

PARENT ACCOUNTS FOR DARE WEST LIMITED.

Inside Ideas Group Limited

Report and Financial Statements

Year Ended

31 December 2019

Company Number 09323085



Inside Ideas Group Limited

Company Information

Directors	S H Martin D Jones E Cookson J M Antoni
Company secretary	K Iselin
Registered number	09323085
Registered office	151 Rosebery Avenue London EC1R 4AB
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Inside Ideas Group Limited

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Inside Ideas Group Limited

Group Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report of the company and the group for the year ended 31 December 2019.

Business review

In 2019, Inside Ideas Group ("the group") continued to demonstrate significant organic growth and have increased our market share and global footprint. During the year, we continued to consolidate our position as market leaders in the provision of outsourced in-house agencies for brands and advertisers. The group continued to combine people, process and technology to deliver better, faster and cheaper marketing solutions.

On all financial metrics measuring growth and profitability, the group has reported an increase for the year ended 2019 compared to prior year, which is highlighted in the table below.

Analysis using KPIs

The following table of key performance indicators are in line with expectations:

	2019 £000	2018 £000
Turnover	146,532	122,465
Gross Margin	122,726	96,208
Gross Margin percentage	84 %	75 %
Operating profit before exceptional items and Y&MJ licence fees	8,938	3,251
Total assets less current liabilities	14,987	3,373
Net assets	14,033	1,959

On 7 January 2019, the group became a part of the You & Mr Jones Group. You & Mr Jones Limited acquired a majority equity shareholding in Inside Ideas Group Limited. During the year this partnership has allowed the group to identify and realise new opportunities, helping to increase our capabilities and accelerate our growth.

For the year ended 31 December 2019, the business delivered pre-exceptional earnings before interest, tax, depreciation and amortisation ("EBITDA") of £11.9m, which was a significant increase on the 2018 results (£5.7m). The pre-exceptional EBITDA result for 2019 was before accounting for amortisation of OMG software platform of £537k (2018 - £Nil) and management service fees to You & Mr Jones Limited of £3.7m (2018 - £Nil).

Since the acquisition, the group has retained our independence in running the business on a day to day basis, whilst benefitting from the advantages in scale and expertise that has come from being a part of a larger group of companies. The group's differentiated model is based on the philosophy of delivering a better, faster and cheaper service offering to clients. The same philosophy is shared by You & Mr Jones, and as a large global organisation, the group has been able to identify and realise opportunities and synergies which have enabled our global growth.

The partnership has enabled the group's clients to tap into a broad range of tech-led products and capabilities. Our brand marketers are now able to access a wider spectrum of the most advanced and innovative marketing technology solutions through the You & Mr Jones network of companies.

By connecting our in-house model to the world's leading marketing technology platform, it will allow the group to enter a truly transformational phase of our business life cycle. The competitive advantage of the group comes from our approach to transparent collaboration with our clients, which we call our "inside model". This unique methodology combines the business models of management consultants with business process outsourcers, and applies it to advertising, marketing, digital platform services and communications, and digital media.

Inside Ideas Group Limited

Group Strategic Report (continued) for the Year Ended 31 December 2019

The investment by You & Mr Jones Limited has accelerated the group's international growth and global footprint and reinforced our technology credentials. Our well-established and proprietary content creation and management technology platform has integrated with You & Mr Jones' technology ecosystem and has created seamless and efficient access to a full range of technology driven solutions for global brands.

In 2019, the group has won a number of global clients and provided innovative marketing solutions for some of the biggest brands in the world. The group pursues a balanced portfolio strategy working with clients of many sizes across of a spectrum of industries, which mitigates our dependency on any individual client.

Future developments

The group's plan for the next 12 months from the date of the financial statements is based on organic growth with existing and new clients.

The directors of the group are currently assessing the impact of COVID-19. The situation is evolving rapidly and management is proactively responding with appropriate measures to mitigate the impact on the group and our employees, clients and suppliers.

The group services a variety of markets and industries and do not have any reliance on a single customer, geography or industry sector. The group's diverse portfolio of clients has allowed us to identify and convert new opportunities with some of our largest global clients in the consumer business markets whilst managing the inevitable contraction in client spend in others industries such as the travel and hospitality.

Over the next 12 months, the group has budgeted significant organic growth and this has been demonstrated in the £35.0M of additional annualised revenue won in the first quarter of 2020. However, the Covid-19 situation brings unprecedented challenges and management are working in collaboration with our clients to find the appropriate course of action to mitigate future market risks.

Where necessary, the group will be implementing measures globally to align direct costs and overhead expenditure with the demand from our clients and these include, but not limited to:

- Transforming existing workforce into a mobile and agile global workforce where utilisation will be on global scale;
- Temporary cessation of additional non-billable and non-business critical resources to manage business and client demand;
- Deferral of non-business critical capital expenditure;
- Deferral of major operating costs that are non-business critical;
- Decrease in headcount in industries that are severely impacted;
- Utilisation and extension of existing credit line facilities with existing financial institutions; and
- Daily and weekly working capital management and rolling cash flow forecasts to ensure sufficient headroom for continued growth.

By adopting these measures, the group will be able to adequately manage the market, credit and liquidity risks in the current economic climate. This will allow the group to continue to be a world class global solutions provider and consolidate our position as market leader in our field.

The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate. Management believes the group has sufficient liquidity for at least 12 months from the signing date of the financial statements.

Inside Ideas Group Limited

Group Strategic Report (continued) for the Year Ended 31 December 2019

Principal risks and uncertainties

The principal risks of the group can be detailed as follows:

Economic risk

The directors continue to assess any implications this may have on the UK market place. To mitigate this risk, the group continues to expand its service offerings and invests in new business, thereby expanding our global footprint and market share.

The impact of COVID 19 cannot be underestimated. The directors are continually reviewing their plans and forecasts. To mitigate this risk, the group is tailoring its business model to adapt to the crisis, being agile, proactive and reactive to each situation.

Bad debt risk

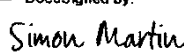
The directors of the group's believe the credit risk is low due to the diverse portfolio of clients and the global footprint of operations. Majority of the group's revenues are from large blue-chip multinational organisations and default has been historical low and forecast to be low for future periods.

Also, the business has an invoice discounting facility. With the credit rating of our clients, good credit control processes and the presence of the discounting facility, the directors believe the risk of bad debt is limited.

Competition

The group's most significant potential market risk is competition. Our model of delivering marketing remains unique, compelling and cost effective. The business has a strategy of continually refining and differentiating from the competition. Our track record of customer retention, and expanding services remain very strong and will continue to improve with the partnership with You & Mr Jones.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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S H Martin
Director

Date: 07-May-2020 | 5:59 AM PDT

Inside Ideas Group Limited

Directors' Report for the Year Ended 31 December 2019

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

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group's financial statements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company is that of advertising, marketing and public relations agents.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £589k (2018 - loss of £263k).

The total distribution of dividends for the year ended 31 December 2019 was £Nil (2018 - £25k).

Inside Ideas Group Limited

Directors' Report (continued) for the Year Ended 31 December 2019

Going concern

Despite the current challenging economic and business environment, the directors are confident that the company and group are well placed to continue to build on its historic creative and financial success.

The directors confirm that the company and group have sufficient resources to continue to operate for the foreseeable future. This assessment is based on the company's and group's projected trading results, cash flows, new equity funding and available banking facilities. Therefore the accounts are prepared on a going concern basis.

Directors

The directors who served during the year were:

S H Martin
D Jones (appointed 7 January 2019)
E Cookson (appointed 7 January 2019)
J M Antoni (appointed 7 January 2019)

Qualifying third party indemnity provisions

The group has in place qualifying third party indemnity provisions for all of the directors of Inside Ideas Group Ltd.

Financial instruments

The group's operations expose it to a variety of financial risks that include the effects of changes in market prices, foreign exchange, credit risk, liquidity risk and interest rate risk. The group seeks to limit the adverse effects on the financial performance by monitoring levels of debt finance and the related finance costs. Significant financial risk areas are discussed below.

Foreign exchange risk arises when individual group entities enter into transactions denominated in a currency other than their functional currency. The group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the group.

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group is mainly exposed to credit risk from sales. It is group policy implemented locally, to assess the credit risk of new customers before entering contracts.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Liquidity risk arises from the group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due.

The board regularly reviews cash flow projections and at the end of the financial year, these projections indicated that the group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Inside Ideas Group Limited

Directors' Report (continued) for the Year Ended 31 December 2019

Research and development

The group continues to invest in research and development which will benefit the group in the medium to long term through new software revenue streams. The group changed its accounting policy in the prior period to capitalise costs incurred in the development of the new client portal (OMG). The amount of development costs capitalised in the year was £754k (2018 - £914k).

Engagement with employees

The company places considerable value on the involvement of its employees, and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Engagement with suppliers, customers and others

We seek to grow our business organically and sustainably by acquiring new clients, retaining existing ones, and increasing our share of their trading spend. To achieve this, we put our clients' interests first and aim to provide them with a high value service that yields incremental value as the relationship (and our service offering) matures.

As part of engaging with clients, the senior management including the CEO and senior staff members meet with key clients to obtain feedback on the service. Our team also attend and host industry related events, which provide us with the opportunity to engage with new and existing clients on a range of topics enabling the firm to understand the challenges and objectives of our client base.

Our suppliers play a key part in enabling us to deliver a leading level of service to our clients by amplifying our capabilities and efficiencies. We seek to choose the best products and services to meet our requirements, and then develop strong, long-term relationships with the suppliers that provide them, in order to create strong and enduring mutual value over time. We regularly look for ways to support our suppliers beyond simply providing our custom, whether through providing testimonials, sharing knowledge or recommending them to others we work with. Ensuring that the firm uses the most appropriate third-party vendors, to promote the interests of its clients and that of the shareholder, a robust review process is undertaken prior to the commencement of any relationship with a third-party supplier and this is then periodically reviewed to ensure ongoing suitability.

Disabled employees

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the group. Retraining of employees who become disabled whilst employed by the group is offered where appropriate.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1.

Inside Ideas Group Limited

Directors' Report (continued) for the Year Ended 31 December 2019

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Post balance sheet events

The global expansion of the Covid-19 virus in the period after the financial statement date has resulted in macroeconomic uncertainty, including in the group's key markets of the UK and the US. Whilst there has been no material impact on the group as at the date of signing the consolidated financial statements it is difficult to assess the short to longer-term impact of that uncertainty on the group's operations.

The group has secured its supply chain in order to meet its contracted commitments and anticipated demand and have continued to service our clients over this period.


As at 31 December 2019 the group had cash reserves of £10,896k (net of invoice discounting advances).

Given the nature of the group's services, the recurring and contracted nature of the majority of the group's revenue, management continues to expect its customers to meet their financial commitments to the group.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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S H Martin
Director

Date: 07-May-2020 | 5:59 AM PDT

Inside Ideas Group Limited

Independent Auditor's Report to the Members of Inside Ideas Group Limited

Opinion

We have audited the financial statements of Inside Ideas Group Ltd ("the parent company") and its subsidiaries ("the group") for the year ended 31 December 2019 which comprise the consolidated statement of comprehensive income, the consolidated and the company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or parent 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.

Inside Ideas Group Limited

Independent Auditor's Report to the Members of Inside Ideas Group Limited (continued)

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 the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Inside Ideas Group Limited

Independent Auditor's Report to the Members of Inside Ideas Group Limited (continued)

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

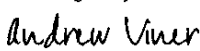
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

DocuSigned by:

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Andrew Viner (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 07-May-2020 | 6:06 AM PDT

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Inside Ideas Group Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £000	As restated 2018 £000
Turnover	4	146,532	122,465
Cost of sales		(23,806)	(26,257)
Gross profit	5	122,726	96,208
Ongoing administrative expenses		(113,788)	(92,957)
Exceptional administrative expenses	9	(3,619)	(2,149)
You & Mr Jones licence fee	9	(3,682)	-
Operating profit	9	1,637	1,102
Interest receivable and similar income	10	64	59
Interest payable and similar expenses	11	(809)	(630)
Profit before taxation		892	531
Tax on profit	12	97	(465)
Profit for the financial year		989	66
Currency translation differences		(180)	99
Other comprehensive (loss)/income for the year		(180)	99
Total comprehensive income for the year		809	165
Profit/(loss) for the year attributable to:			
Non-controlling interests		400	329
Owners of the parent company		589	(263)
		989	66
Total comprehensive income/(loss) for the year attributable to:			
Non-controlling interests		326	337
Owners of the parent company		483	(172)
		809	165

The notes on pages 19 to 49 form part of these financial statements.

Inside Ideas Group Limited
Registered number: 09323085

**Consolidated Statement of Financial Position
as at 31 December 2019**

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	13	3,120	3,775
Tangible assets	14	2,068	2,372
		<u>5,188</u>	<u>6,147</u>
Current assets			
Debtors	16	39,715	28,655
Cash and cash equivalents		12,960	4,878
		<u>52,675</u>	<u>33,533</u>
Creditors: amounts falling due within one year	17	(42,876)	(36,307)
Net current assets/(liabilities)		<u>9,799</u>	<u>(2,774)</u>
Total assets less current liabilities		<u>14,987</u>	<u>3,373</u>
Creditors: amounts falling due after more than one year	18	(954)	(1,414)
Net assets		<u><u>14,033</u></u>	<u><u>1,959</u></u>
Capital and reserves			
Share capital	22	-	-
Share premium	23	15,297	3,969
Foreign exchange reserve	23	(67)	39
Share option reserve	23	-	111
Profit and loss account	23	(1,593)	(2,293)
Equity attributable to owners of the parent company		<u>13,637</u>	<u>1,826</u>
Non-controlling interests		396	133
		<u><u>14,033</u></u>	<u><u>1,959</u></u>

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

DocuSigned by:

Simon Martin

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S H Martin

Director

Date: 07-May-2020 | 5:59 AM PDT

The notes on pages 19 to 49 form part of these financial statements.

Inside Ideas Group Limited
Registered number: 09323085

Company Statement of Financial Position
as at 31 December 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	15	4,617	4,617
Current assets			
Debtors	16	9,312	1,169
Cash and cash equivalents		182	-
Creditors: amounts falling due within one year	17	(5,879)	(1,744)
Net current assets/(liabilities)		3,615	(575)
Total assets less current liabilities		8,232	4,042
Creditors: amounts falling due after more than one year		-	(138)
Net assets		8,232	3,904
Capital and reserves			
Share capital	22	-	-
Share premium	23	15,297	3,969
Share option reserve	23	-	111
Profit and loss account		(7,065)	(176)
		8,232	3,904

The company has taken advantage of the exemptions under section 408 of the Companies Act 2006 not to prepare an individual statement of comprehensive income for the parent company. The loss after tax of the parent company for the year within the financial statements was £7,000k (2018 - £435k).

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

DocuSigned by:


SH Martin
 Director

Date: 07-May-2020 | 5:59 AM PDT

The notes on pages 19 to 49 form part of these financial statements.

Inside Ideas Group Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £000	Share premium £000	Foreign exchange reserve £000	Share option reserve £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 January 2019	-	3,969	39	111	(2,293)	1,826	133	1,959
Comprehensive income for the year								
Profit for the year	-	-	-	-	589	589	400	989
Currency translation differences	-	-	(106)	-	-	(106)	(74)	(180)
Contributions by and distributions to owners								
Shares issued during the year	-	11,328	-	-	-	11,328	-	11,328
Reclassification	-	-	-	(111)	111	-	-	-
Dividends	-	-	-	-	-	-	(63)	(63)
At 31 December 2019	-	15,297	(67)	-	(1,593)	13,637	396	14,033

The notes on pages 19 to 49 form part of these financial statements.

Inside Ideas Group Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £000	Share premium £000	Foreign exchange reserve £000	Share option reserve £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 January 2018	-	1,550	(52)	-	(2,055)	(557)	(158)	(715)
Comprehensive income for the year								
Profit for the year	-	-	-	-	(263)	(263)	329	66
Currency translation differences	-	-	91	-	-	91	8	99
Contributions by and distributions to owners								
Shares issued during the year	-	2,421	-	-	-	2,421	-	2,421
Transfer to/from profit and loss account	-	(50)	-	-	50	-	-	-
Share option charge	-	-	-	159	-	159	-	159
Share option exercised	-	48	-	(48)	-	-	-	-
Dividends	-	-	-	-	(25)	(25)	(46)	(71)
At 31 December 2018	-	3,969	39	111	(2,293)	1,826	133	1,959

The notes on pages 19 to 49 form part of these financial statements.

Inside Ideas Group Limited

Company Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £000	Share premium £000	Share option reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2019	-	3,969	111	(176)	3,904
Comprehensive loss for the year					
Loss for the year	-	-	-	(7,000)	(7,000)
Contributions by and distributions to owners					
Shares issued during the year	-	11,328	-	-	11,328
Transfer to/from profit and loss account	-	-	(111)	111	-
At 31 December 2019	-	15,297	-	(7,065)	8,232

Company Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £000	Share premium £000	Share option reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2018	-	1,500	-	284	1,784
Comprehensive loss for the year					
Loss for the year	-	-	-	(435)	(435)
Contributions by and distributions to owners					
Shares issued during the year	-	2,421	-	-	2,421
Share option charge	-	-	159	-	159
Share options exercised	-	48	(48)	-	-
Dividends	-	-	-	(25)	(25)
At 31 December 2018	-	3,969	111	(176)	3,904

The notes on pages 19 to 49 form part of these financial statements.

Inside Ideas Group Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Profit for the financial year		989	66
Adjustments for:			
Amortisation of intangible assets	13	1,446	1,262
Depreciation of tangible assets	14	1,483	1,229
Loss on disposal of tangible assets		-	47
Interest paid		809	571
Interest received		(64)	-
Taxation charge	12	(97)	465
Increase in debtors	16	(9,525)	(1,645)
Increase in creditors	17,18	8,862	3,747
Corporation tax paid		(1,438)	(1,112)
Share based payment charges		-	159
Foreign exchange gains and losses		(230)	124
Net cash generated from operating activities		2,235	4,913
Cash flows from investing activities			
Purchase of intangible fixed assets	13	(754)	(914)
Purchase of tangible fixed assets	14	(1,266)	(1,636)
Sale of tangible fixed assets	14	100	-
Interest received	10	64	-
Payments of deferred consideration	16	(229)	(1,059)
Net cash used in investing activities		(2,085)	(3,609)

Inside Ideas Group Limited

Consolidated Statement of Cash Flows (continued) for the Year Ended 31 December 2019

	Note	2019 £000	2018 £000
Cash flows from financing activities			
Issue of ordinary shares	22	11,328	1,450
Repayment of loans	17,18	(496)	(568)
Dividends paid		-	(25)
Interest paid	11	(809)	(571)
Dividends paid to non controlling interests		(63)	(46)
Amounts repaid by directors		-	449
Increase in hire purchase		(414)	45
Net cash generated from financing activities		9,546	734
Net increase in cash and cash equivalents		9,696	2,038
Cash and cash equivalents at beginning of year		1,200	(839)
Cash and cash equivalents at the end of year		10,896	1,199
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		12,960	4,878
Invoice discounting advances	19	(2,064)	(3,679)
		10,896	1,199

The notes on pages 19 to 49 form part of these financial statements.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1. General information

Inside Ideas Group Limited is a private company, limited by shares, and is incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the group's operations and principal activity are set out in the strategic and directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Amounts are rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

Despite the current challenging economic and business environment, the directors are confident that the company and group are well placed to continue to build on its historic and creative financial success.

The directors confirm that they have a reasonable expectation that the company and group has sufficient resources to continue in operational existence for the foreseeable future. This assessment is based on the company's and group's projected trading results, cash flows and available banking facilities. Therefore the financial statements are prepared on a going concern basis.

The global expansion of the Covid-19 virus in the period after the financial statement date has resulted in macroeconomic uncertainty, including in the group's key markets of the UK and the US. Whilst there has been no material impact on the group as at the date of signing the consolidated financial statements it is difficult to assess the short to longer-term impact of that uncertainty on the group's operations.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

2. Accounting policies (continued)

2.3 Going concern (continued)

The group has secured its supply chain in order to meet its contracted commitments and anticipated demand and have continued to service our clients over this period.

As at 31 December 2019 the group had cash reserves of £10,896k (net of invoice discounting advances).

Given the nature of the group's services, the recurring and contracted nature of the majority of the group's revenue, management continues to expect its customers to meet their financial commitments to the group.

2.4 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 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 consolidated 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 consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

2. Accounting policies (continued)

2.6 Turnover

Turnover represents amounts invoiced to clients, excluding sales taxes for services provided.

Turnover for each type of revenue stream is recognised on the following basis:

- Retainer fees are spread over the period of the contract on a straight-line basis, which approximates to when work is performed;
- Project fees are recognised over the period of the relevant assignment or agreements as activity progresses. For projects which fall over the financial period end, income is recognised to reflect the partial performance on the basis of the percentage completion of the job at the year end.

Performance related income is recognised when it can be reliably estimated and to the extent to which the performance criteria have been met.

2.7 Invoice discounting

Amounts due in respect of invoice discounting are included within either cash and cash equivalents, or within bank loans and overdrafts, depending on whether the balance is negative or positive. The group can use these facilities to draw down a percentage of the value of certain sales invoices. The management and collection of trade debtors remains with the group.

2.8 Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability. Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the period of the lease.

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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.10 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.12 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.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated 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 reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

2.14 Borrowing costs

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

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

2. Accounting policies (continued)

2.15 Share based payments

The group operates equity-settled share-based remuneration plans for its employees. None of the group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share—based remuneration is ultimately recognised as an expense in consolidated statement of financial position with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non—market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

2.16 Exceptional items

Exceptional items are defined as items of income and expenditure which are non-recurring and unrelated to the ongoing operating performance of the business. Therefore, management has assessed that these items should be reported separately else they would distort profitability for users of the financial statements if not split from underlying trade.

They are of such significance they require separate disclosure on the face of the income statement to reflect performance in a consistent manner and in line with how the business is managed and measured on a day-to-day basis. Thus, enabling users of the financial statements to better understand group's underlying business performance

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

2. Accounting policies (continued)

2.17 Intangible assets

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 10 years. Goodwill is being amortised to 'administrative expenses' over periods ranging from 5 - 10 years.

Other intangible assets

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives, which is 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

2.18 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:

Land and buildings	- Over the life of the lease
Short leasehold	- in accordance with the property
Plant and machinery	- varying rates in line with the life of the asset
Fixtures and fittings	- 25%
Computer equipment	- 33%

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 consolidated statement of comprehensive income.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

2. Accounting policies (continued)

2.19 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting 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 reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.20 Financial instruments

The group 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 consolidated 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 group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

2. Accounting policies (continued)

2.21 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.

2.22 Finance costs

Finance costs are charged to the consolidated 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.

2.23 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.

2.24 Non-controlling interests

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the group. The group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determining whether there is any impairment to recognise against the carrying value of the financial assets. Factors include payments received post year end, previous payment history and ongoing relationship with the client.
- Determining the amount of revenue to recognise in respect of project work ongoing at the year end. Factors taken into account assessing the percentage completion of a project include hours worked versus budget, project phases, milestones completed or deliverables issued to the client.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 14)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

The whole of the turnover is attributable to the principal activity of the group.

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	68,612	82,247
Rest of Europe	37,615	11,511
Rest of the world	40,305	28,706
	<u>146,532</u>	<u>122,464</u>

5. Gross profit - reclassification

Prior year gross profit has been restated due to the reclassification of inter-company recharges in the current year. This has resulted in a movement of £4.0m from cost of sales to administrative expenses in the year ended 31 December 2018 however there is no overall impact on the operating result for 2018 and there is no impact on the statement of financial position as at 31 December 2018.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Wages and salaries	61,976	55,612	5,947	558
Social security costs	9,347	6,378	213	-
Cost of defined contribution scheme	1,660	1,143	-	-
	<u>72,983</u>	<u>63,133</u>	<u>6,160</u>	<u>558</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Operational staff	1,482	1,109
Administration	230	205
Directors	1	2
	<u>1,713</u>	<u>1,316</u>

7. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<u>296</u>	<u>181</u>

Fees payable to the group's auditor and its associates in respect of:

Taxation compliance services	32	-
Other services relating to taxation	8	-
Transfer pricing	32	-
All other services	42	770
	<u>114</u>	<u>770</u>

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

8. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	<u>590</u>	<u>398</u>

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £590k (2018 - £369k).

9. Operating profit

The operating profit is stated after charging:

	2019 £000	2018 £000
Exchange differences	636	19
Operating lease rentals	2,278	1,866
Share based payment	-	159
Depreciation of tangible assets	1,483	1,229
Amortisation of intangible assets	1,446	1,262
Hire of plant and machinery	36	143
Exceptional costs (refer below)	3,619	2,149
You & Mr Jones licence fee	<u>3,682</u>	<u>-</u>

Included within amortisation of intangible assets is £537k (2018 - £372k) of OMG amortisation charges.

Included within exceptional costs are significant one off costs incurred in preparation for the sale of the group including the following:

	2019 £000	2018 £000
Due diligence costs	3,302	1,523
One off major cross border transfer pricing policy review	-	155
Employee related costs incurred solely in relation to the VDD	-	399
Employee related restructuring costs	-	72
Income from onerous lease	(830)	-
Expense relating to onerous lease	1,147	-
	<u>3,619</u>	<u>2,149</u>

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

9. Operating profit (continued)

Reconciliation of pre-exceptional EBITDA to statutory earnings

Earnings before interest, depreciation and amortisation ("EBITDA") is a measure of earnings and cash generative capacity. Pre-exceptional EBITDA, which excludes non-recurring items, is a non-GAAP financial measure which facilitates an understanding of underlying earnings and cash generative capacity. A reconciliation of pre-exceptional EBITDA to statutory earnings is set out below.

	2019 £000	2018 £000
Pre-exceptional EBITDA	11,867	5,741
Exceptional costs	(3,619)	(2,149)
You & Mr Jones licence fee	(3,682)	-
EBITDA	4,566	3,592
Depreciation	(1,483)	(1,229)
Amortisation and impairment	(1,446)	(1,261)
Operating profit	1,637	1,102
Net finance costs	(745)	(571)
Profit before tax	892	531

10. Interest receivable

	2019 £000	2018 £000
Other interest receivable	64	59

11. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	723	557
Hire purchase	86	73
	809	630

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

12. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	204	116
Adjustments in respect of previous periods	(111)	(221)
	<u>93</u>	<u>(105)</u>
Foreign tax		
Foreign tax on income for the year	1,800	633
Foreign tax in respect of prior periods	(149)	-
	<u>1,651</u>	<u>633</u>
Total current tax	<u>1,744</u>	<u>528</u>
Deferred tax		
Origination and reversal of timing differences	(1,900)	(63)
Adjustments in respect of prior periods	59	-
	<u>(1,841)</u>	<u>(63)</u>
Taxation on profit on ordinary activities	<u>(97)</u>	<u>465</u>

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	<u>892</u>	<u>531</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	169	101
Effects of:		
Expenses not deductible for tax purposes	515	659
Adjustments to tax charge in respect of prior periods	(52)	(221)
Fixed asset difference	1	236
Group relief claimed	-	(69)
Share scheme deduction	(3,182)	(9)
Non-taxable income	(12)	-
Adjustment deferred tax to average rate of 19%	355	(26)
Adjustments to brought forward values	7	-
Difference in tax rates	-	(20)
Losses eliminated	74	-
Tax on profits in international entities at higher rates	-	44
Deferred tax asset recognised/(not recognised)	803	(230)
Foreign tax - other	1,022	-
Current tax - other	203	-
Total tax charge for the year	<u>(97)</u>	<u>465</u>

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

13. Intangible assets

Group and Company

	Development expenditure £000	Goodwill £000	Total £000
Cost			
At 1 January 2019	2,445	5,113	7,558
Additions	754	-	754
Reclassification	(16)	16	-
Foreign exchange movement	-	(7)	(7)
At 31 December 2019	<u>3,183</u>	<u>5,122</u>	<u>8,305</u>
Amortisation			
At 1 January 2019	676	3,107	3,783
Charge for the year	556	890	1,446
Reclassification	118	(118)	-
Foreign exchange movement	-	(44)	(44)
At 31 December 2019	<u>1,350</u>	<u>3,835</u>	<u>5,185</u>
Net book value			
At 31 December 2019	<u>1,833</u>	<u>1,287</u>	<u>3,120</u>
At 31 December 2018	<u>1,769</u>	<u>2,006</u>	<u>3,775</u>

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

14. Tangible fixed assets

Group

	Land and buildings £000	Short-term leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost						
At 1 January 2019	195	821	123	1,975	4,727	7,841
Additions	-	203	9	560	494	1,266
Disposals	-	-	-	(216)	(291)	(507)
Exchange adjustments	-	(5)	-	(38)	(13)	(56)
At 31 December 2019	195	1,019	132	2,281	4,917	8,544
Depreciation						
At 1 January 2019	101	492	90	1,730	3,057	5,470
Charge for the year	27	208	22	447	779	1,483
Disposals	-	-	-	(218)	(189)	(407)
Exchange adjustments	-	(6)	-	(62)	(2)	(70)
At 31 December 2019	128	694	112	1,897	3,645	6,476
Net book value						
At 31 December 2019	67	325	20	384	1,272	2,068
At 31 December 2018	94	329	33	246	1,670	2,372

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £000	2018 £000
Computer equipment	459	548

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

15. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 January 2019	4,617
At 31 December 2019	<u>4,617</u>

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

15. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the company:

Name	Country of incorporation	Principal activity	Holding
Oliver Marketing Limited	England and Wales	Marketing services	100%
Oliver Marketing Brazil LTDA	Brazil	Marketing services	100%
Dare Digital Limited	England and Wales	Marketing services	100%
Aylesworth Fleming Limited	England and Wales	Marketing services	100%
Adjust Your Set Holdings Limited	England and Wales	Marketing services	63.7%
Oliver Marketing (Ireland) Limited	Ireland	Marketing services	60%
Oliver Marketing SAS	France	Marketing services	100%
Oliver Marketing LLC	United States of America	Non-trading	100%
Oliver Marketing (Panama) S.A.	Panama	Marketing services	100%
Oliver Marketing Pte. Limited	Singapore	Marketing services	100%
Inside Ideas South Africa Proprietary Limited	South Africa	Non-trading	100%
More Global Production Portal Limited	England and Wales	Marketing services	100%
Oliver Marketing SAS	Argentina	Marketing services	100%
Oliver Marketing Mexico S. DE RL DE C.V.	Mexico	Marketing services	100%
Oliver Marketing GMBH	Germany	Marketing services	100%
Oliver Marketing S.R.L.	Italy	Marketing services	100%
Limited Liability Company "Oliver Marketing"	Russia	Marketing services	100%
Oliver Pazarlama Ve Reklamcilik Limited Sirketi	Turkey	Marketing services	85%
Oliver Marketing S.R.O.	Czech Republic	Marketing services	100%
Oliver Marketing S.R.O.	Slovakia	Marketing services	100%
Oliver Marketing AS	Norway	Marketing services	100%
Inside Idea Sp Z.o.o.	Poland	Marketing services	100%
Oliver Marketing (M) SDN. BHD.	Malaysia	Marketing services	100%
Oliver Inhouse India Private Limited	India	Marketing services	99%
Oliver Marketing Hong Kong Limited	Hong Kong	Marketing services	100%
Oliver HUB Phils. Inc.	Philippines	Marketing services	35%
Oliver Marketing Australia Pty Limited	Australia	Marketing services	100%
Oliver Marketing (Shanghai) Limited	People's Republic of China	Marketing services	100%
Oliver Marketing Canada Inc	Canada	Marketing services	100%
PT Oliver Pemasaran Indonesia	Indonesia	Marketing services	100%

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

15. Fixed asset investments (continued)

Direct subsidiary undertakings (continued)

The registered office of Oliver Marketing Limited, Dare Digital Limited, Aylesworth Fleming Limited, Adjust Your Set (Holdings) Limited and More Global Production Portal Limited is 151 Rosebery Avenue, London, EC1R 4AB.

The registered office of Oliver Marketing Brazil LTDA is Alameda Santos, 1.000 – 5º andar CEP 01418-902, Cerqueira Cesar, São Paulo / SP

The registered office of Oliver Marketing (Ireland) Limited is 2 Lee Road, Dublin Industrial Estate, Glasnevin, Dublin 11, Ireland.

The registered office of Oliver Marketing SAS is 29 rue du Pont, 92200 Neuilly Sur Seine, France.

The registered office of Oliver Marketing LLC is c/o National Registered Agents Inc., 160 Greentree Drive, Suite 101, Dover, Delaware, 19904, USA.

The registered office of Oliver Marketing (Panama) S.A. is Corregimiento Ciudad de Panama, Distrito Panama, Provincia Panama.

The registered office of Oliver Marketing Pte. Limited is 46 Kim Yam Road, no. 03-19, The Herencia, Singapore 239351.

The registered office of Inside Ideas South Africa Proprietary Limited is Northlands Corner Retail Centre, Block B, Second Floor, Office s45, Northriding, Gauteng, 2162, South Africa.

The registered office of PT Oliver Pemasaran Indonesia is Satrio Tower Lt 6 Unit 1, Jl Prof Dr Satrio Kav C-4 Kel, Kuningan Timur Kec Setia Budi, Kota Administrasi Jakarta Selatan.

The registered office of Oliver Marketing SAS is Avenida de Mayo 651, 3 Floor, Suite 14, City of Buenos Aires, Argentina.

The registered office of Oliver Marketing Mexico S. DE RL DE C.V. is Avenida Periferico Sur, 4338, Jardines del Pedregal de San Angel, Coyoacan, Ciudad de Mexico, 04500.

The registered office of Oliver Marketing GMBH is c/o Warth & Klein Grant Thornton AG, Ulmenstrasse 22, 60325 Frankfurt am Main, Germany.

The registered office of Oliver Marketing S.R.L. is Milano (MI) Via Melchiorre Gioia n.8, CAP 20124, Milan, Italy.

The registered office of Limited Liability Company "Oliver Marketing" is 37 Home Office 2, Pyatnitskaya Street, Build 37, Of. 2, Moscow, 119017, Russia.

The registered office of Oliver Pazarlama Ve Reklamcilik Limited Sirketi is Buyukdere Cad. No:201, Levent Loft Residence D: 132, Levent Istanbul, Turkey.

The registered office of Oliver Marketing S.R.O. is Jindřišská 937/16, Prhah 1 - Nové Mesto, 110 00 Praha 1, Czech Republic.

The registered office of Oliver Marketing S.R.O. is Križkova 9, 811 04 Bratislava, Slovakia.

The registered office of Oliver Marketing AS is c/o Grant Thornton, Okonomisry AS, Bogstadveien 30, 0355 Oslo, 301 Oslo, Norway.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

15. Fixed asset investments (continued)

Direct subsidiary undertakings (continued)

The registered office of Inside Idea Sp Z.o.o. is Ul. 9 Maja Sa/5, 66-400 Gorzow, Wielkopolski, Lubuskie, Poland.

The registered office of Oliver Marketing (M) SDN. BHD. is Level 15-2 Bangunan Faber Imperial Court, Jalan Sultan Ismail, Kuala Lumpur, 50250 Malaysia.

The registered office of Oliver Inhouse India Private Limited is Flat no. 4A, Bhagya Apartment CHS Limited, Bhardawadi Road, Near Municipal Garden, Andheri (West), Mumbai City, Maharashtra, India, 400058.

The registered office of Oliver Marketing Hong Kong Limited is Unit 706 7/F South Seas Centra, Tower 2, 75 Mody Road, Tsimshatsui, Kowloon, Hong Kong.

The registered office of Oliver HUB Phils. Inc is 12/f Times Plaza Building, United Nations Avenue, Ermita, 072. Barangay 666, Manila, NCR Philippines 1000.

The registered office of Oliver Marketing Australia Pty. Limited is Grant Thornton Australia Limited, Level 17, 383 Kent Street, Sydney, New South Wales, 2000.

The registered office of Oliver Marketing (Shanghai) Limited is Room 4168, Building No 4, No 555 Lane 3111 West Huancheng Road, Fexian District, Shanghai, China.

The registered office of Oliver Marketing Canada Inc is Suite 2600 Oceanic Plaza, 1066 West Hastings Street, Vancouver BC, V6E 3X1, British Colombia, Canada.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

15. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Country of Incorporation	Principal activity	Holding
Adjust Your Set Limited	England and Wales	Marketing services	100%
Dare Digital Protector Limited	England and Wales	Dormant	100%
Pollonize Limited	England and Wales	Dormant	100%
Dare Digital Pte Limited	Singapore	Marketing services	100%
Dare West Limited	England and Wales	Marketing services	100%
Dare NCS Limited	England and Wales	Non-trading	100%
EDC Strategic Communications Limited	England and Wales	Non-trading	100%
Goodson Print (IRL) Limited	Ireland	Dormant	100%
Inside Ideas Inc	United States of America	Marketing services	100%
OML Inc	United States of America	Marketing services	100%
Oliver Marketing Proprietary Limited	South Africa	Marketing services	75%
More Global Production Portal Proprietary Limited	South Africa	Marketing services	100%
Ballywood Studios (Pty) Limited	South Africa	Non-trading	100%
Hotel de Ville Production Suites Proprietary Limited	South Africa	Non-trading	100%
Oliver Marketing B.V.	Netherlands	Marketing services	100%
Oliver Produções LTDA	Brazil	Marketing services	79%

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

15. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

The registered office of Adjust Your Set Limited, Dare Digital Protector Limited, Pollonize Limited, Dare West Limited, Dare NCS Limited and EDC Strategic Communications Limited is 151 Rosebery Avenue, London, EC1R 4AB.

The registered office of Dare Digital Pte. Limited is 46 Kim Yam Road, #03-19, The Herencia, Singapore 239 251.

The registered office of Goodson Print (IRL) Limited is 2 Lee Road, Dublin Industrial Estate, Glasnevin, Dublin 11, Ireland.

The registered office of Inside Ideas Inc and OML Inc is c/o National Registered Agents Inc., 160 Greentree drive, Suite 101, Dover, Delaware, 19904, USA.

The registered office of Oliver Marketing Proprietary Limited and More Global Production Portal Proprietary Limited is 2nd Floor Office S4 Northlands Corner Retail Centre, New Market Road, North Riding, Gauteng, 2162.

The registered office of Ballywood Studios (Pty) Limited is 9 Quears Park Road, Kings Cross Corner, Salt River, 7925.

The registered office of Hotel de Ville Production Suites Proprietary Limited is 329 Rivonia Boulevard, Rivonia Road, Sandton, 2146.

The registered office of Oliver Marketing B.V. is Strawinskylaan 3051, 1077ZX Amsterdam, Netherlands.

The registered office of Oliver Produções LTDA is Alameda Santos, 1.000 – 5º andar, CEP 01418-902, Cerqueira Cesar, São Paulo / SP.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

16. Debtors

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Trade debtors	22,033	17,082	759	-
Amounts owed by group undertakings	6	-	6,353	168
Other debtors	3,720	3,022	974	979
Prepayments and accrued income	11,080	7,210	1,226	-
Tax recoverable	143	449	-	-
Deferred tax asset	2,733	892	-	22
	<u>39,715</u>	<u>28,655</u>	<u>9,312</u>	<u>1,169</u>

All amounts shown under debtors fall due for payment within one year.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

17. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank loans and invoice discounting (see note 19)	2,274	4,247	138	568
Trade creditors	6,955	7,016	114	-
Amounts owed to group undertakings	1,042	-	2,299	1,172
Other taxation and social security	4,890	4,604	146	-
Obligations under finance lease and hire purchase contracts (see note 26)	326	539	-	-
Other creditors	3,449	2,357	14	-
Accruals and deferred income	23,940	17,544	3,168	4
	<u>42,876</u>	<u>36,307</u>	<u>5,879</u>	<u>1,744</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank loans	-	138	-	138
Deferred consideration	29	257	-	-
Net obligations under finance leases and hire purchase contracts	133	334	-	-
Other creditors	792	685	-	-
	<u>954</u>	<u>1,414</u>	<u>-</u>	<u>138</u>

19. Loans

An analysis of the maturity of loans is given below:

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Amounts falling due within one year				
Bank loans	210	568	-	568
Invoice discounting	2,064	3,679	-	-
Amounts falling due 2-5 years				
Bank loans	-	138	-	138
	<u>2,274</u>	<u>4,385</u>	<u>-</u>	<u>706</u>

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

20. Financial instruments

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Financial assets				
Financial assets measured at fair value through profit or loss	<u>44,888</u>	<u>30,058</u>	<u>9,286</u>	<u>1,147</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(27,618)</u>	<u>(20,232)</u>	<u>(4,833)</u>	<u>(1,882)</u>

Financial assets that are debt free instruments measured at amortised cost comprise trade and other debtors, cash and cash equivalents, accrued income and amounts owed by group undertakings.

Financial liabilities that are debt free instruments measured at amortised cost comprise trade and other creditors, bank loans and overdrafts, amounts owed to group undertakings and other loans.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

21. Deferred taxation

Group

	2019 £000	2018 £000
At beginning of year	892	829
Charged to profit or loss	1,841	63
At end of year	2,733	892

Company

	2019 £000	2018 £000
At beginning of year	22	-
Charged to profit or loss	(22)	22
At end of year	-	22

The deferred tax asset is made up as follows:

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Accelerated capital allowances	(169)	260	-	-
Short term timing differences	10	20	-	-
Losses and other deductions	2,892	612	-	22
	2,733	892	-	22

22. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
Nil (2018 - 12,402) Ordinary A shares of £0.0001 each	-	1
Nil (2018 - 1,982) Ordinary B shares of £0.0001 each	-	-
Nil (2018 - 1,482,994) Ordinary C shares of £0.0001 each	-	148
Nil (2018 - 171,644) Ordinary D shares of £0.0001 each	-	17
Nil (2018 - 284,883) Ordinary E shares of £0.0001 each	-	29
2,060,983 (2018 - Nil) Ordinary shares of £0.0001 each	206	-
	206	195

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

22. Share capital (continued)

On 7 January 2019, 16,494 D Ordinary shares and 121,497 E Ordinary shares were reclassified as 137,991 deferred shares of £0.0001 each. These deferred shares were cancelled on the same day.

On 7 January 2019 730 B Ordinary shares of £0.0001 were allotted for £1, and 356 B Ordinary shares of £0.0001 were allotted for £0.0001 giving rise to a total consideration of £730.

On the same day 243,982 D Ordinary shares of £0.0001 were allotted for £0.0001 giving rise to a total consideration of £24.

On 7 January 2019 all 2,060,983 A Ordinary, B Ordinary, C Ordinary, D Ordinary and E Ordinary shares were reclassified as Ordinary shares.

On 7 January 2019 1 Ordinary share of £0.0001 was allotted for £11,326,890 giving rise to a total consideration of £11,326,890.

Ordinary shareholders are entitled to vote at any general meeting of the company, and rank pari passu in all respects and carry the right to participate in a distribution of dividends and a return of capital.

23. Reserves

Share premium

The share premium represents the premiums received on the issue of share capital, less any transaction cost associated with the issuing of shares.

Foreign exchange reserve

The foreign exchange reserve represents the translation differences arising from the translation of the financial statement of the group's foreign entities into Sterling (£).

Share option reserve

The share option reserve represents equity-settled share based employee remuneration until such options are exercised.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

24. Share based payments

The group has granted options to certain employees of the group to enable them to acquire fully paid shares in the capital of Inside Ideas Group Limited under the relevant rules of the plans. Options were granted in 2018 and exercised on 7 January 2019 at the date of acquisition by You & Mr Jones Limited.

In the year to 31 December 2019, no new options were granted, no options were surrendered and no options lapsed. Options over 1,086 B Ordinary share and 243,982 D Ordinary shares in the capital of the company were exercised on 7 January 2019. The weighted average share price at the date of exercise was £2,895.41 per B Ordinary share and £42.34 per D Ordinary share.

Share schemes

At 31 December 2018, the Group had established two employee incentive schemes, with shares in Inside Ideas Group Limited held on trust by Oliver Marketing Limited as trustee of the Oliver Marketing D Share Plan ("D Share Plan") and the Oliver Marketing E Share Plan ("E Share Plan"). Shares held by the trustee are held for the benefit of various employees of the Group, subject to the relevant plan rules.

On 7 January 2019, all deferred shares held by Oliver Marketing Limited as Trustee for the E Share Plan were bought back by Inside Ideas Group Limited, under the de minimis principle. These shares had become deferred when unallocated to employees and when various beneficiaries ceased to be employees of the Group, in accordance with the plan rules. On 7 January 2019, Oliver Marketing Limited as Trustee for the D Share Plan sold 28,280 D Shares and Oliver Marketing Limited as Trustee for the E Share Plan sold 66,469 E Shares to You & Mr Jones Limited. Immediately following the sale of a majority stake in Inside Ideas Group Limited to You & Mr Jones Limited on 7 January 2019, all share classes were re-designated as a single class of "Ordinary" shares and the D Share Plan and the E Share Plan were amalgamated into a single, restated plan, the Inside Ideas Group Share Plan ("IIG Share Plan").

Share Class	Shares at 31/12/18	Deferred Shares bought back by IIGL on 7 January 2019	Shares sold to Y&MJ on 07/01/2019	Remaining shares held, converted to Ordinary shares immediately after the sale	Shares at 31/12/19
D	55,450	-	28,280	-	-
E	251,829	121,497	66,469	-	-
Ordinary	-	-	-	91,033	91,033

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

25. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £1,660k (2018 - £1,143k). Contributions totalling £172k (2018 - £140k) were payable to the fund at the reporting date and are included in creditors.

26. Securities and facilities

The following secured debts are included within creditors:

	2019 £000	2018 £000
Bank - Invoice discounting	1,896	3,679
Hire purchase contracts	459	873
	<u>2,355</u>	<u>4,552</u>

The hire purchase liabilities are secured over the relevant fixed assets.

The amount due to HSBC Bank plc under the invoice financing arrangement is secured by a fixed and floating charge over the book debts and all the assets of the company in general. The amount due under this arrangement is included within bank loans and invoices discounting amounting to £1,896k (2018 - £3,679k).

Debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 29 March 2017.

Composite Company Limited Multilateral Guarantee dated 2 June 2017 given by Inside Ideas Group Limited, Aylesworth Fleming Limited, Oliver Marketing Limited and Dare Digital Limited.

The amounts due to Inside Ideas Group Limited from Oliver Marketing (Ireland) Limited, shown within the company's debtors, are secured by a charge over the assets of Oliver Marketing (Ireland) Limited.

The facilities we currently have in place are as follows:

Invoice Finance Facility - £10,000,000
Corporate Card - £100,000
Purchasing Card - £2,000,000
Asset finance limit - £750,000

The Business Loan was fully repaid earlier this year so will not be renewed automatically.

All other facilities are due for review at the end of September 2020.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

27. Commitments under operating leases

At 31 December 2019 the group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2019 £000	2018 £000
Not later than 1 year	1,706	1,866
Later than 1 year and not later than 5 years	5,076	5,448
Later than 5 years	4,085	5,194
	10,867	12,508

The company did not have any lease arrangements at the reporting date.

28. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

The key management personnel of the company are the directors, and details of this are in note 7.

29. Subsidiary audit exemption

The following subsidiary companies are exempt from the requirements relating to audit of individual accounts under section 479A of the Companies Act 2006:

- Dare Digital Limited, company number: 04003561
- Dare West Limited, company number: 05512929
- Dare NCS Limited, company number: 03748780
- EDC Strategic Communications Limited, company number: 02809890
- Adjust Your Set Limited, company number: 06446827
- Adjust Your Set Holdings Limited, company number: 06546851
- Aylesworth Fleming Limited, company number: 01862633
- Dare Digital Protector Limited, company number: 04077152
- Pollonize Limited, company number: 09115325
- More Global Production Portal Limited, company number: 08504188

These entities are exempt from an audit of their individual accounts due to the existence of a parental guarantee given by Inside Ideas Group Limited.

Inside Ideas Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

30. Net debt reconciliation

	At 1 January 2019 £000	Cash flows £000	At 31 December 2019 £000
Cash and cash equivalents	4,878	8,082	12,960
Bank overdrafts	-	(210)	(210)
Debt due after 1 year	(138)	138	-
Debt due within one year	(4,386)	2,232	(2,154)
Finance leases	(873)	414	(459)
	(519)	10,656	10,137

31. Post balance sheet events

The global expansion of the Covid-19 virus in the period after the financial statement date has resulted in *macroeconomic uncertainty*, including in the group's key markets of the UK and the US. Whilst there has been no material impact on the group as at the date of signing the consolidated financial statements it is difficult to assess the short to longer-term impact of that uncertainty on the group's operations.

The group has secured its supply chain in order to meet its contracted commitments and anticipated demand and have continued to service our clients over this period.

As at 31 December 2019 the group had cash reserves of £10,896k (net of invoice discounting advances).

Given the nature of the group's services, the recurring and contracted nature of the majority of the group's revenue, management continues to expect its customers to meet their financial commitments to the group.

32. Controlling party

The immediate parent undertaking was You & Mr Jones Limited, a company incorporated in England and Wales and is the smallest group to consolidate these financial statements. These consolidated financial statements are publicly available at its registered office address, 151 Rosebury Avenue, London, EC1R 4AB.

The ultimate parent undertaking was You & Mr Jones LLC, a company incorporated in the United States of America and is the largest group to consolidate these financial statements. These consolidated financial statements are publicly available at its registered office address, You & Mr Jones, 578 Broadway, 7th Floor, New York, NY 10012