

Michael Bailey Associates Limited

Annual Report and Financial Statements

For the year ended 31 December 2017

Company Registration No. 02289699 (England and Wales)

Michael Bailey Associates Limited

Company Information

Directors	M L Garlick A M Garlick
Secretary	S Bahra
Company number	02289699
Registered office	12 Brook House Chapel Place Rivington Street London EC2A 3SJ
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London United Kingdom EC1M 7AD

Michael Bailey Associates Limited

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Michael Bailey Associates Limited

Strategic Report

For the year ended 31 December 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

Michael Bailey Associates Limited continues to operate on a profitable and stable basis and the operation continues to be run by a strong team based in London, including Directors and senior management, offering strategic advice.

We have a clear business model in order to increase company profitability. Our business plan is underpinned by clear assumptions, including a strong economic environment. However our strong, experienced team have the expertise to flex these plans and respond proactively to opportunities as well as challenges as they are identified.

What we achieved in year ended 2017

The Group has consolidated its client base during the year. New sectors were opened in 2017, and we expect these business areas to grow in the forthcoming years. Some of our existing clients have reduced their projects, thus we billed fewer hours to them, and in response we have started working with a substantial number (52) of new clients during 2017.

Financial KPIs

Gross revenues decreased by 8.6%, with gross profit margins reflecting market trends.

Total revenues generated were €27.8m (2016: €30.4m) for the year ended 31 December 2017.

Pre tax profit for the year amounted to €2.0m (2016: €2.3m).

Net assets at the balance sheet date were €2.7m (2016: €1.0m).

Our objectives for 2018

The Company's management team key aim is to maintain a strong financial performance in 2018. We will continue to develop the Group's activity where markets remain supportive, and will continue to focus on driving fee and profit growth as we work towards these objectives.

As in 2017 the Company will continue to seek other business opportunities which will enhance profitability.

Michael Bailey Associates Limited

Strategic Report (Continued)

For the year ended 31 December 2017

Principal risks and uncertainties

Company working capital is provided via an overdraft facility secured against debtors.

Cash management has been arranged via the notional pooling of group funds providing a flexible and efficient method of maximising cash usage. Funds were transferred to the parent company during the year as part of this pooling arrangement. These arrangements continue in use.

The main business risk is increased competition in our markets. Our flexible business plans, which allow us to respond positively to changes in our markets, continue to allow the management to generate opportunities and new activity where many of our competitors perceive problems.

Other risks for the Group are the ability of customers to pay and the fluctuation of the Euro exchange rate with the British Pound.

All new customers are carefully credit checked. In addition the company operates an effective credit control process and clients are contacted before payments are due to minimise any late queries. The majority of clients pay within the agreed terms and any overdue payment are vigorously monitored and pursued. This policy has improved the management of bad debts and has significantly reduced the risk of incurring bad debts.

The exchange risk is minimised by ensuring client and contractor currencies are matched, reducing significantly the exposure of the group to exchange rate fluctuations.

People

The Company operates a policy of recruiting staff from all nationalities, backgrounds and ages.

Nationalities include British, Dutch, German, Indian, French, Belgium and Swiss, and their ages ranged from early 20s to 65.

The group continues to train and motivate the current team and expand their development.

On behalf of the board

M L Garlick

Director

27 September 2018

Michael Bailey Associates Limited

Directors' Report

For the year ended 31 December 2017

The directors present their report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the group remains that of a provider of IT Consultants on a contract and permanent basis.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M L Garlick

A M Garlick

Results and dividends

The results for the year are set out on page 7.

During the year, ordinary dividends totalling £nil (2016: €3,650,000) were paid.

Auditor

In accordance with the company's articles, a resolution proposing that Kingston Smith LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Michael Bailey Associates Limited

Directors' Report (Continued)

For the year ended 31 December 2017

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies in the directors' report. It has done so in respect of the future developments and principal risks and uncertainties.

On behalf of the board

M L Garlick

Director

27 September 2018

Michael Bailey Associates Limited

Independent Auditor's Report

To the Members of Michael Bailey Associates Limited

Opinion

We have audited the financial statements of Michael Bailey Associates Limited (the 'company') for the year ended 31 December 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, 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 Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Michael Bailey Associates Limited

Independent Auditor's Report (Continued)

To the Members of Michael Bailey Associates Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the 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 and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

Michael Bailey Associates Limited

Independent Auditor's Report (Continued)

To the Members of Michael Bailey Associates Limited

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

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

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

Use of our report

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

Heather Powell (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

27 September 2018

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
United Kingdom
EC1M 7AD

Michael Bailey Associates Limited

Profit and loss account

For the year ended 31 December 2017

	Notes	2017 €	2016 €
Turnover	3	27,784,177	30,403,175
Cost of sales		(22,480,637)	(25,015,904)
Gross profit		5,303,540	5,387,271
Administrative expenses		(3,241,432)	(3,086,224)
Other operating income		-	50,327
Operating profit	4	2,062,108	2,351,374
Interest payable and similar expenses	7	(56,683)	(48,363)
Profit before taxation		2,005,425	2,303,011
Taxation	8	(383,515)	(230,304)
Profit for the financial year		1,621,910	2,072,707

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

Michael Bailey Associates Limited

Statement of Comprehensive Income

For the Year ended 31 December 2017

	2017 €	2016 €
Profit for the year	1,621,910	2,072,707
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,621,910</u>	<u>2,072,707</u>

Michael Bailey Associates Limited

Balance Sheet

As at 31 December 2017

	Notes	2017 €	€	2016 €	€
Fixed assets					
Tangible assets	10		62,679		86,834
Current assets					
Debtors	12	13,568,843		11,514,349	
Cash at bank and in hand		1,531,035		1,712,139	
		15,099,878		13,226,488	
Creditors: amounts falling due within one year	13	(12,506,994)		(12,282,305)	
Net current assets			2,592,884		944,183
Total assets less current liabilities			2,655,563		1,031,017
Provisions for liabilities	15		(2,636)		-
Net assets			2,652,927		1,031,017
Capital and reserves					
Called up share capital	17		150		150
Profit and loss reserves			2,652,777		1,030,867
Total equity			2,652,927		1,031,017

The financial statements were approved by the board of directors and authorised for issue on 27 September 2018 and are signed on its behalf by:

M L Garlick
Director

Company Registration No. 02289699

Michael Bailey Associates Limited

Statement of Changes in Equity

For the year ended 31 December 2017

		Share capital	Profit and loss reserves	Total
	Notes	€	€	€
Balance at 1 January 2016		150	2,608,160	2,608,310
Profit and total comprehensive income for the year		-	2,072,707	2,072,707
Dividends	9	-	(3,650,000)	(3,650,000)
Balance at 31 December 2016		150	1,030,867	1,031,017
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	1,621,910	1,621,910
Balance at 31 December 2017		150	2,652,777	2,652,927

Michael Bailey Associates Limited

Notes to the Financial Statements

For the year ended 31 December 2017

1 Accounting policies

Company information

Michael Bailey Associates Limited is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is 12 Brook House, Chapel Place, Rivington Street, London, EC2A 3SJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in Euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound. At 31 December 2017 the exchange rate was £1:€1.1674 (2016: £1:€1.3566).

1.2 Exceptions for qualifying entities under FRS 102

The company has taken advantage of the following exemptions under the provisions of FRS 102:

- (i) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d) to prepare a statement of cash flows on the basis that the company is a qualifying entity and the company's ultimate parent, Metroyard Limited, includes the company's cash flows in its consolidated financial statements.
- (ii) The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A, regarding disclosures of financial liabilities and assets as the equivalent disclosures required by FRS 102 are included in the consolidated financial statements of the group in which the entity is consolidated; and
- (iii) From disclosing the company key management personnel compensation, as required by paragraph 33.7.

1.3 Group accounts

Michael Bailey Associates Limited is a wholly owned subsidiary of MBA Michael Bailey Associates Plc. The results of Michael Bailey Associates Limited are included in the consolidated financial statements of MBA Holding Company 3 Limited, the ultimate holding company, which are available from 12 Brook House, Chapel Place, Rivington Street, London, EC2A 3SJ.

1.4 Going concern

The Directors at the time of approving the financial statements, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt a going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax. Income is accrued where the company has the right to consideration for services rendered at the balance sheet date. Turnover is matched to cost of sales and where it is, a mark up of costs are only recognised when the costs are known. Where a set fee is being charged this is recognised in the period the work is done.

Michael Bailey Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Land and buildings leasehold	10% straight line
Fixtures, fittings & equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Michael Bailey Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

Classification of 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 payments discounted at a market rate of interest.

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

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

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

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Michael Bailey Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.12 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date. Transactions in other currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Bad debt provision

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 12 for the net carrying amount of the debtors and associated impairment provision.

Depreciation

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property, plant and equipment and note 1.6 for the useful economic lives for each class of asset.

Michael Bailey Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

3 Turnover and other revenue

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

	2017	2016
	€	€
Turnover analysed by class of business		
Contractor placement fees	27,784,177	30,403,175

	2017	2016
	€	€
Turnover analysed by geographical market		
United Kingdom	867,898	1,416,390
Europe	26,916,279	28,986,785
	27,784,177	30,403,175

4 Operating profit

	2017	2016
	€	€
Operating profit for the year is stated after charging/(crediting):		
Foreign exchange gains	(193,993)	(563,315)
Depreciation of owned tangible fixed assets	37,736	40,988
Operating lease charges	122,701	77,364
Auditors' remuneration	-	120,000

5 Auditors' remuneration

	2017	2016
	€	€
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	-	79,900
For other services		
Taxation services	-	40,100

The 2017 audit fees have been borne by the parent company.

Michael Bailey Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

6 Employees

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

	2017 Number	2016 Number
Director	-	2
Administration	-	20
	-	22

7 Interest payable and similar expenses

	2017 €	2016 €
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	54,094	28,108
Other interest	2,589	20,255
	56,683	48,363

8 Taxation

	2017 €	2016 €
Current tax		
UK corporation tax on profits for the current period	366,784	230,113
Deferred tax		
Origination and reversal of timing differences	16,731	191
Total tax charge	383,515	230,304

Michael Bailey Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 €	2016 €
Profit before taxation	2,005,425	2,303,011
<i>Expected tax charge based on a corporation tax rate of 19.25% (2016 - 20.00%)</i>	386,044	460,602
Non deductible expenses	(2,529)	565
Group relief	-	(229,664)
Permanent capital allowances in excess of depreciation	-	(773)
Other tax adjustments	-	(426)
Tax charge for the year	383,515	222,815

9 Dividends

	2017 €	2016 €
Final paid	-	3,650,000

10 Tangible fixed assets

	Land and buildings leasehold €	Fixtures, fittings & equipment €	Total €
Cost			
At 1 January 2017	121,527	241,815	363,342
Additions	-	13,581	13,581
At 31 December 2017	121,527	255,396	376,923
Depreciation and impairment			
At 1 January 2017	84,457	192,051	276,508
Depreciation charged in the year	10,631	27,105	37,736
At 31 December 2017	95,088	219,156	314,244
Carrying amount			
At 31 December 2017	26,439	36,240	62,679
At 31 December 2016	37,070	49,764	86,834

Michael Bailey Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

11 Financial instruments

	2017 €	2016 €
Carrying amount of financial assets		
Debt instruments measured at amortised cost	13,437,022	11,233,922
Carrying amount of financial liabilities		
Measured at amortised cost	11,958,372	11,508,121

12 Debtors

	2017 €	2016 €
Amounts falling due within one year:		
Trade debtors	3,083,727	3,736,783
Amounts due from group undertakings	9,632,763	6,854,057
Other debtors	720,532	643,082
Prepayments and accrued income	131,821	266,332
	13,568,843	11,500,254
Deferred tax asset (note 16)	-	14,095
	13,568,843	11,514,349

Trade debtors disclosed above are measured at amortised cost.

13 Creditors: amounts falling due within one year

	Notes	2017 €	2016 €
Bank loans and overdrafts	14	3,190,697	3,416,313
Trade creditors		1,922,133	2,242,774
Amounts due to group undertakings		4,198,534	3,070,350
Corporation tax		366,784	230,113
Other taxation and social security		181,838	544,071
Other creditors		2,091,051	1,925,901
Accruals and deferred income		555,957	852,783
		12,506,994	12,282,305

Michael Bailey Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

14 Loans and overdrafts

	2017 €	2016 €
Bank loans	3,190,697	3,416,313
Payable within one year	3,190,697	3,416,313

The long-term loans are secured by fixed and floating charges over all the assets of the company as security for bank facilities available to the company.

The company has entered into a bank Composite Accounting Agreement with certain other group companies whereby each company has provided a guarantee that enables the bank to set-off interest and debit and credit balances held by each of the companies in certain circumstances.

15 Provisions for liabilities

	Notes	2017 €	2016 €
Deferred tax liabilities	16	2,636	-

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets / (liabilities) 2017 €	Assets / (liabilities) 2016 €
Balances:		
Accelerated capital allowances	2,636	(4,879)
Other timing differences	-	18,974
	(2,636)	14,095
Movements in the year:		2017 €
Liability/(Asset) at 1 January 2017		(14,095)
Charge to profit or loss		16,731
Liability at 31 December 2017		2,636

Michael Bailey Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

17 Share capital

	2017 €	2016 €
Issued and fully paid		
100 ordinary shares of £1 each	150	150

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 €	2016 €
Within one year	225,230	225,230
Between two and five years	615,217	840,447
	<u>840,447</u>	<u>1,065,677</u>

19 Directors' transactions

The company occupies premises owned by M.L. Garlick and rent and service charges to the company amounted to €122,701 (2016: €157,729).

At 31 December 2017, the amount due to the company from M.L. Garlick was €58,714 (2016: €96,093) in respect of expenses paid by the company on his behalf. This amount was repaid in full subsequent to the balance sheet date.

20 Related party transactions

Transactions with related parties

The company has taken advantage of the FRS 102 exemption from the requirement to disclose transactions with the group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

During the year, amounts of €832 (2016: €99,046) were paid to Burnley FC Holdings Limited, a company related due to M.L. Garlick's directorship of both companies.

Michael Bailey Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

21 Controlling party

The ultimate parent company is MBA Holding Company 3 Limited, a company registered in England and Wales. MBA Holding Company 3 Limited is the parent of the largest group of which the company is a member. MBA Michael Bailey Associates Plc was the parent of the smallest group of which the company is a member.

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