



MediTech Media™

MediTech Media Limited
Annual report and financial statements
for the year ended 31 December 2020

Registered number: 02074409



MediTech Media Limited

Strategic Report

The directors submit their strategic report of Meditech Media Limited for the year ended 31 December 2020.

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 strong in 2020 with growth in revenue of 15% and an increase in profits of 23% due to increases on existing client base and some new business. 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 aid further growth in 2021.

The company's financial position remains strong with net current assets at 31 December 2020 of £11,715,000 (2019: £9,639,000).

The company is an IATA Accredited Agent, and the outstanding balance as at 31 December 2020 included in trade payables is £1,302.

Future developments

The directors expect the business to grow further in 2021. This is due to Meditech Media's diverse client portfolio and the addition of new business in recent years.

There will be a continued strategy of hiring and retaining staff in order to support new opportunities.

2021 profit margins are expected to be in line with 2020.

Principal risks and uncertainties

There are several potential risks and uncertainties which could impact the company's performance, and these are considered by the group operating committee on a regular basis. The group operating committee and regional management teams consider the risks of all significant business decisions and changes in the external environment and in the company's operations.

The key risks affecting the business are as follows:

Operating Risk:

The company's reputation and continued success depends on its ability to provide services which are valued by its clients. The company regularly reviews the quality of its services both internally and through formalised client feedback and evaluation.

Market Risk:

The company operates in a specialised market and seeks to maintain a competitive advantage by offering an appropriate and relevant service range, and providing a high level of customer service from professional and dedicated staff. The company keeps abreast of developments in the market through maintaining strong relationships with its clients.

Personnel Risk:

The company is a privately-owned business and places great emphasis on recruiting and training high quality staff. The directors consider staff resourcing and succession planning issues on a regular basis.

Financial Risk:

The company is principally funded from retained profits and is reliant on converting these profits into cash. Financial monitoring, forecasting and planning are continuous processes and emphasis is placed on balancing maintenance or growth of profit margin against investment in resources to maintain delivery of a high quality of service to customers.

MediTech Media Limited

Strategic Report

The company's trading activities expose it to a number of principal financial risks such as credit risk, foreign currency exchange risk, cash flow risk, liquidity risk and interest rate risk. The company does not use derivative financial instruments for speculative purposes.

Exposure to credit, foreign currency exchange, liquidity and interest rate risks arise in the normal course of the company's business. These are monitored by the group operating committee and were not considered to be significant at the balance sheet date. The risks are limited by the company's financial management policies and practices described below:

Credit Risk:

The company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company has no significant concentration of credit risk, with exposure spread over many counterparties and customers.

The company deals with creditworthy clients. Trade receivables are monitored on an ongoing basis via the company's management reporting procedures.

Foreign Currency Exchange Risk:

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, arising from transactions denominated in foreign currency. Funds held in foreign currency are translated into pounds sterling when foreign exchange rates are favourable.

Liquidity Risk:

The company manages its liquidity risk by forecasting cashflow and monitoring actual cleared funds on a daily basis.

Interest Rate Risk:

Interest rate risk is minimised by the company managing its cashflow so as not to require any interest-bearing borrowing for working capital.

Approved by the Board and signed on its behalf by:



Dr S Cameron
Director

Dated: 7th July 2021

MediTech Media Limited

Directors' Report

The directors submit their report and the financial statements of MediTech Media Limited for the year ended 31 December 2020.

In accordance with s414C(11) of the Companies Act 2006, disclosures in respect of 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 (2019: £nil).

No final dividend is proposed (2019: £nil).

Directors

The directors, who served during the year and since the year end, were as follows:

Dr S Cameron

C Harrison (Resigned 19 February 2021)

B S Jackson (Appointed 19 February 2021)

M Morrow (Appointed 19 February 2021)

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.

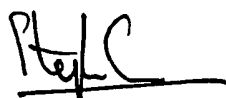
Auditor

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: 7th July 2021

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 2020 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 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 2020 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

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 at least twelve 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.

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 our 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 this gives rise to 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 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 have 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 4, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

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

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, completing a financial statement disclosure checklist and evaluating correspondence received from internal tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing a sample of journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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: 8 July 2021

MediTech Media Limited

Statement of comprehensive income for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Revenue	4	14,074	12,231
Cost of sales	5	(8,300)	(7,353)
Gross profit		5,774	4,878
Other operating expenses	5	(3,215)	(2,788)
Profit before tax	7	2,559	2,090
Taxation	9	(484)	(397)
Profit and total comprehensive income for the year		2,075	1,693

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 2020

	Note	2020 £000	2019 £000
Non-current assets			
Property, plant and equipment	10	-	1
Right of use assets	11	924	1,061
Deferred tax asset	12	17	17
		<u>941</u>	<u>1,079</u>
Current assets			
Trade and other receivables	13	17,353	13,449
Cash at bank and in hand		7,188	2,750
		<u>24,541</u>	<u>16,199</u>
Non-current liabilities			
Lease liabilities	11	(870)	(1,007)
		<u>(870)</u>	<u>(1,007)</u>
Current liabilities			
Trade and other payables	14	(12,205)	(6,032)
Lease liabilities	11	(137)	(133)
Corporation Tax	9	(484)	(395)
		<u>(12,826)</u>	<u>(6,560)</u>
Net current assets		<u>11,715</u>	<u>9,639</u>
Net assets		<u>11,786</u>	<u>9,711</u>
Equity attributable to owners of the parent			
Share capital	15	22	22
Retained earnings		11,764	9,689
Total equity		<u>11,786</u>	<u>9,711</u>

The financial statements of MediTech Media Limited (registered number 02074409) were approved by the board of directors and authorised for issue on 7th July 2021 and signed on its behalf by:



Dr S Cameron
Director

MediTech Media Limited

Statement of changes in equity for the year ended 31 December 2020

	Share capital £000	Retained earnings £000	Total £000
Balance at 1 January 2019	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
Profit and total comprehensive income for the year	-	2,075	2,075
Dividends	-	-	-
Balance at 31 December 2020	22	11,764	11,786

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2020

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 Hunter Holdco 3 Limited, which are available to the public from the address above.

Going concern

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.

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2020

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.

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2020

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

At inception of a contract, 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:

- 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.

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2020

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.

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.

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.

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2020

5. Expenses

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

	2020 £000	2019 £000
Wages and salaries	3,799	3,191
Other staff costs	839	880
Depreciation	138	138
Other direct costs	3,662	3,282
Other administrative expenses	3,077	2,650
	<u>11,515</u>	<u>10,141</u>

All pension plans are defined contribution plans.

6. Employees

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

	2020 Number	2019 Number
Medical communications and marketing	85	72

	2020 £000	2019 £000
Wages and salaries	3,799	3,191
Social security costs	416	356
Other pension costs	222	197
	<u>4,437</u>	<u>3,744</u>

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2020

7. Profit before tax

	2020 £000	2019 £000
Profit before tax is stated after charging:		
Depreciation of property, plant and equipment charged to other operating expenses	1	8
Depreciation of right-of-use assets	137	130
Exchange losses	23	39
Auditor's remuneration – statutory audit	22	6
	<u>223</u>	<u>183</u>

8. Directors' remuneration

Dr S Cameron and C Harrison were also directors of Nucleus Holdings Limited, the parent company. Their remuneration, which was paid by Nucleus Holdings Limited, is disclosed in that company's financial statements. There was £nil apportionment made to MediTech Media Limited.

9. Taxation

	2020 £000	2019 £000
Current tax		
UK corporation tax	484	396
Adjustments in respect of previous periods	-	-
Total current tax	<u>484</u>	<u>396</u>
Deferred tax		
Origination and reversal of timing differences	2	1
Effect of changes in tax rates	(2)	-
Total deferred tax (see note 12)	<u>-</u>	<u>1</u>
Total tax charge	<u>484</u>	<u>397</u>

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2020

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2020 £000	2019 £000
Profit before tax	2,559	2,090
Tax on profit at standard UK corporation tax rate of 19.00% (2019: 19.00%)	486	397
Effects of:		
Adjustments to deferred tax in respect of average rate change	(2)	-
	<u>484</u>	<u>397</u>

10. Property, plant and equipment

	Short leasehold improvements	Fixtures and Fittings	Total
	£000	£000	£000
Cost			
At 1 January 2020	50	2	52
Additions	-	-	-
Disposals	-	-	-
At 31 December 2020	<u>50</u>	<u>2</u>	<u>52</u>
Depreciation			
At 1 January 2020	49	2	51
Charge for the year	1	-	1
Disposals	-	-	-
At 31 December 2020	<u>50</u>	<u>2</u>	<u>52</u>
Net book value			
At 31 December 2019	1	-	1
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2020

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 2020	1,191	1,191
Additions	-	-
At 31 December 2020	1,191	1,191
Depreciation		
At 1 January 2020	130	130
Charge for the year	137	137
At 31 December 2020	267	267
Net book value		
At 31 December 2019	1,061	1,061
At 31 December 2020	924	924

Lease liabilities

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

	2020 £000	2019 £000
Current lease liabilities	137	133
Non-current lease liabilities	870	1,007
	1,007	1,140

12. Deferred tax asset

	2020 £000	2019 £000
Accelerated capital allowances:		
At the start of year	17	18
Deferred tax charged to profit and loss	-	(1)
Deferred tax asset at the end of year	17	17

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2020

13. Trade and other receivables

	2020	2019
	£000	£000
Trade receivables	3,652	2,733
Contract assets	808	714
Amounts owed by group undertakings	12,698	9,693
Other receivables	-	6
Prepayments and accrued income	195	303
	<u>17,353</u>	<u>13,449</u>

14. Trade and other payables

	2020	2019
	£000	£000
Trade payables	204	326
Contract liabilities	1,480	961
Amounts owed to group undertakings	9,008	2,903
Other taxation and social security	409	132
Other payables	48	33
Accruals and deferred income	1,056	1,677
	<u>12,205</u>	<u>6,032</u>

On 11 March 2021, MediTech Media entered into a security accession deed and became a chargor under a debenture, dated 7 May 2020, given by Hunter Holdco 3 Limited to Royal Bank of Canada, by way of a fixed and floating charge over the assets of the company.

15. Share capital

	2020	2019
	£000	£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.

MediTech Media Limited

Notes to the financial statements for the year ended 31 December 2020

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 2020 resulted in a contingent liability of £421,389 (2019: £nil).

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 £221,822 (2019: £196,827). At the year end pension contributions outstanding amounted to £42,488 (2019: £34,323).

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 £165,000 was payable by the company (2019: £157,500) under this lease. At the year end amounts totalling £20,216 (2019: £101,280) were outstanding.

20. Immediate and ultimate parent company

The immediate parent company for Meditech Media Limited is Nucleus Holdings Limited. The immediate parent company for Nucleus Holdings Limited is Huntsworth Proton UK Bidco Limited (incorporated in the UK). Consolidated group accounts are drawn up for Hunter Holdco 3 Limited, an indirect parent of Huntsworth Proton UK Bidco Limited.

The ultimate controlling Party is Clayton, Dubilier & Rice Holdings, LLC (incorporated in the United States).