

Company Registration No 02120366 (England and Wales)

**MARK ALLEN HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**



# MARK ALLEN HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	B Allen M Allen K Toumba B Goodridge S Allen E Tranter P Knutton E Wilmott J Benson M Govett	(Appointed 14 September 2015) (Appointed 14 September 2015)
<b>Secretary</b>	B Allen	
<b>Company number</b>	02120366	
<b>Registered office</b>	St Jude's Church Dulwich Road Herne Hill London SE24 0PB	
<b>Auditor</b>	Hazlems Fenton LLP Chartered Accountants Palladium House 1-4 Argyll Street London W1F 7LD	
<b>Business address</b>	St Jude's Church Dulwich Road Herne Hill London SE24 0PB	

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# MARK ALLEN HOLDINGS LIMITED

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# MARK ALLEN HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2016

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The directors present the strategic report for the year ended 31 March 2016.

#### **Fair review of the business**

The principal activities of the group are the publishing of medical, educational, leisure and trade magazines and journals, the publishing of medical and educational books, the organisation of conferences and exhibitions, the organisation of world-wide study tours and on-line trading through its websites

Once again the directors are very pleased to report another record year. Revenue increased 15.6% from £27.6 million to £31.8 million and profit before taxation leaped 44% from £3.1 million to £4.5 million, with operating profit at £4 million generating margins of 12%. This year's progress was mainly the result of the Mark Allen Group's growth strategy which has seen the purchase from Reed Business Information of the 125-year old Optician, which serves the optical professions, and the acquisitions of two companies. The Airports Publishing Network Limited, which specialises in the ground handling industry and George Warman Publications (UK) Limited, which has a number of leading dental publications.

#### **Principal risks and uncertainties**

The financial instruments used by the group, which comprise debtors, cash at bank and creditors, arise wholly and directly from its activities. The group manages the financial risks relating thereto by means of the following measures:

1. The group regularly monitors the level of its debtors and follows up on any overdue balances,
2. The group maintains monthly management accounts and monitors its cash flow daily, and
3. The possible risk of the withdrawal of credit by suppliers is managed by paying promptly within agreed credit terms and regular monitoring of the level of trade creditors.

#### **Key performance indicators**

The following are the key performance indicators used by the group:

- Revenue in the year
- Gross profit for the year

# MARK ALLEN HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### Post balance sheet events and future developments

The directors intend to continue growing the business both organically and by acquisition. The pace at which they do so will depend on the prevailing economic conditions and outlook.

Publishing continues to evolve with more and more readers consuming their content digitally rather than in the traditional print format. The group has invested in a new digital online platform that was launched in February 2014. This is now the foundation of our digital offering and aids not just the institutions that subscribe to our titles, but also the advertisers to whom we are now able to offer digital packages alongside their print requirements.

In July 2016, the group completed its acquisition of three clusters of international conferences from London-based Industry Dynamics, including The European Manufacturing Summit and The North American Manufacturing Strategies Summit, alongside a number of specialist sector conferences in food, packaging and pharmaceutical sectors. In October 2016, the group acquired the annual exhibition Dental Showcase, the country's leading dental trade exhibition.

On behalf of the board



M Allen

Director

09/11/2016

# MARK ALLEN HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2016

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The directors present their annual report and financial statements for the year ended 31 March 2016

#### Principal activities

The principal activities of the group are the publishing of medical, educational, leisure and trade magazines and journals, the publishing of medical and educational books, the organisation of conferences and exhibitions, the organisation of world-wide study tours and on-line trading through its websites

#### Directors

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

B Allen

M Allen

K Toumba

B Goodridge

S Allen

E Tranter

P Knutton

E Wilmott

J Benson

(Appointed 14 September 2015)

M Govett

(Appointed 14 September 2015)

#### Results and dividends

The results for the year are set out on page 7

During the year, dividends of £489,132 were paid in respect of the 2015/16 financial year

#### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Employee involvement

The group's policy is to consult and discuss with employees, through consultations and and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

#### Auditor

The auditor, Hazlems Fenton LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# MARK ALLEN HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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#### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 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 group and company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

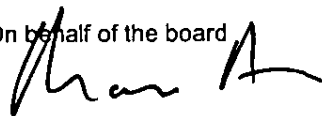
#### Statement of disclosure to auditor

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 auditor of the company and group 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 auditor of the company and group is aware of that information.

#### Strategic report

Particulars of post balance sheet events, future developments and risk exposure are disclosed in the Strategic Report as permitted Statutory Instrument 2008/410 (as amended).

On behalf of the board



M Allen  
Director  
09/11/2016

# **MARK ALLEN HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF MARK ALLEN HOLDINGS LIMITED**

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We have audited the financial statements of Mark Allen Holdings Limited for the year ended 31 March 2016 set out on pages 7 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2016 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

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.



# MARK ALLEN HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MARK ALLEN HOLDINGS LIMITED

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### Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Stephen Fenton (Senior Statutory Auditor)  
for and on behalf of Hazlems Fenton LLP

9. 11. 2016

Chartered Accountants  
Statutory Auditor

# MARK ALLEN HOLDINGS LIMITED

## GROUP STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	31,842,846	27,551,055
Cost of sales		(21,205,078)	(18,336,396)
<b>Gross profit</b>		<b>10,637,768</b>	<b>9,214,659</b>
Administrative expenses		(7,197,282)	(5,986,066)
Other operating income		520,171	-
<b>Operating profit</b>	4	<b>3,960,657</b>	<b>3,228,593</b>
Interest receivable and similar income	8	4,110	238
Interest payable and similar charges	9	(217,037)	(102,467)
Other income	10	752,039	-
<b>Profit before taxation</b>		<b>4,499,769</b>	<b>3,126,364</b>
Taxation	11	(1,021,408)	(619,768)
<b>Profit for the financial year</b>		<b>3,478,361</b>	<b>2,506,596</b>

Total comprehensive income for the year is all attributable to the owners of the parent company

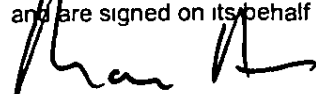
The profit and loss account has been prepared on the basis that all operations are continuing operations

# MARK ALLEN HOLDINGS LIMITED

## GROUP BALANCE SHEET AS AT 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	14		19,366,980		9,616,216
Tangible assets	15		596,151		748,690
			<u>19,963,131</u>		<u>10,364,906</u>
<b>Current assets</b>					
Stocks	19	129,782		153,484	
Debtors	20	6,390,428		4,982,328	
Cash at bank and in hand		2,602,418		2,818,392	
		<u>9,122,628</u>		<u>7,954,204</u>	
<b>Creditors amounts falling due within one year</b>	21	(14,648,708)		(9,369,331)	
<b>Net current liabilities</b>			<u>(5,526,080)</u>		<u>(1,415,127)</u>
<b>Total assets less current liabilities</b>			<u>14,437,051</u>		<u>8,949,779</u>
<b>Creditors amounts falling due after more than one year</b>	22		(5,523,158)		(3,031,231)
<b>Provisions for liabilities</b>	24		(14,516)		(8,400)
<b>Net assets</b>			<u>8,899,377</u>		<u>5,910,148</u>
<b>Capital and reserves</b>					
Called up share capital	26		100,000		100,000
Profit and loss reserves			8,799,377		5,810,148
<b>Total equity</b>			<u>8,899,377</u>		<u>5,910,148</u>

The financial statements were approved by the board of directors and authorised for issue on 09/11/2016 and are signed on its behalf by



M Allen  
Director

# MARK ALLEN HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Investments	16		6,790,982		6,766,982
<b>Current assets</b>					
Debtors	20	1,281,647		-	
Cash at bank and in hand		21,849		1,657	
		<u>1,303,496</u>		<u>1,657</u>	
<b>Creditors amounts falling due within one year</b>	21	<u>(3,090,184)</u>		<u>(3,536,272)</u>	
<b>Net current liabilities</b>			<u>(1,786,688)</u>		<u>(3,534,615)</u>
<b>Total assets less current liabilities</b>			<u>5,004,294</u>		<u>3,232,367</u>
<b>Creditors amounts falling due after more than one year</b>	22		<u>(4,803,158)</u>		<u>(3,031,231)</u>
<b>Net assets</b>			<u><u>201,136</u></u>		<u><u>201,136</u></u>
<b>Capital and reserves</b>					
Called up share capital	26		100,000		100,000
Profit and loss reserves			101,136		101,136
<b>Total equity</b>			<u><u>201,136</u></u>		<u><u>201,136</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £489,132 (2015 - £372,797 profit)

The financial statements were approved by the board of directors and authorised for issue on 09/11/2016 and are signed on its behalf by



M Allen  
Director

Company Registration No. 02120366

# MARK ALLEN HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2014</b>		100,000	3,503,552	3,603,552
<b>Year ended 31 March 2015</b>				
Profit and total comprehensive income for the year		-	2,506,596	2,506,596
Dividends	12	-	(200,000)	(200,000)
<b>Balance at 31 March 2015</b>		100,000	5,810,148	5,910,148
<b>Year ended 31 March 2016</b>				
Profit and total comprehensive income for the year		-	3,478,361	3,478,361
Dividends	12	-	(489,132)	(489,132)
<b>Balance at 31 March 2016</b>		100,000	8,799,377	8,899,377

# MARK ALLEN HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

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	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2014</b>		100,000	(71,661)	28,339
<b>Year ended 31 March 2015</b>				
Profit and total comprehensive income for the year		-	372,797	372,797
Dividends	12	-	(200,000)	(200,000)
<b>Balance at 31 March 2015</b>		100,000	101,136	201,136
<b>Year ended 31 March 2016</b>				
Profit and total comprehensive income for the year		-	489,132	489,132
Dividends	12	-	(489,132)	(489,132)
<b>Balance at 31 March 2016</b>		100,000	101,136	201,136

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# MARK ALLEN HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	32	7,554,313		4,614,755	
Interest paid		(217,037)		(102,467)	
Income taxes paid		(1,000,715)		(1,058,118)	
<b>Net cash inflow from operating activities</b>		<b>6,336,561</b>		<b>3,454,170</b>	
<b>Investing activities</b>					
Purchase of business		(9,704,775)		(6,246,609)	
Purchase of intangible assets		(24,000)		(160,029)	
Proceeds on disposal of intangibles		2		-	
Purchase of tangible fixed assets		(340,171)		(216,388)	
Proceeds on disposal of tangible fixed assets		424,463		27,972	
Other investments and loans made		-		100	
Proceeds arising from research and development		752,039		-	
Interest received		4,110		238	
<b>Net cash used in investing activities</b>		<b>(8,888,332)</b>		<b>(6,594,716)</b>	
<b>Financing activities</b>					
Proceeds of new bank loans		7,300,000		4,800,000	
Repayment of bank loans		(4,475,118)		(835,140)	
Dividends paid to equity shareholders		(489,132)		(200,000)	
<b>Net cash generated from financing activities</b>		<b>2,335,750</b>		<b>3,764,860</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(216,021)</b>		<b>624,314</b>	
Cash and cash equivalents at beginning of year		2,818,392		2,194,078	
<b>Cash and cash equivalents at end of year</b>		<b>2,602,371</b>		<b>2,818,392</b>	
<b>Relating to</b>					
Cash at bank and in hand		2,602,418		2,818,392	
Bank overdrafts included in creditors payable within one year		(47)		-	

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

#### Company information

Mark Allen Holdings Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is St Jude's Church, Dulwich Road, Herne Hill, London, SE24 0PB.

The group consists of Mark Allen Holdings Limited and all of its subsidiaries.

#### 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 pound sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

These group and company financial statements for the year ended 31 March 2016 are the first financial statements of Mark Allen Holdings Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 33.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares,
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures,
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument, basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income,
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.



# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Mark Allen Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Airports Publishing Network Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of The Airports Publishing Network Limited for the six month period from its acquisition on 30 September 2015. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Headfirst Publishing Limited and George Warman Publications (UK) Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Headfirst Publishing Limited and George Warman Publications (UK) Limited for the four month period from its acquisition on 24 November 2011. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Subscription income is taken to the profit and loss account over the period to which the subscription relates. Advertising income is taken to the profit and loss account in the month of issue of the related publication. Subscription and fees received in advance at the balance sheet date are carried forward in creditors. Tour sales are recognised at the departure date of each tour. Payments received from customers for tours departing after the balance sheet date are carried forward in creditors.

#### 1.5 Intangible fixed assets - goodwill

Intangible fixed assets represent the goodwill, intellectual property and publishing rights in titles or conferences acquired by the group and the excess of acquisition costs over the net worth of companies acquired. These are stated at cost less amortisation. Amortisation is provided on acquired titles and events only, at rates calculated to write off the cost over the expected useful life, 5% of cost on a straight line basis or, if sooner, over the period to which the rights apply. Goodwill generated on the acquisition of subsidiary undertakings is written off to the profit and loss account over 14 to 20 years.

Goodwill does not include the development cost of new titles originated and launched in-house, which represents the majority of the group's portfolio of titles. Such development costs are written off as incurred and are not recognised in the balance sheet.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 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 freehold	5% straight line on buildings
Land and buildings short leasehold	33 33% straight line on improvement works
Fixtures, fittings & equipment	20-50% straight line
Computer equipment	20-50% straight line
Motor vehicles	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 recognised in the profit and loss account

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents 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.

#### 1.11 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

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.

#### **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.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies

(Continued)

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

##### **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 group 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.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors 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 group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity Instruments

Equity instruments issued by the group 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 group.

#### 1.13 Taxation

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

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies

(Continued)

##### **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 group'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 if, and only if, there is 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.

#### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.15 Retirement benefits

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

#### 1.16 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.

#### 1.17 Foreign exchange

Transactions in currencies other than pound sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 1 Accounting policies

(Continued)

#### 1.18 Website costs

Website development costs incurred with third parties relating to the application and infrastructure development, graphical design and content development stages are recognised as tangible fixed assets initially at cost for all websites that are deemed to generate future economic benefit in excess of the costs incurred. All other expenditure relating to planning, maintenance and service costs is recognised as an expense in the year which it is incurred.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

### 3 Turnover and other revenue

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

	2016 £	2015 £
<b>Turnover</b>		
Advertising	13,283,346	11,440,280
Conferences	7,459,384	5,509,682
Royalties	792,336	1,065,823
Book sales	739,831	771,510
Other income	1,263,225	966,785
Subscriptions	7,903,898	7,145,341
Tour income	400,826	651,634
	<u>31,842,846</u>	<u>27,551,055</u>
<b>Other significant revenue</b>		
Interest income	4,110	238
Royalty income	2,367	-
	<u>6,477</u>	<u>-</u>

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

<b>3 Turnover and other revenue</b>		<b>(Continued)</b>	
<b>Turnover analysed by geographical market</b>			
	<b>2016</b>	<b>2015</b>	
	<b>£</b>	<b>£</b>	
Within UK	28,708,379	24,993,760	
Outside UK	3,134,467	2,557,295	
	<u>31,842,846</u>	<u>27,551,055</u>	
<b>4 Operating profit</b>		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting)			
Exchange (gains)/losses	(36,613)	7,272	
Research and development costs	(3,721)	12,413	
Depreciation of owned tangible fixed assets	447,673	441,550	
(Profit)/loss on disposal of tangible fixed assets	(327,944)	2,616	
Amortisation of intangible assets	814,691	561,763	
Impairment of intangible assets	72,232	-	
Loss on disposal of intangible assets	1	-	
Cost of stocks recognised as an expense	836,184	843,175	
Operating lease charges	440,803	408,994	
	<u>440,803</u>	<u>408,994</u>	
<b>5 Auditor's remuneration</b>		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates			
<b>For audit services</b>			
Audit of the financial statements of the group and company	-	-	
Audit of the company's subsidiaries	54,007	42,400	
	<u>54,007</u>	<u>42,400</u>	

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 6 Employees

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

	2016 Number	2015 Number
Editorial	81	77
Sales	61	50
Administrative	39	44
Studio	18	14
Awards team	4	3
Conferences	13	9
Production	6	5
Subscriptions	20	20
Warehouse	4	4
Marketing	9	10
Casuals	27	22
	<u>282</u>	<u>258</u>

Their aggregate remuneration comprised

	2016 £	2015 £
Wages and salaries	10,549,875	9,039,044
Social security costs	1,104,423	981,401
Pension costs	491,057	420,688
	<u>12,145,355</u>	<u>10,441,133</u>

### 7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	1,343,203	1,152,164
Company pension contributions to defined contribution schemes	95,885	77,350
	<u>1,439,088</u>	<u>1,229,514</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 9 (2015 - 6)

Remuneration disclosed above includes the following amounts paid to the highest paid director

Remuneration for qualifying services	528,034	516,807
Company pension contributions to defined contribution schemes	3,333	-
	<u>531,367</u>	<u>516,807</u>



# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

<b>8 Interest receivable and similar income</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	1,803	238
Other interest income	2,307	-
	<u>4,110</u>	<u>238</u>
<b>Total income</b>		
	<u>4,110</u>	<u>238</u>
 Investment income includes the following		
Interest on financial assets not measured at fair value through profit or loss	1,803	238
	<u>1,803</u>	<u>238</u>
<b>9 Interest payable and similar charges</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	217,023	102,385
<b>Other finance costs:</b>		
Other interest	14	82
	<u>217,037</u>	<u>102,467</u>
<b>Total finance costs</b>		
	<u>217,037</u>	<u>102,467</u>
<b>10 Other income</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other gains and losses	752,039	-
	<u>752,039</u>	<u>-</u>
<b>11 Taxation</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	833,644	618,717
Adjustments in respect of prior periods	185,544	1,051
	<u>1,019,188</u>	<u>619,768</u>
<b>Total current tax</b>		
	<u>1,019,188</u>	<u>619,768</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	2,220	-
	<u>2,220</u>	<u>-</u>
<b>Total tax charge</b>		
	<u>1,021,408</u>	<u>619,768</u>

The applicable tax rate has reduced from 21% to 20% as a result of a reduction to the UK corporation tax rate

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### 11 Taxation

(Continued)

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

	2016 £	2015 £
Profit before taxation	4,499,769	3,126,364
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	899,954	656,536
Tax effect of expenses that are not deductible in determining taxable profit	33,451	24,540
Gains not taxable	(216,401)	(3,800)
Tax effect of utilisation of tax losses not previously recognised	-	(207,727)
Adjustments in respect of prior years	185,544	1,051
Permanent capital allowances in excess of depreciation	(80,608)	(63,382)
Depreciation on assets not qualifying for tax allowances	89,930	94,207
Amortisation on assets not qualifying for tax allowances	120,705	73,885
Other permanent differences	10,336	48,574
Effect of overseas tax rates	(221)	(4,116)
Deferred tax adjustments in respect of prior years	(1,439)	-
Change in accounting standards	(19,843)	-
Tax expense for the year	1,021,408	619,768

#### 12 Dividends

	2016 £	2015 £
Interim paid	489,132	200,000

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 13 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss

	2016 £	2015 £
In respect of Goodwill	72,232	-
Recognised in Administrative expenses	72,232	-

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account

### 14 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 April 2015	11,234,555
Additions - separately acquired	24,000
Additions - business combinations	10,613,690
Disposals	(3)
At 31 March 2016	21,872,242
<b>Amortisation and impairment</b>	
At 1 April 2015	1,618,339
Amortisation charged for the year	814,691
Impairment losses	72,232
At 31 March 2016	2,505,262
<b>Carrying amount</b>	
At 31 March 2016	19,366,980
At 31 March 2015	9,616,216

The company had no intangible fixed assets at 31 March 2016 or 31 March 2015

More information on the impairment arising in the year is given in note 13

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 15 Tangible fixed assets

Group	Land and buildings freehold	Land and buildings short leasehold	Fixtures, fittings & equipment	Computer Motor vehicles equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2015	192,971	361,680	964,714	113,102	1,843,230
Additions	-	99,551	181,829	58,791	340,171
Business combinations	-	-	12,510	8,774	30,198
Disposals	(192,971)	(40,000)	(224,361)	-	(509,817)
At 31 March 2016	-	421,231	934,692	180,667	1,725,066
<b>Depreciation and impairment</b>					
At 1 April 2015	116,452	145,882	581,517	40,651	1,094,540
Depreciation charged in the year	-	132,385	263,233	41,123	447,673
Eliminated in respect of disposals	(116,452)	(20,000)	(224,361)	-	(413,298)
At 31 March 2016	-	258,267	620,389	81,774	1,128,915
<b>Carrying amount</b>					
At 31 March 2016	-	162,964	314,303	98,893	596,151
At 31 March 2015	76,519	215,798	383,197	72,451	748,690

The company had no tangible fixed assets at 31 March 2016 or 31 March 2015

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 16 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	17	-	-	6,790,982	6,766,982

### 17 Subsidiaries

Details of the company's subsidiaries at 31 March 2016 are as follows

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
MA Healthcare Limited	England and Wales	Ordinary	100	00
MA Education Limited	England and Wales	Ordinary	100	00
MA Music, Leisure & Travel Ltd (formerly MA Business & Leisure Ltd)	England and Wales	Ordinary		100 00
Master Travel Limited	England and Wales	Ordinary	100	00
MA Business Limited (formerly Findlay Media Limited)	England and Wales	Ordinary	100	00
The Airports Publishing Network Limited	England and Wales	Ordinary		100 00
Headfirst Publishing Limited	England and Wales	Ordinary		100 00
George Warman Publications (UK) Limited	England and Wales	Ordinary		100 00
MA Interiors Limited	England and Wales	Ordinary		100 00
Mark Allen Scientific Publishing Limited	England and Wales	Ordinary	100	00
MA Exhibitions Limited (formerly Mark Allen International Communications Limited)	England and Wales	Ordinary	100	00
PR Please Limited	England and Wales	Ordinary	100	00
Step Forward Publishing Limited	England and Wales	Ordinary		100 00
Hopscotch Educational Publishing Ltd	England and Wales	Ordinary		100 00

The investments in subsidiaries are all stated at cost

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### 17 Subsidiaries

(Continued)

The registered office of MA Healthcare Limited, MA Education Limited, MA Music, Leisure & Travel Ltd, Master Travel Limited, MA Business Limited, Headfirst Publishing Limited, George Warman Publications (UK) Limited, MA Interiors Limited, Mark Allen Scientific Publishing Limited, MA Exhibitions Limited, PR Please Limited, Step Forward Publishing Limited and Hopscotch Educational Publishing Ltd is St Jude's Church, Dulwich Road, London, SE24 0PB

The registered office of The Airports Publishing Network Limited is The Stables, Willow Lane Paddock Wood, Tonbridge, Kent, TN12 6PF

#### 18 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	5,043,329	4,125,325	1,281,647	-
Equity instruments measured at cost less impairment	-	-	6,790,982	6,766,982
	<u>5,043,329</u>	<u>4,125,325</u>	<u>8,072,629</u>	<u>6,766,982</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	9,602,619	5,483,008	7,893,342	6,567,503
	<u>9,602,619</u>	<u>5,483,008</u>	<u>7,893,342</u>	<u>6,567,503</u>

#### 19 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	74,774	79,814	-	-
Finished goods and goods for resale	55,008	73,670	-	-
	<u>129,782</u>	<u>153,484</u>	<u>-</u>	<u>-</u>

#### 20 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Amounts falling due within one year.</b>				
Trade debtors	4,779,982	3,902,719	-	-
Corporation tax recoverable	-	229,483	-	-
Amounts due from subsidiary undertakings	-	-	1,281,647	-
Other debtors	266,001	225,252	-	-
Prepayments and accrued income	1,344,445	624,874	-	-
	<u>6,390,428</u>	<u>4,982,328</u>	<u>1,281,647</u>	<u>-</u>

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### 21 Creditors' amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	23	1,986,631	933,629	1,986,584	933,629
Trade creditors		1,702,071	1,320,788	-	-
Amounts due to group undertakings		-	-	1,103,600	2,602,643
Corporation tax payable		376,391	286,302	-	-
Other taxation and social security		1,229,428	995,089	-	-
Other creditors		1,156,751	197,360	-	-
Accruals and deferred income		8,197,436	5,636,163	-	-
		<u>14,648,708</u>	<u>9,369,331</u>	<u>3,090,184</u>	<u>3,536,272</u>

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

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	23	4,803,158	3,031,231	4,803,158	3,031,231
Other creditors		720,000	-	-	-
		<u>5,523,158</u>	<u>3,031,231</u>	<u>4,803,158</u>	<u>3,031,231</u>

#### 23 Loans and overdrafts

		Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans		6,789,742	3,964,860	6,789,742	3,964,860
Bank overdrafts		47	-	-	-
		<u>6,789,789</u>	<u>3,964,860</u>	<u>6,789,742</u>	<u>3,964,860</u>
Payable within one year		1,986,631	933,629	1,986,584	933,629
Payable after one year		4,803,158	3,031,231	4,803,158	3,031,231

The bank loans are secured by fixed and floating charges over the assets of MA Healthcare Limited, Mark Allen Holdings Limited, Master Travel Limited, MA Music, Leisure & Travel Ltd, MA Education Limited, MA Business Limited, Headfirst Publishing Limited and George Warman Publications (UK) Limited

The bank loans are repayable in equal instalments over five years and incur interest at 2-3% per annum over the Bank of England Base Rate

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 24 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes.

	Liabilities 2016 £	Liabilities 2015 £
<b>Group</b>		
Accelerated capital allowances	14,516	8,400

The company has no deferred tax assets or liabilities.

	Group 2016 £	Company 2016 £
<b>Movements in the year</b>		
Liability at 1 April 2015	8,400	-
Charge to profit or loss	2,220	-
On acquisition of subsidiary undertakings	3,896	-
Liability at 31 March 2016	14,516	-

### 25 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	491,057	420,688

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 26 Share capital

	Group and company 2016 £	2015 £
<b>Ordinary share capital Issued and fully paid</b>		
100,000 ordinary shares of £1 each	100,000	100,000



# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 27 Acquisitions

On 25 August 2015 the group acquired the business of the Optician publication

	Book Value £	Fair Value £
Trade and other receivables	681,725	681,725
Trade and other payables	638,973	638,973
		<u>42,752</u>
Goodwill		3,820,300
Total consideration		<u><u>3,863,052</u></u>
The consideration was satisfied by		£
Cash		<u><u>3,863,052</u></u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition		£
Turnover		1,129,239
Profit after tax		<u><u>377,152</u></u>

On 30 September 2015 the group acquired 100% of the issued share capital of The Airports Publishing Network Limited

	Book Value £	Fair Value £
Property, plant and equipment	8,579	8,579
Trade and other receivables	514,265	514,265
Cash and cash equivalents	1,149,504	1,149,504
Trade and other payables	924,565	924,565
Tax liabilities	105,481	105,481
Deferred tax	1,920	1,920
		<u>640,382</u>
Goodwill		3,202,149
Total consideration		<u><u>3,842,531</u></u>

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 27 Acquisitions (Continued)

The consideration was satisfied by	£
Cash	2,402,531
Deferred consideration	1,440,000
	<u>3,842,531</u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition	£
Turnover	721,096
Profit after tax	<u>336,492</u>

The goodwill arising on the acquisition of the business is attributable to the titles and conferences acquired, anticipated profitability of the company's publications and conferences and the future operating synergies from the combination

On 24 November 2015 the group acquired 100% of the issued share capital of Headfirst Publishing Limited and George Warman Publications (UK) Limited

	Book Value £	Fair Value £
Intangible assets	100,003	100,003
Property, plant and equipment	42,903	42,903
Inventories	16,421	16,421
Trade and other receivables	1,738,036	1,738,036
Cash and cash equivalents	1,079,715	1,079,715
Trade and other payables	602,311	602,311
Tax liabilities	195,618	195,618
Deferred tax	1,976	1,976
		<u>2,177,173</u>
Goodwill		3,491,238
Total consideration		<u>5,668,411</u>
The consideration was satisfied by		£
Cash		<u>5,668,411</u>

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 27 Acquisitions (Continued)

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition £

Turnover	763,092
Profit after tax	<u>183,374</u>

The goodwill arising on the acquisition of the business is attributable to the titles and conferences acquired, anticipated profitability of the company's publications and conferences and the future operating synergies from the combination

### 28 Financial commitments, guarantees and contingent liabilities

#### Company

The company is party to a limited multilateral guarantee in favour of HSBC Bank plc given by MA Healthcare Limited, Mark Allen Holdings Limited, Master Travel Limited, MA Music, Leisure & Travel Ltd, MA Education Limited, MA Business Limited, Headfirst Publishing Limited and George Warman Publications (UK) Limited. There is also a fixed and floating charge over the assets of the company.

The company is also party to a group set off, held with the group companies named above.

### 29 Operating lease commitments

#### Lessee

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

	Group 2016 £	2015 £	Company 2016 £	2015 £
Within one year	318,129	278,136	-	-
Between two and five years	602,379	190,298	-	-
In over five years	485,125	-	-	-
	<u>1,405,633</u>	<u>468,434</u>	<u>-</u>	<u>-</u>

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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### 30 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows

	2016	2015
	£	£
Aggregate compensation	<u>1,439,088</u>	<u>1,229,514</u>

The director, M Allen, has provided a guarantee of £4,800,000 as security for the bank loans drawn by the group

No guarantees have been given by the group

During the year the freehold property was sold to a director for £377,500 resulting in a profit on disposal of £300,976

During the year the group paid rent amounting to £144,000 (2015 £144,000) to a director

Included in other creditors is £6,603 (2015 £6,603) owed to Mark Allen Properties Limited This company is under common control

The opening balance on the director's current account of M Allen was an overdrawn balance of £88,680 During the year there was a withdrawal of £666, which resulted in an overdrawn balance of £89,346 at the year end This balance is included within other debtors and no interest has been accrued

Dividends of £489,132 (2015 £200,000) were paid to the ultimate controlling party and their family

### 31 Controlling party

The ultimate controlling party is the director M Allen

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 32 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	3,478,361	2,506,596
Adjustments for		
Taxation charged	1,021,408	619,768
Finance costs	217,037	102,467
Investment income	(4,110)	(238)
(Gain)/loss on disposal of tangible fixed assets	(327,944)	2,616
Loss on disposal of intangible assets	1	-
Amortisation and impairment of intangible assets	886,923	561,763
Depreciation and impairment of tangible fixed assets	447,673	441,550
Other income	(752,039)	-
Movements in working capital		
Decrease/(increase) in stocks	40,123	(3,878)
Decrease/(increase) in debtors	1,296,443	(418,538)
Increase in creditors	1,250,437	802,649
<b>Cash generated from operations</b>	<u>7,554,313</u>	<u>4,614,755</u>

### 33 Reconciliations on adoption of FRS 102

#### Reconciliation of equity - group

	Notes	1 April 2014 £	31 March 2015 £
Equity as reported under previous UK GAAP		3,603,552	6,009,831
Adjustments arising from transition to FRS 102			
Holiday pay accrual	1	-	(99,683)
Equity reported under FRS 102		<u>3,603,552</u>	<u>5,910,148</u>

#### Reconciliation of group profit for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		2,606,279
Adjustments arising from transition to FRS 102		
Holiday pay accrual	1	(99,683)
Profit reported under FRS 102		<u>2,506,596</u>

# MARK ALLEN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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### 33 Reconciliations on adoption of FRS 102

(Continued)

#### Notes to reconciliations on adoption of FRS 102 - group

##### (i) Holiday pay accrual

Holiday pay is now recognised in the period when employees render the services which entitles them to paid holiday leave. Previously, holiday pay was recognised in the period in which it was paid.