



MediTech Media™

MediTech Media Limited
Annual report and financial statements
for the year ended 31 December 2019

Registered number: 02074409



MediTech Media Limited

Strategic report

The directors submit their strategic report of Meditech Media Limited for the year ended 31 December 2019.

Review of the business

The company continues to be a leading provider of innovative, high-quality and effective multichannel medical communications programmes for the healthcare and pharmaceutical industries.

Trading remained very strong in 2019 with growth in revenue of 37% and an increase in profits of 54% due to new business and increases on existing client base. MediTech Media continues to consolidate its position as the largest agency in the region and holds a diverse product and client portfolio. The foundation of the new business is expected to continue growth in 2020.

The company's financial position remains strong with net current assets at 31 December 2019 of £9,637,856 (2018: £7,991,000).

Future developments

The directors expect the business to grow further in 2020. This is due to Meditech Media's diverse client portfolio and the addition of new business in 2019.

There will be a continued strategy of hiring and retaining staff in order to support new opportunities. The business started operations in Basel, Switzerland in 2019 and hopes to continue to invest there.

2020 profit margins are expected to be in line with 2019.

Post balance sheet event

The COVID-19 pandemic has created unprecedented challenges and uncertainty with the full socio-economic impact of the virus likely to be significant. The health and wellbeing of our employees remain at the top of our list of priorities, along with cash flow and liquidity, business continuity and cost control, which are under continuous review.

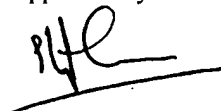
There has been no material adverse impact on the financial performance or financial position of the company or the group headed by Nucleus Holdings Limited, the immediate and ultimate parent company, as a result of COVID-19. Given the inherent uncertainties, it is not practical to determine what, if any, the future impact of COVID-19 might be. The group's financial results up to the middle of 2020 continue to exceed forecasted expectations.

The directors will continue to review the situation and its effect on clients and the markets in which they operate. At the balance sheet date, the group had significant cash holdings and the directors are confident that the group has adequate liquidity to deal with the uncertain business environment.

Principal risks and uncertainties

The potential risks and uncertainties which could impact the company are considered by the directors on a groupwide basis and these are discussed in the Strategic Report of Nucleus Holdings Limited, the immediate and ultimate parent company.

Approved by the Board and signed on its behalf by:



Dr S Cameron
Director

Dated: 21 July 2020

MediTech Media Limited

Directors' report

The directors submit their report and the financial statements of MediTech Media Limited for the year ended 31 December 2019.

In accordance with s414C(11) of the Companies Act 2006, disclosures in respect of post balance sheet events and future developments are made in the Strategic Report on page 1.

Principal Activity

The company continues to be a leading provider of innovative, high-quality and effective multichannel medical communications programmes for the healthcare and pharmaceutical industries.

Existence of branches outside the UK

The company has a branch, as defined in section 1046(3) of the Companies Act 2006, outside the UK as follows:

MediTech Media Limited (Basel) Switzerland branch.

Dividends

The directors did not pay a dividend in the year (2018: £nil).

No final dividend is proposed (2018: £nil).

Directors

The directors, who served throughout the year, were as follows:

Dr S Cameron
C Harrison

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



Dr S Cameron
Director

Dated: 21 July 2020

MediTech Media Limited

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report, the Strategic 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), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of MediTech Media Limited

Opinion

We have audited the financial statements of MediTech Media Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

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

Independent auditor's report to the members of MediTech Media Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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

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.

RSM UK Audit LLP

Richard Coates (Senior statutory auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street,
London, EC4A 4AB

Dated: 21 July 2020

MediTech Media Limited

Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £000	2018 £000
Revenue	4	12,231	8,912
Cost of sales	5	(7,353)	(5,437)
Gross profit		4,878	3,475
Other operating expenses	5	(2,788)	(2,118)
Profit before tax	7	2,090	1,357
Taxation	9	(397)	(258)
Profit and total comprehensive income for the year		1,693	1,099

The statement of comprehensive income has been prepared on the basis that all operations are continuing.

MediTech Media Limited

Statement of financial position as at 31 December 2019

	Note	2019 £000	2018 £000
Non-current assets			
Property, plant and equipment	10	1	9
Right of use assets	11	1,061	-
Deferred tax asset	12	17	18
		<u>1,079</u>	<u>26</u>
Current assets			
Trade and other receivables	13	13,449	10,521
Cash at bank and in hand		2,750	1,794
		<u>16,199</u>	<u>12,315</u>
Non-current liabilities			
Lease liabilities	11	(1,007)	-
		<u>(1,007)</u>	<u>-</u>
Current liabilities			
Trade and other payables	14	(6,032)	(4,069)
Lease liabilities	11	(133)	-
Corporation Tax		(395)	(255)
		<u>(6,560)</u>	<u>(4,324)</u>
Net current assets		<u>9,639</u>	<u>7,991</u>
Net assets		<u>9,711</u>	<u>8,018</u>
Equity attributable to owners of the parent			
Share capital	15	22	22
Retained earnings		9,689	7,996
Total equity		<u>9,711</u>	<u>8,018</u>

The financial statements of MediTech Media Limited (registered number 02074409) were approved by the board of directors and authorised for issue on 21 July 2020 and signed on its behalf by:



Dr S Cameron
Director

MediTech Media Limited

Statement of changes in equity for the year ended 31 December 2019

	Share capital £000	Retained earnings £000	Total £000
Balance at 1 January 2018	22	6,897	6,919
Profit and total comprehensive income for the year	-	1,099	1,099
Dividends	-	-	-
Balance at 31 December 2018	22	7,996	8,018
Profit and total comprehensive income for the year	-	1,693	1,693
Dividends	-	-	-
Balance at 31 December 2019	22	9,689	9,711

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2019

1. General information

MediTech Media Limited (“the company”) is a private limited company incorporated under the Companies Act 2006 in England and Wales. The company is domiciled in the United Kingdom and the address of its registered office is Admiral House, 76-78 Old Street, London, EC1V 9AZ. The principal activity of the company is as set out in the Directors’ Report.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 “Reduced Disclosure Framework” (FRS 101).

The financial statements have been prepared on the historical cost basis and in accordance with applicable accounting standards. The principal accounting policies adopted are set out below.

These financial statements are presented in sterling, which is the functional currency of the company and are rounded to the nearest £000.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of IFRS 7 “Financial Instruments: Disclosures”;
- b) the requirements of paragraphs 91-99 of IFRS 13 “Fair Value Measurement”;
- c) the requirement in paragraph 38 of IAS 1 “Presentation of Financial Statements” to present comparative information in respect of paragraph 73(e) of IAS 16 “Property, Plant and Equipment”;
- d) the requirements of paragraphs 10(d) and 134-136 of IAS 1;
- e) the requirements of IAS 7 “Statement of Cash Flows”;
- f) the requirements of paragraphs 30 and 31 of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”;
- g) the requirements of paragraph 17 of IAS 24 “Related Party Disclosures”; and
- h) the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where relevant, equivalent disclosures have been given in the group accounts of Nucleus Holdings Limited, which are available to the public from the address above.

Going concern

The group’s business activities, together with the factors likely to affect its future development (including COVID-19), performance and position are set out in the directors’ report and the strategic report of Nucleus Holdings Limited. As explained in more detail in that Strategic Report, the group’s trading, cash flows and current financial position have not been significantly adversely impacted by COVID-19 and the cash at bank as at 30 June 2020 was £57.0m and there are no borrowings within the group.

The directors confirm, after careful consideration, that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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Notes to the financial statements for the year ended 31 December 2019

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	term of lease
Computers and equipment	33.3% per annum
Fixtures and fittings	25% per annum

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All differences are included in profit or loss.

Long-term contracts

Long-term contracts are assessed on a contract by contract basis and reflected in profit or loss by recording revenue and related costs as contract activity progresses. Revenue recognised in the accounts reflects the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which revenue exceeds payments on account is classified as "contract assets" and included in trade and other receivables; to the extent that payments on account exceed relevant revenue, the excess is classified as "contract liabilities" and included in trade and other payables.

Revenue

Revenue represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers and, in the case of long-term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty. Revenue is recognised in line with the policy on long-term contracts.

In accordance with IFRS 15 "Revenue from Contracts with Customers" revenue from contracts with customers is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for providing services to a customer.

The company has applied the practical expedient in IFRS 15 not to disclose information in respect of partially completed contracts where the period of the contract is one year or less as there are no material projects for longer than one year.

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Notes to the financial statements for the year ended 31 December 2019

Retirement benefits

The company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

The company adopted IFRS 16 'Leases' for the year ended 31 December 2019 using the modified retrospective method by applying the standard to all previously classified "operating leases" as at 1 January 2019. Lease liabilities were determined as at that date based on the value of the remaining lease payments, discounted by the appropriate incremental borrowing rates. The company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, the company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

In accordance with the provisions of section C of IFRS 16 the company have taken advantage of the following transitional practical expedients:

- For all contracts that existed prior to 1 January 2019, the company has not applied IFRS 16 to reassess whether each contract is, or contains, a lease;
- A single discount rate has been applied to portfolios of leases with similar characteristics;
- The right-of-use assets have not been assessed for impairment at 1 January 2019, but have been reduced by the amount of any onerous lease provisions at that date;
- Where the lease term ends before 31 December 2019, the company has continued to recognise the lease payments associated with those leases on a straight-line basis over the lease term; and
- Where the value of the underlying asset (if new) at 1 January 2019 was deemed to be low value (in accordance with company's accounting policies), the company has continued to recognise the lease payments associated with those leases on a straight-line basis over the lease term.

The adoption of this new Standard has resulted in an increase on the company's lease liabilities on the statement of financial position in respect of obligations to make future payments under leases previously classified as operating leases along with the related right-of-use asset. Other operating expenses have decreased and finance costs have increased, as operating lease costs (rent) have been replaced by depreciation and lease interest expense.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to measure lease liabilities was 3%.

IFRS 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 January 2019 was as follows

	£000
Operating lease commitment as at 1 January 2019 restated	1,363
Discount based on the weighted average incremental borrowing rate of 3%	(397)
Short-term leases not recognised as a right-of-use asset	-
Right of use asset recognised on transition to IFRS 16	966
Lease liabilities recognised on transition to IFRS 16	(966)
Impact on retained earnings as at 1 January 2019	-

For any new contracts entered into on or after 1 January 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the company assesses whether the contract meets three key evaluations which are whether:

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Notes to the financial statements for the year ended 31 December 2019

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company;
- the company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the company has the right to direct the use of the identified asset throughout the period of use.

The company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At the lease commencement date, the company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade receivables which are due within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade receivables are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. Where the arrangement with a trade receivable constitutes a financing transaction, the financial asset is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade receivables is established as a loss allowance for expected credit losses. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

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Notes to the financial statements for the year ended 31 December 2019

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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 company after deducting all of its liabilities.

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade payables due within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade payable constitutes a financing transaction, the financial liability is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Interpretations to existing standards or amended standards adopted by the group

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

IFRS 16 "Leases" is the only new or amended standard that has had a material impact on the company. The impact on the company is disclosed in the accounting policy on leases above.

Interpretations to existing standards or amended standards that are not yet effective and have not been early adopted by the group

Interpretations to existing standards and new or amended standards that are not yet effective are either not relevant to the company or not expected to have a material impact on the company.

3. Key assumptions and accounting estimates and significant judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Revenue

The company's revenue arises from its principal activities in the United Kingdom.

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Notes to the financial statements for the year ended 31 December 2019

5. Expenses

The company's expenses for the year have been analysed by nature as set out below.

	2019	2018
	£000	£000
Wages and salaries	3,191	2,755
Other staff costs	880	594
Depreciation	138	11
Operating lease rentals	-	169
Other direct costs	3,282	2,087
Other administrative expenses	2,650	1,939
	10,141	7,555

All pension plans are defined contribution plans.

6. Employees

The monthly average number of persons employed during the year was:

	2019	2018
	Number	Number
Medical communications and marketing	72	62

	2019	2018
	£000	£000
Wages and salaries	3,191	2,755
Social security costs	356	310
Other pension costs	197	161
	3,744	3,226

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Notes to the financial statements for the year ended 31 December 2019

7. Profit before tax

	2019 £000	2018 £000
Profit before tax is stated after charging:		
Depreciation of property, plant and equipment charged to other operating expenses	8	11
Depreciation of right-of-use assets	130	-
Exchange losses	39	(34)
Operating leases rentals	-	120
Auditor's remuneration – statutory audit	6	6
	<u>6</u>	<u>6</u>

8. Directors' remuneration

Dr S Cameron and C Harrison were also directors of Nucleus Holdings Limited, the ultimate parent company. Their remuneration, which was paid by Nucleus Holdings Limited, is disclosed in that company's financial statements. No apportionment was made to MediTech Media Limited.

9. Taxation

	2019 £000	2018 £000
Current tax		
UK corporation tax	396	256
Total current tax	<u>396</u>	<u>256</u>
Deferred tax		
Origination and reversal of timing differences	1	2
Effect of changes in tax rates	-	-
Total deferred tax (see note 12)	<u>1</u>	<u>2</u>
Total tax charge	<u>397</u>	<u>258</u>

There are no differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax (19%) to the profit before tax for the year.

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Notes to the financial statements for the year ended 31 December 2019

10. Property, plant and equipment

	Short leasehold improvements	Equipment and Computers	Fixtures and Fittings	Total
	£000	£000	£000	£000
Cost				
At 1 January 2019	260	830	106	1,196
Additions	-	-	-	-
Disposals	(210)	(830)	(104)	(1,144)
At 31 December 2019	50	-	2	52
Depreciation				
At 1 January 2019	251	830	106	1,187
Charge for the year	8	-	-	8
Disposals	(210)	(830)	(104)	(1,144)
At 31 December 2019	49	-	2	51
Net book value				
At 31 December 2018	9	-	-	9
At 31 December 2019	1	-	-	1

11. Leases

Right-of-use-assets

The carrying amount of the company's right-of-use assets are set out below:

	Property leases £000	Total £000
Cost		
At 1 January 2019	-	-
Recognised on transition to IFRS16	966	966
Additions	225	225
At 31 December 2019	1,191	1,191
Depreciation		
At 1 January 2019	-	-
Recognised on transition to IFRS16	-	-
Charge for the year	130	130
At 31 December 2019	130	130
Net book value		
At 31 December 2018	-	-
At 31 December 2019	1,061	1,061

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2019

Lease liabilities

The carrying amount of the company's lease liabilities for property leases is set out below:

	2019	2018
	£000	£000
Current lease liabilities	133	-
Non-current lease liabilities	1,007	-
	<u>1,140</u>	<u>-</u>

12. Deferred tax asset

	2019	2018
	£000	£000
Accelerated capital allowances:		
At the start of year	18	20
Deferred tax charged to profit and loss	(1)	(2)
Deferred tax asset at the end of year	<u>17</u>	<u>18</u>

13. Trade and other receivables

	2019	2018
	£000	£000
Trade receivables	2,733	1,296
Contract assets	714	498
Amounts owed by group undertakings	9,693	8,569
Other receivables	6	5
Prepayments and accrued income	303	153
	<u>13,449</u>	<u>10,521</u>

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2019

14. Trade and other payables

	2019 £000	2018 £000
Trade payables	326	57
Contract liabilities	961	701
Amounts owed to group undertakings	2,903	2,508
Other taxation and social security	132	113
Other payables	33	27
Accruals and deferred income	1,677	663
	<u>6,032</u>	<u>4,069</u>

15. Share capital

	2019 £000	2018 £000
Allotted, called-up and fully-paid 21,710 ordinary shares of £1 each	<u>22</u>	<u>22</u>

Share capital is made up of ordinary shares with full voting and distribution rights.

16. Reserves

Retained earnings

Cumulative profit and loss net of distributions to owners.

17. Contingent liabilities

The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. Other group companies' VAT balances at 31 December 2019 resulted in a contingent liability of £nil (2018: £394,832).

18. Pension commitments

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company and amounted to £196,827 (2018: £161,057). At the year end pension contributions outstanding amounted to £34,323 (2018: £26,870).

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2019

19. Related party transactions

The company is party to a lease agreement with MediTech Media Limited Directors Special Pension Scheme in respect of the building situated at 21 Rice Street, Manchester. During the year the rent of £157,500 was payable by the company (2018: £135,000) under this lease. At the year end amounts totalling £101,280 (2018: £76,385) were outstanding.

20. Post balance sheet event

The COVID-19 pandemic has created unprecedented challenges and uncertainty with the full socio-economic impact of the virus likely to be significant. The health and wellbeing of our employees remain at the top of our list of priorities, along with cash flow and liquidity, business continuity and cost control, which are under continuous review.

There has been no material adverse impact on the financial performance or financial position of the group headed by Nucleus Holdings Limited as a result of COVID-19. Given the inherent uncertainties, it is not practical to determine what, if any, the future impact of COVID-19 might be. The group's financial results up to the middle of 2020 continue to exceed forecasted expectations.

The directors will continue to review the situation and its effect on clients and the markets in which they operate. The group has significant cash holdings and is confident that it has adequate liquidity to deal with the uncertain business environment.

21. Immediate and ultimate parent company

The immediate and ultimate parent company is Nucleus Holdings Limited, incorporated in England and Wales.

Nucleus Holdings Limited, registered at Admiral House, 76-78 Old Street, London, EC1V 9AZ, is the parent undertaking of the smallest and largest group for which group accounts are drawn up.

22. Controlling party

The ultimate controlling party in the year was Dr S Cameron, a director of the company, by virtue of his controlling interest in Nucleus Holdings Limited.