

Company Registration No. 6724874

DMA Media Holdings Limited

Report & financial Statements

31 December 2018

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DMA Media Holdings Limited
Report and financial statements 2018
Contents

Directors' report and Group Strategic Report	2-4
Directors' responsibility statement	5
Independent auditor's report	6-8
Consolidated statement of income	9
Consolidated statement of financial position	10
Company statement of financial position	11
Consolidated statement of changes in equity	12
Cash flow statement	13
Accounting policies	14-16
Notes to the financial statements	17-26

DMA Media Holdings Limited

Strategic report For the year ended 31 December 2018

Group Strategic Report for the year ended 31 December 2018

Introduction

The directors present their group strategic report for the year ended 31 December 2018. The directors, in preparing this strategic report, have complied with s414c of the Companies Act 2017.

Business review

The DMA Media Holdings Group launches, develops and manages channels for news organisations, broadcasters, international brands and NGOs.

The Group has two major trading divisions operating under its corporate structure.

DMA Media provides consultancy and outsourcing for News and broadcast start-ups all over the world, either on location or from a London base. It also creates and runs entire channels of niche content, co-partnered and accessed on-line.

Synaptic Digital produces and curates downloadable, high quality, rights-cleared video and live coverage for brands, to measurable media and stakeholder audiences. It supplies production, media relations, content hosting, distribution and marketing services to some of the world's best-known brands. It includes a proprietary technology platform that hosts and distributes content supplied by brands or produced in house for them.

The group enjoyed a year of growth in 2018. Turnover grew from £12.5m to £27m (116%). This was a result of successfully growing revenue streams from current clients, securing and delivering new multi channel contracts, and increased corporate production and media centre development work.

The increase in revenue and profitable project delivery led to an increase in profit. Profit before tax increased from £461,626 in 2017 to £1,202,199 in 2018 an increase of £740,573.

The businesses continue to invest heavily in new sales resources and the development of intellectual property for future growth, offering additional services and products as well as targeting new market sectors.

Synaptic Digital Ltd developed new products within their online newsrooms and media centre supply which were considered to amount to R&D.

The new technological improvement related to the development of a suite of tools for building, managing and configuring online media centres. It was recognised that new entrants into this market had made it more competitive and clients had more options available to them, so the strategic direction was taken to significantly enhance the services and capabilities of the Client Portal and the media centres created through them to ensure the company maintained a significant competitive edge.

The new technical capabilities built provide a significant competitive advantage as it enables to exploit far more existing client content and to provide far greater variation in design.

The Group made an R&D claim in the year as disclosed in note 19.

Looking ahead, the business is well placed to grow our multi-channel solutions and continues to actively look at strategic acquisitions and partnerships to develop key markets and sectors.

In February 2019 the Group acquired Headline NFP, based in Belgium. A highly-respected provider of studios, lives and video production in Brussels for more than 20 years with a client based which includes major broadcasters in the UK and Europe. This allows the Group to have a presence and facilities in the heart of Europe, significantly expanding the capability and the services offered to broadcast, corporate and online clients.

DMA Media Holdings Limited

Strategic report (continued)

For the year ended 31 December 2018

Principal risks and uncertainties

The principal risk facing the group is the heavy reliance of our main outsourcing contract which accounted for 76% of the gross margin in the business. Given the diverse nature of the business, the expanded customer base and the investment in additional sales resource this risk is being mitigated.

Financial key performance indicators

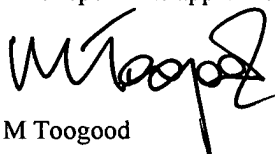
The directors consider turnover, gross profit, profit before tax and net assets to be the key measures of financial performance. The Group enjoyed a year of growth in 2018. Turnover grew 116% as a result of successfully securing and delivering new contracts. Revenue from the main client in 2018 was £22.5m compared to £9.3m in 2017. Turnover increase in 2018 was also due to new business from clients in the media consultancy sector.

As a result of the gross margin increase, EBITDA increased from £1,018,237 in 2017 to £1,780,840 in 2018.

The net year end cash position decreased by £168k despite funding the acquisition of Synaptic Digital Ltd, the accelerated settlement of loan finance and the growth of the business from working capital.

Turnover increased due to the increased volumes and expansion of the client base. The Group continued to invest in new sales resources and the development of intellectual property for future growth offering additional services and products as well as targeting new market sectors.

This report was approved by the board on 10 December 2019 and signed on its behalf.



M Toogood

Director

DMA Media Holdings Limited

Directors report For the year ended 31 December 2018

The directors present their annual report and the financial statements for the year ended 31 December 2018.

Principal activities

The principal activities of the Group comprise media and news media consultancy.

Results and dividends

The statement of income is shown on page 9 and shows the profit for the year. The dividend for the year is nil.

Directors

The directors, who served during the year and to the date of signing these accounts, were as follows:

R Beynon
M Toogood
R Sambrook (appointed 30 July 2018)

Appointment of auditors

During the year Greenback Alan LLP were re appointed auditors of the company.

Information for Auditors

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors on 10 December 2019 and signed on its behalf by M Toogood.



Director

Registered Office

10-11 Percy Street
London
W1T 1DN

DMA Media Holdings Limited

Directors' responsibilities statement For the year ended 31 December 2018

The directors are responsible for preparing the Group Annual Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts 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 Group'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.

Independent auditor's report to the members of DMA Media Holdings Limited

Opinion

We have audited the financial statements of DMA Media Holdings Limited (the "Parent company") and its subsidiaries (the "Group") for the year ended 31 December 2018, which comprise the consolidated Statement of Income, the company and consolidated Statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes, 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 parent Company's affairs as at 31 December 2018 and of the Group's profit for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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's 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.

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 Auditors' 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.

Independent auditor's report to the members of DMA Media Holdings Limited (continued)

Opinion 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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 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.

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

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

Independent auditor's report to the members of DMA Media Holdings Limited (continued)

Use of our report

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

Ian Clive Rowe (Senior Statutory Auditor)

for and on behalf of
Greenback Alan LLP

Chartered Accountants
Statutory Auditor

89 Spa Road
London
SE16 3SG

Date: 10 December 2019

DMA Media Holdings Limited

Consolidated statement of income For the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	2	27,014,806	12,466,204
Cost of sales		(22,643,205)	(9,101,563)
Gross profit		4,371,601	3,364,641
Administrative expenses		(3,042,083)	(2,713,640)
Operating profit	3	1,329,518	651,001
Interest receivable and similar income			
Interest payable and similar charges	4	(127,319)	(189,375)
Profit before taxation		1,202,199	461,626
Taxation on profit	8	49,977	213,317
Profit after taxation		1,252,176	674,943
Profit attributable to:			
Shareholders		1,265,720	793,054
Minority interest		(13,544)	(118,111)
		1,252,176	674,943

Statement of comprehensive income

There are no recognised gains or losses in the current or prior year other than the profit for that year. Accordingly, no statement of comprehensive income is presented. All activities derive from continuing operations.

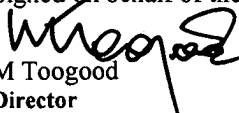
The notes on pages 17 to 26 form part of these financial statements.

DMA Media Holdings Limited**Registered number: 6724874****Consolidated statement of financial position****As at 31 December 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	33,190	31,787
Intangible assets	12	2,334,760	2,012,167
Investment	13	50,000	50,000
		<hr/>	<hr/>
		2,417,950	2,093,954
Current assets			
Debtors	14	4,230,528	3,858,597
Cash at bank and in hand		418,820	585,576
		<hr/>	<hr/>
		4,649,348	4,444,173
Creditors: amounts falling due within one year	15	(4,893,876)	(4,770,387)
		<hr/>	<hr/>
Net current liabilities		(244,528)	(326,214)
Total assets less current liabilities		2,173,422	1,767,740
Creditors: amounts falling due after one year	16	(395,739)	(1,242,233)
		<hr/>	<hr/>
Net assets		1,777,683	525,507
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	20	1,051	1,051
Capital reserve		254,401	254,401
Profit and loss account		1,803,823	538,103
Minority interests		(281,592)	(268,048)
		<hr/>	<hr/>
		1,777,683	525,507
		<hr/>	<hr/>

The financial statements of DMA Media Holdings Limited were approved by the Board of Directors on 10 December 2019

Signed on behalf of the Board of Directors


M Toogood
Director

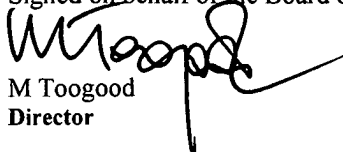
The notes on pages 17 to 26 form part of these financial statements.

DMA Media Holdings Limited**Registered number: 6724874****Company statement of financial position****As at 31 December 2018**

	Note	2018 £	2017 £
Fixed assets			
Investments	13	724,590	662,912
Current assets			
Debtors	14	-	-
Cash at bank and in hand		-	-
		<hr/>	<hr/>
		-	-
Creditors: amounts falling due within one year	15	-	(8,000)
		<hr/>	<hr/>
Net current liabilities		-	(8,000)
Total assets less current liabilities		724,590	654,912
Creditors: amounts falling due after one year	16	(723,539)	(661,861)
		<hr/>	<hr/>
Net assets/(liabilities)		1,051	(6,949)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	20	1,051	1,051
Profit and loss account		-	(8,000)
		<hr/>	<hr/>
		1,051	(6,949)
		<hr/>	<hr/>

The financial statements of DMA Media Holdings Limited were approved by the Board of Directors on 10 December 2019

Signed on behalf of the Board of Directors


M Toogood
Director

The notes on pages 17 to 26 form part of these financial statements.

DMA Media Holdings Limited

Consolidated statement of changes in equity For the year ended 31 December 2018

	Issued share capital £	Capital reserve account £	Profit & loss account £	Minority interest £	Total funds £
At 1 January 2018	1,051	254,401	538,103	(268,048)	525,507
Profit/(loss) for the year	-	-	1,265,720	(13,544)	1,252,176
Balance at 31 December 2018	1,051	254,401	1,803,823	(281,592)	1,777,683

	Issued share capital £	Capital reserve account £	Profit & loss account £	Minority interest £	Total funds £
At 1 January 2017	1,051	254,401	(254,951)	(149,937)	(149,436)
Profit/(loss) for the year	-	-	793,054	(118,111)	674,943
Balance at 31 December 2017	1,051	254,401	538,103	(268,048)	525,507

DMA Media Holdings Limited

Consolidated statement of cash flows For the year ended 31 December 2018

		2018	2017
		£	£
Cash flow from operating activities	9	1,583,735	1,357,684
Taxation paid		(78,181)	(18,566)
Net cash generated from Operating activities		1,505,554	1,339,118
Cash flow from investing activities			
Purchase of intangible assets		(721,956)	(1,866,330)
Purchase of tangible assets		(53,361)	(26,495)
Purchase of subsidiary (net of cash acquired)		(406,022)	1,323,290
Purchase of fixed asset investment		-	(10,970)
Net cash used in investing activities		(1,181,339)	(600,505)
Cash flow from financing activities			
Repayment of bank loans		(61,110)	(50,000)
Other loans		(274,420)	140,539
Interest paid		(127,319)	(189,375)
Net cash used in financing activities		(462,849)	(98,836)
Net increase in cash and cash equivalents		(138,634)	639,777
Cash and cash equivalents from the beginning of the year		557,454	(82,323)
Cash and cash equivalents at the end of the year		418,820	557,454
Cash and cash equivalent consist of:			
Cash at bank and in hand		418,820	557,454

DMA Media Holdings Limited

Notes to the financial statements For the year ended 31 December 2018

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

General information and basis of accounting

DMA Media Holdings Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office and principal place of business is shown on page 4. The principal activities of the Company are set out in the Directors' report.

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the costs, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Furniture and fixtures	4 years
Computer equipment	3 years

Residual value is calculated on prices prevailing at the date of acquisition.

Intangible fixed assets

Development expenditure is written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over a period during which the company is expected to benefit. This period is 10 years. Provision is made for any impairment.

Residual value is calculated on prices prevailing at the date of acquisition.

Positive goodwill is capitalised, classified as an intangible asset on the balance sheet and amortised on a straight-line basis over its useful economic life. It is reviewed for impairment at the end of its first full financial year following the acquisition and in other periods if events to changes in circumstances indicate that the carrying value may not be reviewed. The useful economic life of goodwill has been deemed to be 10 years, which is the directors' best estimate of the remaining useful life.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

When there are indicators of impairment, an impairment review on investments is carried out and a provision booked where necessary.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

1. Accounting policies (continued)

Taxation

Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Revenue

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

Rendering of services

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

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

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Finance liabilities and instruments

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

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

1. Accounting policies (continued)

Finance liabilities and instruments (continued)

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

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

Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees.

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

The contributions are recognised as an expense in the Statement of Income and retained earnings 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 Company in independently administered funds.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at the transaction price less any provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the reporting year-end, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand, short-term bank deposits and money market funds.

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

1. Accounting policies (continued)

Foreign currency translation

Transactions included in the results of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the dates of the individual transactions. Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the income statement, except those arising on long-term foreign currency borrowings used to finance or hedge foreign currency investments which on consolidation are taken directly to other comprehensive income.

2. Segment information

Turnover is wholly attributable to the group's principal activity.

The Group has two main divisions: DMA Media Ltd and Synaptic Digital Ltd both based in the UK.

Turnover is broken down as follows

UK - £23,420,654 Rest of the world £3,594,152

3. Operating Profit

Profit before taxation is stated after charging:

	Year ended 2018	Year ended 2017
	£	£
Fees payable to the company auditors	45,000	44,750
Depreciation / amortisation	451,322	367,236
Foreign exchange gains/losses	83,128	59,502

No other fees were paid to the Company's auditor in the current or prior year.

4. Interest payable and similar charges

	Year ended 2018	Year ended 2017
	£	£
Bank charges & interest	26,201	19,401
Loan interest	101,118	169,974
	<u>127,319</u>	<u>189,375</u>

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

5. Staff costs

The average monthly number of employees (including executive directors) was:

	Year ended 2018 No	Year ended 2017 No
Office and Management	11	8
Sales and account management	15	13
DMA Production	4	3
DMA Tech	26	29
Persian Broadcasting	150	73
	<hr/>	<hr/>
	206	126
	<hr/>	<hr/>

Staff costs were as follows:

	2018	2017
Wages and Salaries	6,662,481	1,738,682
Social security costs	1,481,149	375,570
Cost of defined contribution scheme	157,367	7,913
	<hr/>	<hr/>
	8,300,997	2,122,165
	<hr/>	<hr/>

6. Directors' remuneration

Directors emoluments	588,850	360,101
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The highest paid director received remuneration of £295,322 (2017 £180,061)

7. Pension

The total expense related to the pension contribution plan for the current year was £157,367 (2017 £7,913). The balance of the pension contribution fund at the end of the year was £20,813 (£10,120 is the employee's contribution). Balance in 2017 was £2,006 (£1,043 is the employee's contribution).

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

8. Tax on profit

The tax charge comprises:

	Year ended 2018 £	Year ended 2017 £
Current tax		
UK corporation tax	(10,480)	89,084
Deferred tax	(39,497)	(302,401)
Total tax on profit	(49,977)	(213,317)

9. Net cash generated from operating activities

	2018 £	2017 £
Profit for the financial year	1,252,176	674,943
Adjustment for:		
Tax on profit	(49,977)	(213,317)
Net interest expense	127,319	189,375
Operating profit	1,329,518	651,001
Depreciation of tangible assets	51,958	25,597
Amortisation of intangible assets	399,364	341,639
(Increase) decrease in trade debtors	(322,975)	(977,970)
(Increase) decrease in other debtors	204,611	(1,707,798)
Increase (decrease) in trade creditors	(346,231)	1,201,834
Increase (decrease) in other creditors	267,490	1,823,381
Net cash generated from Operating activities	1,583,735	1,357,684

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

10. Movement in net debt

	1 Jan 2018	Net cash flows	Loan advances	31 Dec 2018
Cash at bank and in hand	585,576	(166,756)	-	418,820
Bank overdraft	(28,122)	28,122	-	-
Cash and cash equivalents	557,454	(138,634)	-	418,820
Bank loans	(61,110)	61,110	-	-
Other loans	(482,311)	274,420	-	(207,891)
Total	14,033	196,896	-	210,929

11. Tangible fixed assets

	Office equipment and fixtures	Computer equipment	Total
Group	£	£	£
Cost			
At 1 January 2018	148,260	39,070	187,330
Additions	40,073	13,288	53,361
Additions on acquisition	-	-	-
At 31 December 2018	188,333	52,358	240,691
Depreciation			
At 1 January 2018	117,901	37,642	155,543
Charge for the year	49,966	1,992	51,958
At 31 December 2018	167,867	39,634	207,501
Net book value			
At 31 December 2018	20,466	12,724	33,190
At 31 December 2017	30,359	1,428	31,787

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

12. Intangible fixed assets

	Archive	Website & platform	Goodwill	Total
	£	£	£	£
Group				
Cost				
At 1 January 2018	97,102	882,912	1,483,757	2,463,771
Additions	-	660,278	61,678	721,956
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	97,102	1,543,190	1,545,435	3,185,727
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At 1 January 2018	15,372	205,929	230,303	451,604
Charge for the year	8,092	264,081	127,191	399,364
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	23,464	470,010	357,494	850,968
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2018	73,638	1,073,180	1,187,941	2,334,759
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	81,730	676,983	1,253,454	2,012,167
	<hr/>	<hr/>	<hr/>	<hr/>

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

13. Fixed asset investments

	Group Other Fixed Asset investments	Company Interest in Subsidiary Cos
	£	£
Cost or Valuation		
At 1 January 2018	50,000	661,860
Additions	-	61,678
	<hr/>	<hr/>
At 31 December 2018	50,000	723,539
	<hr/>	<hr/>
Net book value		
At 31 December 2018	50,000	723,539
	<hr/>	<hr/>
At 31 December 2017	50,000	662,912
	<hr/>	<hr/>

Interest in subsidiaries (unquoted)

The following were subsidiary undertakings of the company:

Undertaking	Share class	% held	Country of incorporation
DMA Media Ltd	Ordinary	100	UK
Synaptic Digital Ltd	Ordinary	100	UK
Vivid White Productions Ltd	Ordinary	100	UK
DMA Media Productions Ltd	Ordinary	100	UK
Unseen Archives Ltd	Ordinary	80	UK
DMA Media Ventures Ltd	Ordinary	80	UK
The Newsmarket Inc	Ordinary	100	USA
TNM Media Private Ltd	Ordinary	100	India

The principal activity of each of the entities is the provision of media and news media consultancy services, and they operate from the same registered address as the parent company given on page 4.

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

14. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	1,955,820	1,632,845	-	-
Other debtors	911,920	472,441	-	-
Work in progress	13,396	21,035	-	-
Amounts owed by group undertakings	-	-	-	-
Taxation and social security	214,070	31,901	-	-
Deferred tax	342,756	303,259	-	-
Prepayments and accrued income	792,566	1,397,116	-	-
	<u>4,230,528</u>	<u>3,858,597</u>	<u>-</u>	<u>-</u>

The deferred tax asset balance is broken down as follows:

	2018	2017
	£	£
Less than 1 year	£68,551	60,651
Between two and five years	£274,204	242,608

15. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank overdrafts	-	28,122	-	-
Bank loans	-	50,000	-	-
Trade creditors	1,130,449	1,476,680	-	-
Other creditors	869,266	402,030	-	-
Other loans	48,059	169,479	-	-
Taxation and social security	1,183,590	736,985	-	-
Current taxation	196,786	71,376	-	-
Accruals and deferred income	1,465,726	1,835,715	-	8,000
	<u>4,893,876</u>	<u>4,770,387</u>	<u>-</u>	<u>8,000</u>

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

16. Creditors: amounts falling due after one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	-	11,110	-	-
Other loans	159,832	312,832	-	-
Other creditors	235,907	918,291	195,658	270,296
Amounts owed to group undertakings	-	-	527,881	391,565
	<u>395,739</u>	<u>1,242,233</u>	<u>723,539</u>	<u>661,861</u>

Loans of £207,891 (2017: £255,951) are secured against the assets of the company and loans of £219,001 (2017: £317,061) are secured against Group companies

17. Directors Loan

2017	Total
1 st January 2017	(354,273)
Advances	-
Repaid	135,733
31st December 2017	(218,540)
2018	Total
1 st January 2018	(218,540)
Advances	-
Repaid	218,540
31st December 2018	-

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

18. Deferred Taxation

	2018 £	2017 £
At the beginning of the year	303,259	-
Deferred tax	39,497	303,259
At the end of the year	342,756	303,259
The deferred tax asset is made up as follows		
Tax losses carried forwards	342,756	303,259

19. Income tax reconciliation

Factors affecting tax charge for the year

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

	2018 £	2017 £
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2017: 19%)	238,018	88,864
Permanent differences	3,617	1,898
R&D claim	(101,437)	-
R&D claim 2017	(43,116)	-
Rate difference – s.1308 claim	(63,861)	-
Recognition adjustment	(83,198)	(302,730)
Other adjustments	-	(1,348)
	(49,977)	(213,316)

Factors that may affect future tax charges

This year, the applicable tax charge for the UK is 19%. A further fall of 2% in the UK corporation tax rates is expected from April 2020, causing the corporation tax rate to be 17%.

DMA Media Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

20. Share Capital

	2018		2017	
	No	£	No	£
Called up and fully paid				
Ordinary shares of £1 each	1,051	1,051	1,051	1,051

21. Reserves

Capital Reserve

The capital reserve is created on the initial consolidation of the group. It is not created from trading or operational activities, and is therefore not distributable to the shareholders.

Profit and loss account

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

Minority Interests

Minority Interests represents the amounts attributable to the non-controlling shareholders of subsidiary companies.

22. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

	2018	2017
	£	£
Other operating leases		
Not later than one year	86,000	86,000
Between two and five years	86,000	172,000
	<u>172,000</u>	<u>258,000</u>

23. Ultimate controlling party

Mr R Beynon and Mr M Toogood control the company as a result of holding 98% of the issued share capital.