before taxation</b>		<b>176,486</b>	133,872
Taxation	8	<b>(43,686)</b>	(681)
<b>Profit for the financial year</b>		<b>132,800</b>	133,191
Retained earnings brought forward		<b>486,590</b>	353,399
Retained earnings carried forward		<b>619,390</b>	486,590

The Statement of Income and Retained Earnings has been prepared on the basis that all operations are continuing operations.



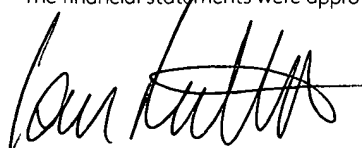
# Balance sheet

As at 31 July 2020

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	9		287,405		293,933
<b>Current assets</b>					
Stock	10	29,924		133,150	
Debtors	11	1,361,005		1,544,446	
Cash at bank and in hand		745,691		45,776	
		2,136,620		1,723,372	
<b>Creditors: amounts falling due within one year</b>	12	(1,755,924)		(1,530,615)	
<b>Net current assets</b>			380,696		192,757
<b>Total assets less current liabilities</b>			668,101		486,690
<b>Creditors: amounts falling due after more than one year</b>	13		(48,611)		—
<b>Net assets</b>			619,490		486,690
<b>Capital and reserves</b>					
Called up share capital	16		100		100
Profit and loss reserves			619,390		486,590
<b>Total equity</b>			619,490		486,690

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 15 April 2021 and are signed on its behalf by:



**IB Restall**  
Chairman

Company Registration No. 03677122

# Notes to the financial statements

For the year ended 31 July 2020

## 1 Accounting policies

### Company information

The Design Portfolio Marketing Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor, South Quay Building, 77 Marsh Wall, London, E14 9SH.

### 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 pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

### 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.

The company's business activities, together with factors likely to affect its future development, performance and position are set out in the Directors' Report on page 3.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being for a period of not less than 12 months from the approval of these financial statements. The COVID-19 pandemic has had a relatively minor effect on the company's trading operations and, following assistance from the UK Government's various forms of support, the directors have assessed that the company will be able to continue in operation for a period of not less than 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### 1.3 Turnover

Turnover represents the invoiced value of services provided net of value added tax. It is attributable to the principal activity of the company being that of a corporate communications consultancy.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

### 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Leasehold improvements	Over the term of the lease
Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% straight line

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.

### 1.5 Stock

Work in progress is stated at the lower of cost and net realisable value. The work in progress figure represents expenses incurred by the company relating to specific projects which were in progress at the year end, but it does not include any staff costs as these are considered an overhead expense of the company.

### 1.6 Cash and cash equivalents

Cash at bank and in hand 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.

### 1.7 Financial instruments

All of the company's financial assets and liabilities are basic and measured at amortised cost.

# Notes to the financial statements

For the year ended 31 July 2020 (continued)

## 1 Accounting policies (continued)

### 1.8 Equity instruments

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

### 1.9 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.

### 1.10 Employee benefits

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

### 1.11 Retirement benefits

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

### 1.12 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### 1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 1.14 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.

### 1.15 Exemptions for qualifying entities under FRS 102

As a wholly owned subsidiary of Flathill Communications Group plc, the company has taken advantage of the following qualifying entity exemptions under the provisions of FRS 102:

- (i) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a) (iv) to prepare a reconciliation of the number of equity shares outstanding at the beginning and at the end of the financial year;
- (ii) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d) to prepare a statement of cash flows;
- (iii) The requirements of Section 11 paragraphs 11.39 to 11.48(a) and Section 12 paragraphs 12.26 to 12.29A, regarding disclosures for financial liabilities and assets, as the equivalent disclosures required by FRS 102 are included in the consolidated financial statements of Flathill Communications Group plc in which the entity is consolidated;
- (iv) From disclosing the company key management personnel compensation, as required by paragraph 33.7; and
- (v) The requirement of Section 33 Related Party Disclosures paragraph 33.9 to disclose related party transactions within other members of Flathill Communications Group plc

# Notes to the financial statements

For the year ended 31 July 2020 (continued)

## 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.

### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Work in progress

Work in progress from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, work in progress is recognised only to the extent of the expenses recognised that are recoverable.

#### Depreciation of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the tangible fixed assets and note 1.4 for the useful economic lives for each class of asset.

## 3 Turnover and other revenue

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

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Rendering of services	5,477,550	5,074,056
	2020 £	2019 £
<b>Other significant revenue</b>		
Grants received	24,303	—
<b>Turnover analysed by geographical market</b>		
	2020 £	2019 £
United Kingdom	5,222,156	4,709,569
Rest of the World	255,394	364,487
	5,477,550	5,074,056

# Notes to the financial statements

For the year ended 31 July 2020 (continued)

## 4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	3	—
Government grants	(24,303)	—
Fees payable to the company's auditor for the audit of the company's financial statements	10,600	6,800
Depreciation of owned tangible fixed assets	84,364	34,666
Loss on disposal of tangible fixed assets	4,351	3,640
Cost of stock recognised as an expense	953,299	925,735
Operating lease charges	176,072	138,285

## 5 Employees

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

	2020 £	2019 £
Administration	6	5
Management	5	5
Client services	15	16
Production	42	37
	68	63

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,924,540	2,747,255
Social security costs	302,534	309,748
Pension costs	123,915	122,026
	3,350,989	3,179,029

Included within wages and salaries are redundancy costs totalling £73,559 (2019: £nil).

## 6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	565,776	526,814
Company pension contributions to defined contribution schemes	67,440	98,716
	633,216	625,530

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019: 3).

## 7 Interest payable and similar charges

	2020 £	2019 £
Interest on bank overdrafts and loans	5,817	7,669

# Notes to the financial statements

For the year ended 31 July 2020 (continued)

## 8 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	44,367	681
Adjustments in respect of prior periods	(681)	—
<b>Total current tax</b>	<b>43,686</b>	<b>681</b>

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:

	2020 £	2019 £
Profit before taxation	176,486	133,872
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	33,532	25,436
Tax effect of expenses that are not deductible in determining taxable profit	12,592	11,365
Adjustments in respect of prior years	(681)	—
Group relief	(7,496)	(4,916)
Unpaid pension contributions	219	1,240
Timing differences not provided for	1,241	(32,444)
General bad debt provision	4,279	—
<b>Taxation charge for the year</b>	<b>43,686</b>	<b>681</b>

## 9 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 August 2019	178,149	362,688	161,285	702,122
Additions	—	28,661	53,526	82,187
Disposals	—	(266,871)	—	(266,871)
<b>At 31 July 2020</b>	<b>178,149</b>	<b>124,478</b>	<b>214,811</b>	<b>517,438</b>
<b>Depreciation and impairment</b>				
At 1 August 2019	—	292,036	116,153	408,189
Depreciation charged in the year	27,225	32,618	24,521	84,364
Eliminated in respect of disposals	—	(262,520)	—	(262,520)
<b>At 31 July 2020</b>	<b>27,225</b>	<b>62,134</b>	<b>140,674</b>	<b>230,033</b>
<b>Carrying amount</b>				
<b>At 31 July 2020</b>	<b>150,924</b>	<b>62,344</b>	<b>74,137</b>	<b>287,405</b>
At 31 July 2019	178,149	70,652	45,132	293,933

# Notes to the financial statements

For the year ended 31 July 2020 (continued)

## 10 Stock

	2020 £	2019 £
Work in progress	29,924	133,150

## 11 Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	906,143	867,332
Amounts due from group undertakings	291,475	468,475
Other debtors	4,743	—
Prepayments and accrued income	158,644	208,639
	1,361,005	1,544,446

A bad debt provision of £47,692 (2019: £23,454) was recognised against trade debtors.

## 12 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Loans and overdrafts	14	1,389	—
Trade creditors		364,894	718,644
Amounts due to fellow group undertakings		—	4,124
Corporation tax		44,367	681
Other taxation and social security		552,175	265,168
Other creditors		84,193	38,636
Accruals and deferred income		708,906	503,362
		1,755,924	1,530,615

The banking facility and invoice finance agreement is secured by an unlimited debenture issued to The Royal Bank of Scotland plc and RBS Invoice Finance Limited, including a fixed and floating charge over all of the present and future assets of the company as dated 3 May 2017. The bank also has a group set off arrangement between the company and its ultimate parent company, Flathill Communications Group plc and its subsidiaries. The net contingent liability not reflected in the accounts after taking account of bank borrowing, totalled £nil (2019: £nil). A Personal Guarantee by IB Restall and Mrs CM Restall limited to £50,000 is in place with The Royal Bank of Scotland plc.

## 13 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	14	48,611	—
Bank loans		50,000	—
Payable within one year		1,389	—
Payable after one year		48,611	—

# Notes to the financial statements

For the year ended 31 July 2020 (continued)

## 15 Retirement benefit schemes

### Defined contribution schemes

	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	123,915	122,026

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.

Included in other creditors at the year end is £35,653 (2019: £34,499) of unpaid pension contributions.

## 16 Share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100

There is a single class of ordinary shares, there are no restrictions on distributions or repayment of capital.

## 17 Operating lease commitments

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:

	2020 £	2019 £
Within one year	160,871	105,116
Between two and five years	555,380	299,716
In over five years	53,826	400,939
	770,077	805,771

## 18 Related party transactions

Sales totalling £225,299 (2019: £248,110) were made to and purchases totalling £15,225 (2019: £48,640) were made from Ford Sinclair Limited during the year. At the year end, Ford Sinclair Limited owed the company an amount of £17,560 (2019: £23,877). Ford Sinclair is a company in which Mrs CM Restall has a controlling interest.

## 19 Directors' transactions

Included within creditors is an amount of £8,840 (2019: £nil) due to the director, IB Restall, an amount of £7,753 (2019 – debtor: £1,817) due to the director, JE Wilford and an amount of £545 (2019: £nil) owed to the director AAE Carey.

## 20 Controlling party

Flathill Communications Group plc, which is incorporated in England and Wales, is the company's ultimate parent undertaking.

During the year Flathill Communications Group plc was controlled by Mrs CM Restall who was a director of that company.

Flathill Communications Group plc prepares group accounts (which is the smallest and largest group of undertakings for which group accounts are drawn up), copies of which can be obtained from the registered office, South Quay Building 4th Floor, 77 Marsh Wall, London, E14 9SH.