

Oliver Marketing Limited

Report and Financial Statements

Year Ended

31 December 2020

Company Number 04788967



Oliver Marketing Limited

Company Information

Directors	S H Martin R Green M C Baldwin D J Russell S E Whale
Company secretary	K Iselin
Registered number	04788967
Registered office	151 Rosebery Avenue London England EC1R 4AB
Independent auditors	Ernst & Young LLP 1 More London Place SE14 2AF

Oliver Marketing Limited

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Oliver Marketing Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report of the Company for the year ended 31 December 2020.

Business review

In 2020, Oliver Marketing Limited ("the Company") continued to demonstrate significant organic growth, as evidenced by an increase in turnover to £73.3m. During the year, the Company continued to consolidate its position in the provision of outsourced in-house agencies for brands and advertisers. The business continued to combine people, process and technology to deliver better, faster and cheaper marketing solutions.

The impact of covid-19 has seen significant changes in terms of client mix, with deteriorations in certain sectors such as travel being offset by increased business in other sectors such as household goods. Despite the challenging economic climate, the Company has maintained strong EBITDA while increasing its revenue year on year.

Analysis using KPI's

	2020	2019
	£000	£000
Turnover	73,311	69,264
Gross Profit	48,948	44,283
Gross Margin	67%	64%
EBITDAE	6,422	7,266
Operating profit before exceptional items, other operating income and Y&MJ Fees	5,163	3,409
Total assets less current liabilities	2,803	862
Net assets/(liabilities)	1,580	(59)

Oliver Marketing Limited

Strategic Report (continued) for the Year Ended 31 December 2020

Analysis using KPIs (continued)

For the year ended 31 December 2020, the Company's turnover increased from £69.3m in 2019 to £73.3m in 2020, representing strong growth of 5.8%. Gross profit increased from £44.3m in 2019 to £48.9m in 2020, representing growth of 10.5%, driven by the increase in revenues. Gross margin increased from 64% in 2019 to 67% in 2020 as a result of cost controls during the year.

In 2020, the business delivered pre-exceptional earnings before interest, tax, depreciation and amortisation ("EBITDAE") of £6.4m for the year ended 31 December 2020 (2019 - £7.3m). The pre-exceptional EBITDAE result for 2020 was before accounting for amortisation of OMG software platform of £666k (2019 - £537k) and central service fees to You & Mr Jones Limited of £2.8m (2019 - £nil). Operating profit before exceptional items, other operating income and You & Mr Jones central service fees increased from £3.4m in 2019 to £5.2m.

Total assets less current liabilities increased from £0.9m at year end 2019 to £2.8m at year end 2020 as a result of the improved results and continuing control over working capital. Net assets increased from a net liability position of £0.1m in 2019 to £1.5m in 2020 as a result of the same increased profits and working capital controls.

Since the acquisition of its immediate parent undertaking, Inside Ideas Group Limited, by You & Mr Jones, Oliver Marketing Limited has retained its independence in running the business on a day-to-day basis, whilst benefiting from the advantages in scale and expertise that has come from being a part of a larger Group of companies. Oliver Marketing Limited's model is based on the philosophy of delivering a better, faster and cheaper service offering to clients. The same philosophy is shared by You & Mr Jones and the Company has been able to identify and realise opportunities and synergies which have enabled our continued growth in the UK market, which is the largest and most mature market within the group.

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

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

The in-house model consists of OLIVER Marketing Limited's own proprietary approach to organisational design, and combines people, process and technology to clearly differentiate themselves from the traditional market for these services. It offers clients a much more effective, efficient and transparent solution to their needs. In a world where businesses need to stand out in their brand building, marketing and promotional activities, they need better solutions to their insight, creativity, production and communication distribution needs. The in-house model enables clients to do great work, faster, at lower cost, delivering better results and return on investment.

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

With operations across the UK and a workforce of over 500 people, the business has built on its position as a disruptive force in the sector and continued to deliver quality growth in a competitive landscape.

The UK market is highly competitive but the Company is well positioned to further capitalise on its reputation for innovation and quality service provision across the spectrum of clients which we service. New clients were added in 2020 as well as delivering endogenous growth across our established network. During the year, the Company has seen year on year growth in revenues, reflecting the maturity of the model in the UK which is

Oliver Marketing Limited

Strategic Report (continued) for the Year Ended 31 December 2020

Analysis using KPIs (continued)

Oliver Marketing Limited provides innovative marketing solutions for some of the biggest brands in the world. The Company pursues a balanced portfolio strategy working with clients of many sizes across of a spectrum of industries, which mitigates dependency on any individual client. The largest client represented only 15% of Company revenues, and by the end of the year there were more than 80 active clients serviced by the Company.

The success of our business has been and will be attributed to the skills, talent and hard work of the people. The Company is taking on the industry with a differentiated model that has brought considerable success. Our people are working in new ways, with new tools, and delivering amazing results for our clients and our business.

The Company understands the challenges of being pioneer and market leaders and the successes in the past and the future are entirely attributable to how our people have embraced our in-house model. OLIVER Marketing Limited's people are tangibly shaping the future of our business.

Future developments

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

The directors of the Company are assessing the continuing impact of COVID 19. The situation is still evolving and management are proactively responding with appropriate measures to mitigate the impact on the Company and employees, clients and suppliers.

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

Over the next 12 months, the Company has budgeted significant organic growth and this has been demonstrated in the revenue won in the first quarter of 2021. However, the Covid 19 situation continues to bring unprecedented challenges and management are working in collaboration with our clients to the find the appropriate course of action to mitigate future market risks.

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

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

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

The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate. Management believes the Company has sufficient liquidity for at least 12 months from the signing date of the financial statements, which is September 2022.

Oliver Marketing Limited

Strategic Report (continued) for the Year Ended 31 December 2020

Principal risks and uncertainties.

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

Economic risk

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

The directors are continually reviewing their plans and forecasts with regards to the impact of COVID-19. To mitigate this risk, the Company is tailoring its business model to adapt to the crisis, being agile, proactive and reactive to each situation.

Bad debt risk

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

Foreign exchange risk

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

Competition

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

Brexit

The impact of Brexit has been limited to the Company as a result of the global nature of the client base, along with the growing global footprint of the group's operations. While the impact of Brexit is an ongoing issue that is under constant management review, the nature of the Company's operations will mitigate any such potential negative impacts.

Cyber Security

The significant increase in employees working at home, as a result of COVID-19 restrictions, has impacted the delivery of IT services and increased IT and information security risks.

There is an ongoing program of investment in both technology and people to enhance the longevity of IT environments. The Company has modified its IT infrastructure to support seamless homeworking, increased bandwidth with its telecommunications partners, and deployed collaboration tools.

The extent of remote working has increased the risk of users falling victim to phishing attacks because users rely primarily on email communication. The Company have an ongoing phishing testing regime, and there is regular communication with all users to remind them of the risks. It has raised the level of monitoring for phishing attempts and other security threats. In addition, the Company has issued security awareness advice on secure homeworking best practices.

Oliver Marketing Limited

Strategic Report (continued) for the Year Ended 31 December 2020

Cyber Security (continued)

Improved cyber-security capability is in place within the Company, allowing them to detect, respond, and recover from disruptive cyber-threats more effectively. The Company reduces its internal and external threats and vulnerabilities to a minimal level. This was achieved through technology-driven security measures such as Multi-Factor Authentication (MFA) on all email accounts, modern firewalls, and the active monitoring of physical and electronic site security controls. In addition, clear policies, procedures and mandatory security awareness training is communicated throughout the business.

During the year, it has reviewed and tested IT disaster recovery plans across the businesses.

Oliver Marketing Limited

Strategic Report (continued) for the Year Ended 31 December 2020

Directors' statement of compliance with duty to promote the success of the Company

The Board of directors of Oliver Marketing Limited consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of shareholders as a whole and in doing so, section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the Company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our shareholders, other group companies, pension scheme members and other relevant stakeholders. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

Our Stakeholders

Company's key stakeholders are its employees, customers, consumers, suppliers, shareholder, and the local communities in which it operates. The views of and the impact of the Company's activities on those stakeholders are an important consideration for Directors when making relevant decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of our stakeholders means that generally our stakeholder engagement best takes place at an operational level. We bring the stakeholder voice into the boardroom through information provided by senior management and by direct engagement with stakeholders themselves, where appropriate. During Quarterly Business Reviews, which are attended by certain Directors, senior management provide feedback on matters including: the priorities of our customers in order to build strategic relationships with them; analysis of consumer feedback to help us establish our consumers views on our products as well as the ways in which they would like us to improve our offering; conferences and/or one on one meetings with our suppliers, pension trustees and investor banks and to improve our understanding of their requirements.

Our Employees

The Board is committed to promoting a diverse and inclusive workplace, reflective of the communities in which it does business. We approach diversity in the broadest sense, recognising that successful businesses flourish through embracing diversity into their business strategy and developing talent at every level in the organisation. The directors and the Board welcome and invite constructive challenge from employees throughout the Company and hope that they will influence the direction of the business by continuously developing their expertise, which in turn assists innovative solutions. The Board and Senior Management are responsible for ensuring that the Company's purpose, vision and values are effectively communicated to employees and that the Company's activities reflect the culture we wish to instill in employees and drive appropriate behaviours. Examples of how this is achieved include: formal and informal meetings, a mandatory code of conduct, an annual pulse survey, dedicated training sessions and our workplace social media platform. Employees are actively encouraged to provide feedback and report any concerns with a confidential hotline available to them if required. There is close collaboration between employees and Directors during the Quarterly Business Review sessions and Directors are encouraged, and expected, to visit operations and to engage with the employees during these site visits.

Oliver Marketing Limited

Strategic Report (continued) for the Year Ended 31 December 2020

Our customers and suppliers

Oliver Marketing engages with suppliers on terms appropriate to its size and pays supplier invoices promptly. Oliver Marketing's clients are its key relationship and the principal key performance indicator. Reports are made to both members and directors on prospective and actual clients, and business development.

Our Environment

The Board recognises the important role Oliver has to play in society and is deeply committed to public collaboration and stakeholder engagement. The Board recognises that the environmental impact of the Company's operations is an ever more important consideration. In addition, a green approach is adopted in the offices by promoting recycling and reducing the use of plastic. The Company believes this also adds to our positive presence in local communities as an employer. The Board also encourage positive actions within the local community, including charitable donations and work in addition to encouraging employees to act positively within the community.

Decision making

As is normal for large, private companies, we delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Monitoring of this is conducted through regular business review meetings which are attended by a sub-set of the Board of Directors. Board meetings are held periodically, and activities reviewed through the consideration and discussion of information, which is sent in advance of each Board meeting and through presentations to the Board, and the consideration of the impact of the relevant decisions on stakeholders.

Regularly scheduled Board presentations and reports, by way of example: customer engagement, risk register reports, health & safety reports, whistle blowing reports (if relevant), dividend policy and people and culture strategy and developments.

During the forthcoming year we plan to formally review financial and operational performance, health and safety, and legal and regulatory compliance at each Board meeting using standard reporting formats. We shall also review other areas over the course of the financial year including the Company's business strategy; key risks; stakeholder-related matters; diversity and inclusivity; and governance, compliance and legal matters.

Oliver Marketing Limited


Strategic Report (continued) for the Year Ended 31 December 2020

Directors' statement of compliance with duty to promote the success of the Company (continued)

The Board aspires to have high standards of corporate governance. In the absence of an express corporate governance code, we continue to comply with relevant law and regulations in relation to governance arrangements and have processes in place to ensure decisions are made at the appropriate level. The Board periodically reviews and approves clear frameworks, such as general business principles, Oliver's Code of Conduct, specific Ethics & Compliance manuals, and its Modern Slavery Statements, to ensure that its high standards are maintained both within the businesses and the business relationships we maintain.

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned

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

DocuSigned by:

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S H Martin
Director

Date: 27 September 2021

Oliver Marketing Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company continued to be that of advertising, marketing, and public relations agents.

Results and dividends

The profit for the year, after taxation, amounted to £1,639k (2019 - £3,722k).

The total distribution of dividends for the year ended 31 December 2020 was £Nil (2019 - £Nil).

Directors

The directors who served during the year were:

S H Martin
R Green
M C Baldwin
D J Russell
S E Whale

Qualifying third party indemnity provisions

The Company has in place qualifying third party indemnity provisions of £10million for all of the directors of Oliver Marketing Limited.

Oliver Marketing Limited

Directors' Report (continued) for the Year Ended 31 December 2020

Research and development

The Company continues to invest in research and development which will benefit the Company in the medium to long term through new software revenue streams. The amount of development costs capitalised during the year was £552k (2019 - £755k).

Employment of disabled persons

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

The Company's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. When an employee becomes disabled whilst employed by the Company, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the Company. Retaining of employees who become disabled whilst employed by the Company is offered where appropriate. The Company has dedicated Occupational Health to support with reasonable adjustments and support for those employees on an ongoing basis.

Disclosure of information to auditors

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

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

Re-appointment of auditors

During the year BDO LLP resigned as auditor and Ernst & Young LLP were appointed in their place.

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

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S H Martin
Director

Date: 27 September 2021

Independent auditors' report to the members of Oliver Marketing Limited

Opinion

We have audited the financial statements of Oliver Marketing Limited for the year ended 31 December 2020 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 26, 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 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 Company's affairs as at 31 December 2020 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

Independent auditors' report to the members of Oliver Marketing Limited (continued)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent auditors' report to the members of Oliver Marketing Limited (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006), the relevant direct and indirect tax compliance regulation in the jurisdictions in which the Company operates and the EU General Data Protection Regulation (GDPR). In addition, the Company has to comply with laws and regulations relating to its domestic and overseas operations, including health and safety, relevant employee law matters, data protection and anti-bribery and corruption.
- We understood how Oliver Marketing Limited is complying with those frameworks by making enquiries of management, the Head of Legal and UK Legal Counsel being those responsible for legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation such as the Code of Conduct and correspondence from legal counsel. We corroborated our enquiries through our review of board minutes, as well as consideration of the results of our audit procedures and noted that there was no contradictory evidence. We identified management's attitude and tone from the top to embed a culture of honesty and ethical values whereby a strong emphasis is placed on fraud prevention which may reduce opportunities for fraud to take place. We further understood the adoption of accounting standards and determined the compliance with the above laws with management.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, performance targets and their influence on efforts made by understanding the business processes, obtaining and reading internal policies, holding enquiries of management as to any fraud risk framework within the entity and management to manage revenue and earnings before interest, corporation tax, depreciation and amortisation (EBITDA).
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved;
 - o Enquiry of management as to any fraud risk framework within the entity.
 - o Enquiry of management around actual and potential litigation and claims.
 - o Auditing the risk of management override of controls, including performing analytical procedures, confirming revenue to cash receipts, journal entry testing and auditing adjustments for appropriateness.
 - o We incorporated journal entry testing into our testing of revenue and manual journals at period end, including segregation of duties. We performed audit procedures to address each identified fraud risk, including testing manual journals which were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error.
 - o We substantively tested specific transactions back to source documentation, being customer invoices and third-party bank statements, to verify the cut-off and recoverability.
 - o We understood the performance obligations detailed in the contracts and audited management's revenue recognition with specific focus on contracts straddling the period end.
 - o Evaluating the business rationale of significant transactions outside the normal course of business.
 - o Challenging judgements made by management. This included corroborating the inputs and considering contradicting evidence.
 - o Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- We also designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiries of management and journal entry testing, with a focus on manual journals and journals indicating significant unusual transactions identified by specific risk criteria based on our understanding of the business.

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

Independent auditors' report to the members of Oliver Marketing Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Stuart Darrington (Senior Statutory Auditor)
For and on behalf of Ernst & Young, Statutory Auditor
London
United Kingdom

Date: 29 September 2021

Oliver Marketing Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	4	73,311	69,264
Cost of sales		(24,363)	(24,981)
Gross profit		48,948	44,283
Administrative expenses		(46,593)	(40,874)
Exceptional administrative expenses	8	50	(3,608)
Other operating income		-	2,277
Operating profit	8	2,405	2,078
Interest receivable and similar income	9	-	26
Interest payable and expenses	10	(142)	(355)
Profit before tax		2,263	1,749
Tax on profit	11	(624)	1,973
Profit for the financial year		1,639	3,722

All amounts relate to continuing operations

There was no other comprehensive income for 2020 (2019: £NIL).


The notes on pages 19 to 39 form part of these financial statements.

Oliver Marketing Limited
Registered number:04788967

Statement of Financial Position
As at 31 December 2020

	Note	2020 £000	As restated 2019 £000
Non-current assets			
Intangible assets	12	1,694	1,885
Tangible assets	13	743	736
Investments	14	16	16
Deferred taxation	19	1,744	-
		<u>4,197</u>	<u>2,637</u>
Current assets			
Debtors: amounts falling due within one year	15	40,062	28,212
Cash at bank and in hand		6,499	4,981
		<u>46,561</u>	<u>33,193</u>
Creditors: amounts falling due within one year	16	(47,956)	(34,968)
Net current liabilities		<u>(1,395)</u>	<u>(1,775)</u>
Total assets less current liabilities		<u>2,802</u>	<u>862</u>
Creditors: amounts falling due after more than one year	17	(1,222)	(921)
Net assets/(liabilities)		<u><u>1,580</u></u>	<u><u>(59)</u></u>
Capital and reserves			
Share premium account	22	50	50
Profit and loss account	22	1,530	(109)
		<u>1,580</u>	<u>(59)</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 27 September 2021 by:

DocuSigned by:

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.....
S H Martin
Director

The notes on pages 19 to 39 form part of these financial statements.

Oliver Marketing Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share premium £000	Profit and loss account £000	Total equity £000
At 1 January 2020	50	(109)	(59)
Comprehensive income for the year			
Profit for the year	-	1,639	1,639
At 31 December 2020	50	1,530	1,580

The notes on pages 19 to 39 form part of these financial statements.

Oliver Marketing Limited

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

	Share premium £000	Profit and loss account £000	Total equity £000
At 1 January 2019 (as restated)	50	(3,831)	(3,781)
Comprehensive income for the year			
Profit for the year	-	3,722	3,722
At 31 December 2019	50	(109)	(59)

The notes on pages 19 to 39 form part of these financial statements.

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of the larger group, Inside Ideas Group Limited.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement of Section 7 Statement of Cash Flows.

This information is included in the consolidated financial statements of Inside Ideas Group Limited as at 31 December 2020 and these financial statements may be obtained from Companies House.

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.3. Going concern

The Company has experienced net profits and cash generated from operating and investing activities during the year ended December 31, 2020. As of December 31, 2020, the Company had a shareholders' equity of £1,580k, a profit for the period £1,639k and cash and cash equivalents held as at 31 December 2020 of £6,499k. The financial statements have been prepared assuming that the Company will continue as a going concern. The basis of accounting contemplates the recovery of our assets and the satisfaction of liabilities in the normal course of business.

An assessment of the future trading circumstances has been performed by management including cashflow forecasts through to the period ended 31 December 2022. Based on these forecasts, including plausible downside assessments, management are confident that the Company has sufficient resources to meet its liabilities as they fall due and are well placed to continue to build on its historic and creative financial success.

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

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

2.4 Turnover

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

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

- Management fees are spread over the period of the contract on a straight-line basis, which approximates to when the work is performed.
- Project fees are recognised over the period of the relevant assignment or agreements as activity progresses. For projects which fall over the financial period end, income is recognised to reflect the partial performance on the basis of the percentage completion of the job at the year end.
- Performance related income is recognised when it can be reliably estimated and to the extent to which the performance criteria have been met.

Revenue recognised in the profit and loss account but not yet invoiced is held on the statement of financial position within accrued income. Revenue invoiced but not yet recognised in the profit and loss account is held on the statement of financial position within deferred income.

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain IAS38 criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

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

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- 10% - 20% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Impairment of investments in subsidiaries, intangible and tangible assets

Assets that are subject to depreciation or amortisation are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased. Impairment losses are recognised in the income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but so that the increased carrying value does not exceed the carrying value that would have been determined if no impairment loss had been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the income statement immediately.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.12 Financial instruments

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.17 Pensions

Defined contribution pension plan

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

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

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.18 Exceptional items

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

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

2.19 Prior period restatement

During the year, management have performed a review of the deferred income balances and revenue contracts from prior years and noted that the change in the revenue recognition policy that was implemented in the prior year was not correctly presented in the financial statements. As a result of the incorrect implementation of the revised group policy there had been an acceleration of revenue incorrectly recognised in prior periods financial statements, amounting to £170,552 in 2018. In accordance with FRS102 section 10, the error has been corrected by restating the prior year opening reserves, prepayments and accrued income and the deferred income balance. Further detail can be found in note 15 and 16.

£' 000	<u>2019 Balance</u>	<u>Restatement</u>	<u>Restated 2019 Balance</u>
Prepayments	2,555	1,309	3,864
Deferred Income	4,071	1,479	5,550
Profit and Loss Brought Forward	(1,516)	(171)	(1,686)

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

3. Significant accounting judgements and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 13)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

The turnover and loss before taxation are attributed to the one principal activity of the Company.

Analysis of turnover by country of destination:

	2020	2019
	£000	£000
United Kingdom	47,954	46,858
Europe	19,600	16,361
Rest of the world	5,757	6,045
	73,311	69,264
	73,311	69,264

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

5. Employees

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

	2020	2019
	£000	£000
Wages and salaries	26,234	26,522
Social security costs	3,325	3,607
Cost of defined contribution scheme	644	784
	30,203	30,913
	30,203	30,913

Of the above payroll costs, £4.1m (2019 - £4.7m) has been recharged to other group companies.

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

	2020	2019
	No.	No.
Operating staff	478	441
Administration	79	100
Directors	3	5
	560	546
	560	546

6. Auditors' remuneration

	2020	2019
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	96	93
	96	93
	96	93
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	-	7
All other services	-	3
	-	10
	-	10

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

7. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	1,274	1,936

During the year retirement benefits were accruing to 3 directors (2019 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £729k (2019 - £590k).

Certain directors of the parent Company were paid by the Company.

8. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Exceptional costs	(50)	3,608
Depreciation	516	743
Goodwill amortisation	77	300
Development costs amortisation	666	537
Foreign exchange loss	430	248
Operating lease rentals	899	904
Hire of equipment	14	31
Auditors remuneration	96	93

Operating cost of sales exclude direct payroll related costs.

Exceptional costs including the following:

	2020 £000	2019 £000
Due diligence costs	-	3,291
Income from onerous lease	(50)	(830)
Expense relating to onerous lease	-	1,147
	(50)	3,608

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

8. Operating profit (continued)

Reconciliation of pre-exceptional EBITDA to statutory earnings

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

	2020	2019
	£000	£000
Pre-exceptional EBITDA	6,422	7,266
Exceptional costs	50	(3,608)
You and Mr Jones central service fee	(2,808)	-
EBITDA	3,664	3,658
Depreciation	(516)	(743)
Amortisation and impairment	(743)	(837)
Operating profit	2,405	2,078
Net finance costs	(142)	(329)
Profit before tax	2,263	1,749

9. Interest receivable

	2020	2019
	£000	£000
Interest receivable from group companies	-	26
	-	26

10. Interest payable and similar expenses

	2020	2019
	£000	£000
Bank interest	120	269
Lease interest	22	86
	142	355

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

11. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	(3)	-
Adjustments in respect of previous periods	357	39
Foreign tax		
Foreign tax on income for the year	-	5
	-	5
Total current tax	354	44
Deferred tax		
Origination and reversal of timing differences	162	(1,947)
Adjustment in respect of prior periods	108	(70)
	270	(2,017)
Total deferred tax	270	(2,017)
Taxation on profit on ordinary activities	624	(1,973)

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	<u>2,263</u>	<u>1,749</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	430	332
Effects of:		
Group relief surrendered	-	122
Adjustment to brought forward values	-	6
Expenses not deductible for tax purposes	(26)	547
Adjustment to tax charge in respect of previous periods	355	39
Adjustment to tax charge in respect of previous periods - deferred tax	108	(70)
Adjust deferred tax to average rate of 19%	(224)	229
Share scheme deduction	-	(3,178)
Utilisation of losses	(19)	-
Total tax charge/(credit) for the year	<u>624</u>	<u>(1,973)</u>

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

11. Taxation (continued)

The total tax charge of £624,000 (2019: credit £1,973,000) represents 28% (2019: -113%) of the Company profit before tax of £2,263,000 (2019:£1,749,000). The Increase in tax rate reflects the Company's increase in operations and one-off tax deductibility of share vesting in the UK in 2019.

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

Deferred taxes on the balance sheet have been measured at 19% (2019 – 17%) which represents the future corporation tax rate that was enacted at the balance sheet date. There were no unrecognised deferred tax assets at 31 December 2020 (2019: £Nil).

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the Company's deferred tax balances. Non-UK deferred tax is calculated using the statutory rate of the relevant jurisdiction.

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

12. Intangible fixed assets

	Development costs £000	Goodwill £000	Total £000
Cost			
At 1 January 2020	3,006	1,577	4,583
Additions	552	-	552
At 31 December 2020	3,558	1,577	5,135
Amortisation			
At 1 January 2020	1,198	1,500	2,698
Charge for the year	666	77	743
At 31 December 2020	1,864	1,577	3,441
Net book value			
At 31 December 2020	1,694	-	1,694
At 31 December 2019	1,808	77	1,885

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

13. Tangible fixed assets

	Short leasehold £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 January 2020	607	461	2,981	4,049
Additions	-	-	531	531
Disposals	-	-	(8)	(8)
Reclassifications	-	(1)	1	-
At 31 December 2020	<u>607</u>	<u>460</u>	<u>3,505</u>	<u>4,572</u>
Depreciation				
At 1 January 2020	437	421	2,455	3,313
Charge for the year	85	37	394	516
At 31 December 2020	<u>522</u>	<u>458</u>	<u>2,849</u>	<u>3,829</u>
Net book value				
At 31 December 2020	<u>85</u>	<u>2</u>	<u>656</u>	<u>743</u>
At 31 December 2019	<u>170</u>	<u>40</u>	<u>526</u>	<u>736</u>

14. Fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 1 January 2020	16
At 31 December 2020	<u>16</u>
Net book value	
At 31 December 2020	<u>16</u>
At 31 December 2019	<u>16</u>

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

14. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Country of incorporation	Principal activity	Holding
Oliver Marketing B.V.	Netherlands	Marketing services	100%

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

15. Debtors

	2020 £000	2019 £000
Due after more than one year		
Deferred tax asset	1,744	-
	<u>1,744</u>	<u>-</u>
		As restated
	2020 £000	2019 £000
Due within one year		
Trade debtors	13,937	8,580
Amounts owed by group undertakings	21,125	10,834
Other debtors	1,236	1,739
Corporation tax	-	485
Deferred tax asset	-	2,014
Prepayments and accrued income	3,764	4,560
	<u>40,062</u>	<u>28,212</u>

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

In the preparation of financial statements, the group identified the prior period prepayments in respect of timing differences was incorrectly stated. An amount of £1,309k has been subsequently include in the 2019 prepayment above. Refer to note 2.19 for further details of this restatement.

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

16. Creditors: Amounts falling due within one year

	2020	As restated
	£000	2019
		£000
Other loans	4,075	1,855
Trade creditors	2,092	2,852
Amounts owed to group undertakings	14,602	14,782
Other taxation and social security	5,578	2,426
Obligations under finance lease	232	326
Other creditors	1,399	3,124
Accruals and deferred income	19,978	9,603
	47,956	34,968
	47,956	34,968

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

In the preparation of financial statements, the group identified the prior period deferred income in respect of timing differences was incorrectly stated. An amount of £1,479k has been subsequently included in deferred income above. Refer to Note 2.19 for further details of this restatement..

The amount due to HSBC Bank plc under the invoice financing arrangement is secured by a fixed and floating charge over the book debts and all the assets of the Company in general. The amount due under this arrangement is included within bank loans and overdrafts amounting to £4,075k (2019 - £1,855k).

Included in accruals is an onerous lease provision of less than 12 months amounting to £1,256k (2019 - £570k).

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

	2020	2019
	£000	£000
Net obligations under finance leases	271	131
Other creditors	951	790
	1,222	921
	1,222	921

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

18. Financial instruments

	2020 £000	2019 £000
Financial assets		
Financial assets measured at amortised cost	<u>44,648</u>	<u>26,827</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>33,154</u>	<u>(27,908)</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors, other debtors, accrued income and intercompany debtors.

Financial liabilities measured at amortised cost comprise other loans, financial leases, trade creditors, other creditors, accruals and intercompany creditors.

19. Deferred taxation

	2020 £000	2019 £000
At beginning of year	2,014	(2)
Credited/(charged) to profit or loss	(270)	2,016
At end of year	<u>1,744</u>	<u>2,014</u>

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	(68)	-
Losses and other deductions	1,812	2,014
	<u>1,744</u>	<u>2,014</u>

20. Pensions

At the reporting date, there were pension contributions payable of £145,241 (2019 - £94,985).

Oliver Marketing Limited

Notes to the financial statements for the Year Ended 31 December 2020

21. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
10,000 Ordinary shares of £0.0001 each	1	1
	1	1

22. Reserves

Share premium

The share premium account includes the premium on issue of equity shares. Any transaction costs associated with issuing of shares are deducted from share premium.

Profit and loss account

The profit and loss accounts represent cumulative profit or losses, net of dividends paid and other adjustments.

23. Leasing agreements

At 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£000	£000
Not later than 1 year	1,198	1,209
Between 1 and 5 years	4,784	4,786
Later than 5 years	2,989	4,085
	8,971	10,080

At 31 December 2020 the Company had future minimum lease payments under finance leases as follows:

	2020	2019
	£000	£000
Not later than 1 year	232	318
Between 1 and 5 years	271	131
	503	449

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24. Related party transactions

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that the subsidiaries party to the transactions are wholly owned members of the group.

As at 31 December 2020, amounts totalling £21,170 (2019 - £18,845) were owed by the Company to Oliver Pazalarma VE Reklamcilik Anonim Sirketi Turkey, a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £9,019 (2019 - £22,919) were owed by the Company to Oliver Marketing Brazil LTDA, a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £10,301 (2019 - £10,301) were owed by the Company to Oliver Producoes Ltda, a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £502,519 (2019 - £29,479) were owed to the Company by Oliver Marketing Mexico S.DE RL DE C.V, a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £94,367 (2019 - £87,026) were owed to the Company by Oliver Inhouse India Private Ltd, a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £4,352 (2019 - £10,427) were owed by the Company to PT Oliver Pemasaran Indonesia, a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £Nil (2019 - £54,380) were owed by the Company to Mofilm Limited, a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £1,514,147 (2019 - £1,868,081) were owed to the Company by Adjust Your Set Limited, a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £39,264 (2019 - £487,695) were owed to the Company by Oliver Marketing Ireland Limited; a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £607,713 (2019 - £670,982) were owed to the Company by Oliver Marketing PTY Ltd, a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £256,117 (2019 - £291,839) were owed by the Company to Oliver Marketing SAS , a fellow subsidiary in the group.

As at 31 December 2020, amounts totalling £3,017 (2019 - £nil) were owed to the Company to Oliver Hub Phils. INC., a fellow subsidiary in the group.

25. Controlling party

The Company's immediate parent undertaking is Inside Ideas Group Limited, a Company incorporated in England and Wales. Inside Ideas Group Limited is the smallest group to consolidate these financial statements, which are publicly available at its registered office, 151 Rosebury Avenue, London, EC1R 4AB.

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