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The Communications Portfolio Limited

annual report and financial statements

for the year ended 31 July 2020



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company information

directors

IB Restall
JE Wilford
AAE Carey

secretary

AAE Carey

company number

07328756

registered office

4th Floor
South Quay Building
77 Marsh Wall
London
E14 9SH

auditors

Moore Kingston Smith LLP
Orbital House
20 Eastern Road
Romford
Essex RM1 3PJ

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directors' report

for the year ended 31 July 2020

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

Principal activities

The principal activity of the company during the year has been provision of social media campaigns and Financial PR services.

Directors

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

IB Restall
JE Wilford
AAE Carey

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

The COVID-19 pandemic has had a relatively minor effect on the company's trading operations and, following assistance from the UK Government's various forms of support, the directors have assessed that the company will be able to continue in operation for a period of not less than 12 months from the date of approval of these financial statements.

Auditor

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

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

directors' report (continued)

for the year ended 31 July 2020

Statement of directors' responsibilities (continued)


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

Statement of disclosure to auditor

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



AAE Carey
Director

Date: 15 April 2021

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independent auditors' report

to the members of The Communications Portfolio Limited

Opinion

We have audited the financial statements of The Communications Portfolio Limited (the 'company') for the year ended 31 July 2020 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 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

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

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

Other information

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

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

We have nothing to report in this regard.

independent auditors' report (continued)

to the members of The Communications Portfolio Limited

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has 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 Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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independent auditors' report (continued)

to the members of The Communications Portfolio Limited

Auditor's responsibilities for the audit of the financial statements (continued)

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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

Moore Kingston Smith LLP

Steven Rushmer (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

Chartered Accountants
Statutory Auditor
Orbital House
20 Eastern Road
Romford
Essex RM1 3PJ

Date: 27 April 2021

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statement of income and retained earnings

for the year ended 31 July 2020

| | Notes | 2020 £ | 2019 £ |
|-----------------------------------------|-------|-----------|-----------|
| Turnover | 3 | 19,930 | 12,825 |
| Cost of sales | | (18,193) | (9,833) |
| Gross profit | | 1,737 | 2,992 |
| Administrative expenses | | (1,885) | (1,390) |
| (Loss)/profit before taxation | | (148) | 1,602 |
| Taxation | 5 | 188 | (304) |
| Total comprehensive income for the year | | 40 | 1,298 |
| Retained earnings at 1 August 2019 | | (51,301) | (52,599) |
| Retained earnings at 31 July 2020 | | (51,261) | (51,301) |

The Statement of Income and Retained Earnings has been prepared on the basis that all operations are continuing operations.

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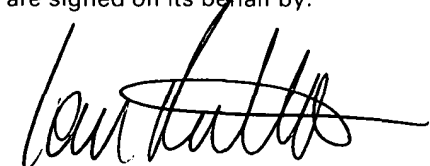
balance sheet

as at 31 July 2020

| | Notes | 2020 £ | 2020 £ | 2019 £ | 2019 £ |
|-------------------------------------------------------|-------|-----------|-----------|-----------|-----------|
| Current assets | | | | | |
| Debtors | 6 | — | | 6,776 | |
| Cash at bank and in hand | | 8,853 | | 7,678 | |
| | | 8,853 | | 14,454 | |
| Creditors: amounts falling due within one year | 7 | (50,114) | | (55,755) | |
| Net current liabilities | | | (41,261) | | (41,301) |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 10,000 | | 10,000 |
| Profit and loss reserves | | | (51,261) | | (51,261) |
| Total equity | | | (41,261) | | (41,301) |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 15 April 2021 and are signed on its behalf by:



IB Restall
Chairman

Company Registration No. 07328756

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notes to financial statements

for the year ended 31 July 2020

1 Accounting policies

Company information

The Communications Portfolio Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor, South Quay Building, 77 Marsh Wall, E14 9SH.

1.1 Accounting convention

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

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

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

1.2 Going concern

At the balance sheet date the company had net liabilities of £41,261 (2019: £41,301). The company meets its day to day working capital requirements through support from the other companies in the group. The directors have received confirmation that the other companies in the group will continue to provide support to the company. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the support from the other companies in the group.

The company's business activities, together with factors likely to affect its future development, performance and position are set out in the Directors' Report on page 3.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being for a period of not less than 12 months from the approval of these financial statements. The COVID-19 pandemic has had a relatively minor effect on the company's trading operations and, following assistance from the UK Government's various forms of support, the directors have assessed that the company will be able to continue in operation for a period of not less than 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover represents amounts receivable for services provided net of VAT. It is attributable to the principal activity of the company being that of the provision of social media campaigns and Financial PR services.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.5 Financial instruments

All of the company's financial instruments are basic and measured at amortised cost.

notes to the financial statements (continued)

for the year ended 31 July 2020

1 Accounting policies (continued)

1.6 Equity instruments

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

1.7 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.8 Exemptions for qualifying entities under FRS 102

As a wholly owned subsidiary of Flathill Communications Group plc, the company has taken advantage of the following qualifying entity exemptions under the provisions of FRS 102:

- (i) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv) to prepare a reconciliation of the number of equity shares outstanding at the beginning and at the end of the financial year;
- (ii) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d) to prepare a statement of cash flows;
- (iii) The requirements of Section 11 paragraphs 11.39 to 11.48(a) and Section 12 paragraphs 12.26 to 12.29A, regarding disclosures for financial liabilities and assets, as the equivalent disclosures required by FRS 102 are included in the consolidated financial statements of Flathill Communications Group plc in which the entity is consolidated;
- (iv) From disclosing the company key management personnel compensation, as required by paragraph 33.7; and
- (v) The requirement of Section 33 Related Party Disclosures paragraph 33.9 to disclose related party transactions within other members of Flathill Communications Group plc.

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. In the opinion of the directors there are no critical accounting estimates or judgements.

notes to the financial statements (continued)

for the year ended 31 July 2020

3 Turnover and other revenue

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

Turnover analysed by class of business

| | 2020 £ | 2019 £ |
|-----------------------|-----------|-----------|
| Rendering of services | 19,930 | 12,825 |

Turnover analysed by geographical market

| | 2020 £ | 2019 £ |
|----------------|-----------|-----------|
| United Kingdom | 19,930 | 12,825 |

4 (Loss)/profit before taxation

Operating (loss)/profit for the year is stated after charging:

| | 2020 £ | 2019 £ |
|--------------------------------------------------------------------------------------------|-----------|-----------|
| Fees payable to the company's auditors for the audit of the company's financial statements | 1,500 | 1,025 |

5 Taxation

| | 2020 £ | 2019 £ |
|------------------------------------------------------|--------------|------------|
| Current tax | | |
| UK corporation tax on profits for the current period | — | 304 |
| Adjustments in respect of prior periods | (188) | — |
| Total current tax | (188) | 304 |

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

| | 2020 £ | 2019 £ |
|---------------------------------------------------------------------------------------------------------------|--------------|------------|
| (Loss)/profit before taxation | (148) | 1,602 |
| Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | (28) | 304 |
| Adjustments in respect of prior years | (188) | — |
| Group relief | 28 | — |
| Taxation (credit)/charge for the year | (188) | 304 |

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notes to the financial statements (continued)

for the year ended 31 July 2020

6 Debtors: amounts falling due within one year

| | 2020 | 2019 |
|-----------------------------|------|-------|
| | £ | £ |
| Trade debtors | — | 6,660 |
| Corporation tax recoverable | — | 116 |
| | — | 6,776 |

7 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------------------|--------|--------|
| | £ | £ |
| Trade creditors | 2,500 | 3,848 |
| Amounts due to fellow group undertakings | 44,948 | 47,918 |
| Corporation tax | — | 304 |
| Other taxation and social security | 1,666 | 1,260 |
| Accruals and deferred income | 1,000 | 2,425 |
| | 50,114 | 55,755 |

The banking facility is secured by an unlimited debenture issued to The Royal Bank of Scotland, including a fixed and floating charge over all of the present and future assets of the company as dated 3 May 2017. The bank also has a group set off arrangement between the company and its ultimate parent company, Flathill Communications Group plc and its subsidiaries. The net contingent liability not reflected in the accounts after taking account of bank borrowing, totalled £nil (2019: £nil).

8 Share capital

| | 2020 | 2019 |
|----------------------------------|--------|--------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 100 Ordinary shares of £100 each | 10,000 | 10,000 |
| | 10,000 | 10,000 |

There is a single class of ordinary shares, there are no restrictions on distributions or repayment of capital.

9 Controlling party

Flathill Communications Group plc, which is incorporated in England and Wales, is the company's ultimate parent undertaking. During the year Flathill Communications Group plc was controlled by Mrs CM Restall who was a director of that company. Flathill Communications Group plc prepares group accounts (which is the smallest and largest group of undertakings for which group accounts are drawn up), copies of which can be obtained from the registered office, 4th Floor, South Quay Building, 77 Marsh Wall, E14 9SH.