

Registered number
08902364

258 Marketing Limited

Report and Financial Statements

28 February 2021

258 Marketing Limited
Report and accounts
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258 Marketing Limited
Company Information

Directors

Mr A O O Joshua

Mr F J L Cunningham

Auditors

Platts

Churchill House, Suite 112 - 118

120 Bunns Lane

Mill Hill

London

NW7 2AS

Registered office

Churchill House, Suite 112 - 118

120 Bunns Lane

Mill Hill

London

NW7 2AS

Registered number

08902364

258 Marketing Limited
Registered Number: 08902364
Directors' Report

The directors present their report and financial statements for the year ended 28 February 2021.

Principal activities

The company's principal activity during the year continued to be the provision of marketing services for sponsorships and endorsements.

Dividends

The directors recommends a final dividend of £312,000 (£312,000 per share).

Directors

The following served as directors during the year:

Mr A O O Joshua
Mr F J L Cunningham

Directors' responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. It is important to bear in mind that legislation in

the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

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

This report was approved by the board on 16 November 2021 and signed on its behalf.

Mr A O O Joshua
Director

258 Marketing Limited

Strategic Report

The directors presents their strategic report on the company for the year ended 28 February 2021.

Business review

The company's principal business activity is marketing services for sponsorships and endorsements. The turnover of the company from the provision of its services analysed by territory is as follows:

Territory	2021			2020		
	UK	EU	Non-EU	UK	EU	Non-EU
Sponsorships	3,477,958	1,398,833	3,576,787	3,070,706	1,303,231	2,246,194

The sponsorships and endorsements division has increased by 28% from 2020 to 2021. This is as a result of third parties placing more value on the use of the fighter's image rights. The fighter's social media presence has also grown and this has led to being able to target larger audiences.

The company faces a number of risks and uncertainties and the director believes the key business risks are in respect of competition from both within the UK and international markets. In view of this risk and uncertainty, the director is aware that the development of the company may be affected by factors outside its control.

Principal risks and uncertainties

Risk	Impact on Company	Mitigation
Advertising	The company must ensure that the fighter's image rights are not used in a negative manner.	The company ensures that it does not enter into contracts that may harm the image of the fighter. The fighter has also built a very good image of themselves to the public through various media outlets such as YouTube and Instagram.
COVID-19	The pandemic has had an impact on the company being able to effectively fulfil its marketing services.	The company has worked closely with key stakeholders, its sponsors, to ensure that any prior engagements are carried out in accordance with government guidelines for COVID-19 compliance.

The directors have considered the effect of 'Brexit' on the business specifically. Given that the company currently operates within the UK market and its customers are based in the UK, there is no direct or immediate impact envisaged by the director, on the company.

The directors do acknowledge that there may be contingent liabilities, such as the potential impact on profitability of non-recoverable VAT for companies which currently incur and recover input VAT in other EU states, the effect upon the availability of EU grants and subsidies and the

effect upon available workforce, that may arise from 'Brexit', depending on the dissolution terms to be agreed with the EU.

Future developments

The directors anticipates the business environment will remain competitive. The directors believes that the company is in a good financial position and that the risks that have been identified are being well managed. The directors are confident in the company's ability to maintain and build on this position, albeit with cautious growth expectations.

Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling. The company does not enter into any hedging transactions.

Research and development

The company is currently undertaking research and development to improve its sponsorship income from the provision of the fighter's image rights.

This report was approved by the board on 16 November 2021 and signed on its behalf.

Mr A O O Joshua
Director

258 Marketing Limited
Independent auditor's report
to the member of 258 Marketing Limited

Opinion

We have audited the financial statements of 258 Marketing Limited for the year ended 28 February 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the 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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors' with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the directors report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 full 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the director and other management (as required by auditing standards), and from inspection of the company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to component audit teams of relevant laws and regulations identified at group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's licences to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, regulations affecting professional boxing services, and certain aspects of company legislation recognising the financial and regulated nature of the company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we became aware of actual or suspected non-compliance and considered the effect as part of our procedures on the related financial statement items.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition. We performed the following procedures over this risk area:

- We performed walkthroughs to understand the key processes and identify key controls;
- We performed procedures to test on a sample basis the appropriateness of journal entries recorded in the general ledger by correlating sales postings with cash receipts throughout the year;
- We tested whether revenue was recorded in the correct period by testing whether a sample of marketing services rendered within 1 month either side of the year end had legally completed in the period in which it was accounted;
- We tested all material manual journals to assess for any evidence of management bias by checking supporting documentation; and
- We assessed the adequacy of the related disclosures in the Financial Statements.

Based on our audit procedures we have concluded that revenue is appropriately recognised and that there was no evidence of management bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adrian Platt (Senior Statutory Auditor)
For and on behalf of Platts (Statutory Auditor)
Churchill House, Suite 112 - 118

120 Bunns Lane
Mill Hill
London
NW7 2AS

16 November 2021

258 Marketing Limited**Income Statement****For the year ended 28 February 2021**

	Notes	2021 £	2020 £
Turnover	3	8,453,578	6,620,131
Cost of sales		-	(25,000)
Gross profit		<u>8,453,578</u>	<u>6,595,131</u>
Administrative expenses		(1,003,514)	(797,228)
Operating profit	4	<u>7,450,064</u>	<u>5,797,903</u>
Gain on revaluation of investments		42	162
Interest receivable		19,588	38,745
Profit on ordinary activities before taxation		<u>7,469,694</u>	<u>5,836,810</u>
Tax on profit on ordinary activities	7	(1,417,902)	(1,115,942)
Profit for the financial year		<u>6,051,792</u>	<u>4,720,868</u>

258 Marketing Limited
Statement of comprehensive income
For the year ended 28 February 2021

	Notes	2021 £	2020 £
Profit for the financial year		6,051,792	4,720,868
Other comprehensive income			
Total comprehensive income for the year		<u>6,051,792</u>	<u>4,720,868</u>

258 Marketing Limited
Statement of Financial Position
As at 28 February 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	8	5,257	-
Investments	9	479	437
		<u>5,736</u>	<u>437</u>
Current assets			
Debtors	10	1,034,021	1,458,546
Cash at bank and in hand		19,951,675	12,889,706
		<u>20,985,696</u>	<u>14,348,252</u>
Creditors: amounts falling due within one year	11	(1,717,195)	(814,244)
Net current assets		<u>19,268,501</u>	<u>13,534,008</u>
Net assets		<u>19,274,237</u>	<u>13,534,445</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account		19,274,236	13,534,444
Total equity		<u>19,274,237</u>	<u>13,534,445</u>

Mr A O O Joshua

Director

Approved by the board on 16 November 2021

258 Marketing Limited**Statement of Changes in Equity****For the year ended 28 February 2021**

	Share capital	Profit and loss account	Total
	£	£	£
At 1 March 2019	1	8,853,576	8,853,577
Profit for the financial year	-	4,720,868	4,720,868
Dividends	-	(40,000)	(40,000)
At 29 February 2020	<u>1</u>	<u>13,534,444</u>	<u>13,534,445</u>
At 1 March 2020	1	13,534,444	13,534,445
Profit for the financial year	-	6,051,792	6,051,792
Dividends	-	(312,000)	(312,000)
At 28 February 2021	<u>1</u>	<u>19,274,236</u>	<u>19,274,237</u>

258 Marketing Limited
Statement of Cash Flows
For the year ended 28 February 2021

	Notes	2021 £	2020 £
Operating activities			
Profit for the financial year		6,051,792	4,720,868
Adjustments for:			
Gain on revaluation of investments		(42)	(162)
Interest receivable		(19,588)	(38,745)
Tax on profit on ordinary activities		1,417,902	1,115,942
Depreciation		1,752	-
Decrease/(increase) in debtors		424,525	(364,846)
Increase in creditors		555,245	55,334
		<u>8,431,586</u>	<u>5,488,391</u>
Interest received		19,588	38,745
Corporation tax paid		(1,070,196)	(1,692,997)
Cash generated by operating activities		<u>7,380,978</u>	<u>3,834,139</u>
Investing activities			
Payments to acquire tangible fixed assets		(7,009)	-
Cash used in investing activities		<u>(7,009)</u>	<u>-</u>
Financing activities			
Equity dividends paid		(312,000)	(40,000)
Cash used in financing activities		<u>(312,000)</u>	<u>(40,000)</u>
Net cash generated			
Cash generated by operating activities		7,380,978	3,834,139
Cash used in investing activities		(7,009)	-
Cash used in financing activities		(312,000)	(40,000)
Net cash generated		<u>7,061,969</u>	<u>3,794,139</u>
Cash and cash equivalents at 1 March		12,889,706	9,095,567
Cash and cash equivalents at 28 February		<u>19,951,675</u>	<u>12,889,706</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>19,951,675</u>	<u>12,889,706</u>

258 Marketing Limited
Notes to the Financial Statements
For the year ended 28 February 2021

1 Summary of significant accounting policies

General information

258 Marketing Limited ('the company') operates from one UK based head office site.

The company is a private company limited by shares and is incorporated in England.

The address of its registered office is Churchill House, Suite 112 - 118, 120 Bunns Lane, Mill Hill, London, NW7 2AS.

Statement of compliance

The financial statements of 258 Marketing Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The company (a wholly owned subsidiary) has taken advantage of the exemption under FRS 102, Section 33.1A, in that, disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going concern

The company meets its day-to-day working capital requirements through its cash reserves.

Given the company's cash reserves, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The company has taken advantage of the following exemptions in its individual financial statements:

from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;

from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.4 (e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures and;

from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Foreign currency (Functional and presentation currency)

The company's functional and presentation currency is the pound sterling.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

Turnover includes revenue mainly earned from the rendering of sales from endorsements and sponsorship deals.

The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the company's sales channels have been met, as described below.

i. Sales – endorsement and sponsorship deals

Turnover from the rendering of endorsement and sponsorship deals is recognised as the contract progresses.

Turnover from endorsement and sponsorship income is recognised in accordance with the specific endorsement or sponsorship agreement in place. For each agreement, certain obligations have to be fulfilled and conditions met prior to recognition by reference to stage of completion of an agreement.

ii. Interest income

Interest income is recognised using the effective interest rate method.

Employee Benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i. Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii. Defined contribution pension plans

The company operates a UK 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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

iii. Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other

comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i. **C u r r e n t t a x**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. **D e f e r r e d t a x**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

i. **Fixtures, fittings, tools and equipment**

Fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

ii. **Depreciation and residual values**

Depreciation on other assets is calculated, using the reducing balance method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Fixtures, fittings, tools and equipment	15% reducing balance
-----------------------------------------	----------------------

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

iii. **D e r e c o g n i t i o n**

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

Investments - company

i. **Investment in other investments**

Investments in other investments represents listed shares held at market value.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Provisions

i .

P r o v i s i o n s

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a f i n a n c e c o s t .

i i .

C o n t i n g e n c i e s

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of r e s o u r c e s i s r e m o t e .

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

i .

F i n a n c i a l

a s s e t s

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or

are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables 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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii. Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the director, separate disclosure is necessary to understand the effect of the transactions on the company financial statements.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a

significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Fair values on acquisition of 258 Marketing Limited

The fair value of tangible and intangible assets acquired on the acquisition of 258 Marketing Limited involved the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. In addition the estimation of the contingent consideration payable required estimation of the level of profitability of the business acquired. The estimation of the fair values requires the combination of assumptions.

The parent company, Sparta Promotions Limited, has undertaken a fair value exercise and does not identify any fair value adjustments to the recognised net assets of 258 Marketing Limited.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 9 for the net carrying amount of the debtors and associated impairment provision.

3 Analysis of turnover	2021 £	2020 £
Services rendered	8,453,578	6,620,131
By geographical market:		
UK	3,477,958	3,070,706
Europe	1,398,833	1,303,231
Rest of world	3,576,787	2,246,194
	8,453,578	6,620,131
4 Operating profit	2021 £	2020 £
This is stated after charging:		
Auditors' remuneration for audit services	5,000	5,000
Key management personnel compensation (including director's emoluments)	443,093	145,277
5 Directors' emoluments	2021 £	2020 £
Emoluments	443,093	144,004
Company contributions to defined contribution pension plans	1,313	1,273
	444,406	145,277
Highest paid director:		
Emoluments	443,093	144,004

Company contributions to defined contribution pension plans	1,313	1,273
	<u>444,406</u>	<u>145,277</u>

Number of directors to whom retirement benefits accrued:

	2021	2020
	Number	Number
Defined contribution plans	<u>1</u>	<u>1</u>

6 Staff costs

	2021	2020
	£	£
Wages and salaries	676,140	244,144
Social security costs	87,252	26,615
Other pension costs	5,046	2,429
	<u>768,438</u>	<u>273,188</u>

Average number of employees during the year

	Number	Number
Administration	<u>4</u>	<u>4</u>

7 Taxation

	2021	2020
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	1,417,902	1,115,942
	<u>1,417,902</u>	<u>1,115,942</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2021	2020
	£	£
Profit on ordinary activities before tax	<u>7,469,694</u>	<u>5,836,810</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	1,419,242	1,108,994
Effects of:		
Expenses not deductible for tax purposes	(1,332)	6,979

Unrealised (Gains)/losses not assessable for tax purposes	(8)	(31)
Current tax charge for period	<u>1,417,902</u>	<u>1,115,942</u>

8 Tangible fixed assets

	Fixtures, fittings, tools and equipment
	<i>At cost</i>
	£
Cost or valuation	
Additions	7,009
At 28 February 2021	<u>7,009</u>
Depreciation	
Charge for the year	1,752
At 28 February 2021	<u>1,752</u>
Carrying amount	
At 28 February 2021	<u>5,257</u>

9 Investments

	Other investments
	£
Cost	
At 1 March 2020	437
Revaluation	42
At 28 February 2021	<u>479</u>

10 Debtors

	2021	2020
	£	£
Trade debtors	1,018,100	1,435,289
Other debtors	10,957	15,697
Prepayments and accrued income	4,964	7,560
	<u>1,034,021</u>	<u>1,458,546</u>

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertaking	736,550	184,969

Corporation tax	893,648	545,942
Other taxes and social security costs	39,782	60,737
Other creditors	47,215	22,596
	<u>1,717,195</u>	<u>814,244</u>

12 Share capital	Nominal value	2021 Number	2021 £	2020 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1	<u>1</u>	<u>1</u>

13 Dividends	2021 £	2020 £
Dividends on ordinary shares	<u>312,000</u>	<u>40,000</u>

14 Events after the reporting date

On 23 March 2020, as a result of the COVID 19 pandemic, most UK businesses closed, including the company's businesses causing disruption to the company's events provisionally agreed to be attended or staged. As a result of the COVID 19 pandemic, revenue from marketing services, is expected to decrease.

15 Related party transactions

The company (a wholly owned subsidiary) has taken advantage of the exemption under FRS 102, Section 33.1A, in that, disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Included within Other Debtors are as follows:

At the balance sheet date, the company was owed an amount in the sum of £Nil (2020 - £12,240) from 258 Management Limited, a company controlled by a common director and shareholder. The balance has arisen due to providing working capital assistance. The receivable is repayable on demand and is unsecured.

At the balance sheet date, the company was owed an amount in the sum of £3,457 (2020 - £3,457) from 258 Merchandise Limited, a company controlled by a common director and shareholder. The balance has arisen due to providing working capital assistance. The receivable is repayable on demand and is unsecured.

See note 5 for disclosure of the directors' remuneration.

Key management compensation for the year amounted to £444,406 (2020 - £145,277).

16 Controlling party

The immediate parent undertaking is Sparta Promotions Limited.

The ultimate controlling party is Mr A O O Joshua.

The address from which consolidated accounts can be obtained is Churchill House, Suite 112 - 118, 120 Bunns Lane, Mill Hill, London, NW7 2AS.

17 Legal form of entity and country of incorporation

258 Marketing Limited is a private company limited by shares and incorporated in England.

18 Principal place of business

The address of the company's principal place of business is:

Unit 23, Flotilla House
Juniper Drive
Battersea Reach
SW18 1FX

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