

venturethree Limited

Report and Financial Statements

Year Ended

31 December 2017



Company number: 03681869

venturethree Limited

Annual report and financial statements for the year ended 31 December 2017

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Directors

P Orwell
P D Townsin
G Jones
M Zur-Szpiro

Secretary and registered office

J S Owen, 11 Cavalry Square, London, SW3 4RB

Company number

03681869

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU.

At venturethree Limited we aim to SPARK PROGRESS for people, organisations and the world. We believe in making a positive impact, improving lives in big or small ways, but always moving things forward. Our clients are our partners in this progress. Everything we do together is in collaboration. And it's the blend of our clients' insight and deep industry experience, together with our creative ideas and expertise that make projects a success.

Our principal activity during the year was brand strategy, design, communication and production.

Fair review of the business

2017 saw fee income down 17% in the first six months compared to the previous year. However a strong second half of the year meant we ended 2017 just 6% down on 2016.

Despite the drop in fee income in 2017, we maintained strong relationships with our key clients, and also developed relationships with a wide range of new clients, all of which underpinned our performance from Q3 onwards.

2018 has seen a promising start, with a 12% increase in fee income in the first six months. A number of exciting prospects mean that we are feeling very positive for the overall results for the year.

Staff turnover was high in 2017 at 45% (2016: 20%). However we managed to reduce our spend on freelancers compared to previous years. Our chargeable staff costs as a percentage of fee income therefore fell significantly to 49.5% (2016 – 53.2%).

The reduction in direct people costs meant that, despite the lower fee income, our gross profit percentage only fell slightly to 46.2% (2016 – 48%).

Principal risks and uncertainties

Reliance on key clients

We are fortunate to have a number of large clients who contribute a significant proportion of our turnover. In 2017, our four largest clients accounted for 80.3% (2016 – 77.5%) of our fee income. To mitigate the risks associated with such reliance on key clients, we maintain close client contact at all times, with on-going discussion of future needs, and prompt re-negotiation of contracts where necessary. We also maintain an active new business function, to drive new revenue streams, and promote income growth.

Currency risk

With 15% (2016 – 23%) of fee income deriving from overseas, we are exposed to fluctuations in the global currency markets. However we mitigate this exposure by invoicing in sterling whenever possible, and making use of forward exchange contracts where necessary, to guarantee rates.

Performance & KPIs

	2017	2016
Fee income (£'000)	5,616	5,995
<i>An absolute measure of our economic output, and the primary indicator of growth and expansion</i>		
Gross profit (£'000)	2,867	3,123
Gross profit (%)	46.2%	48.0%
<i>A key measure of the quality of turnover and the value added by the services carried out</i>		
Chargeable staff costs as a percentage of fee income (%)	49.5%	53.2%
<i>A measure of the efficiency of the largest direct input into turnover and its ability to generate income</i>		

Additional explanations of amounts included in the annual accounts

An amount of £15k has been included in the company accounts of venturethree Limited as an intercompany debtor (2016 - £5k creditor). This relates to a management charge for costs and overheads from venturethree Limited to NY3 Limited.

On behalf of the Board



P Orwell
Director

26th September 2018

Report of the directors for the year ended 31 December 2017

The directors present their report together with the audited financial statements for the year ended 31 December 2017.

Results and dividends

The group profit before tax for the year ended 31 December 2017 was £568k (2016 – £598k). A dividend of £575k was paid to the shareholders on 30 November 2017 (2016 – £1,000k).

Directors' responsibilities

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

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

Directors

The directors who served during the year were:

P Orwell
P D Townsin
G Jones
M Zur-Szpiro

Report of the directors for the year ended 31 December 2017 (continued)

Auditors

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

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

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

On behalf of the Board



P Orwell
Director

26th September 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VENTURETHREE LIMITED

Opinion

We have audited the financial statements of venturethree Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2017 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated statement of cash flows, the consolidated and company statements of 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 Financial Reporting Standard 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 Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's 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 Group and the Parent 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 Group or the Parent 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.

Independent auditor's report (continued)

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.

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 Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report (continued)

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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

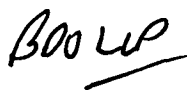
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 at the Financial Reporting Council's website at:

<https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Viner (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
W1U 7EU
United Kingdom

27 September 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

venturethree Limited**Consolidated statement of comprehensive income for the year ended 31 December 2017**

	Note	2017 £'000	2016 £'000
Turnover	4	6,208	6,504
Cost of sales		(3,341)	(3,381)
Gross profit		2,867	3,123
Administrative expenses		(2,300)	(2,527)
Operating profit	6	567	596
Interest receivable		1	2
Profit on ordinary activities before taxation		568	598
Taxation on profit on ordinary activities	7	(118)	(137)
Profit and total comprehensive income		450	461

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 14 to 23 form part of these financial statements.

venturethree Limited

Consolidated balance sheet at 31 December 2017

Company number: 03681869

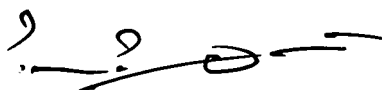
	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	9		563		694
			<u>563</u>		<u>694</u>
Current assets					
Debtors	10	2,481		1,857	
Cash at bank		974		1,124	
		<u>3,455</u>		<u>2,981</u>	
Creditors: amounts falling due within one year	11	1,845		1,377	
		<u>1,845</u>		<u>1,377</u>	
Net current assets			1,610		1,604
Total assets less current liabilities			<u>2,173</u>		<u>2,298</u>
Capital and reserves					
Called up share capital	13		20		20
Share premium account			782		782
Profit and loss account			1,371		1,496
			<u>2,173</u>		<u>2,298</u>
Shareholders' funds - equity			<u>2,173</u>		<u>2,298</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26th September 2018.

P D Townsin


Directors

P Orwell



The notes on pages 14 to 23 form part of these financial statements.

venturethree Limited

Company balance sheet at 31 December 2017

Company number: 03681869

	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Investments	8		1		1
Tangible assets	9		563		694
			<u>564</u>		<u>695</u>
Current assets					
Debtors	10	2,513		1,857	
Cash at bank		772		1,011	
		<u>3,285</u>		<u>2,868</u>	
Creditors: amounts falling due within one year	11	<u>1,848</u>		<u>1,388</u>	
Net current assets			<u>1,437</u>		<u>1,480</u>
Total assets less current liabilities			<u>2,001</u>		<u>2,175</u>
Capital and reserves					
Called up share capital	13		20		20
Share premium account			782		782
Profit and loss account			1,199		1,373
Shareholders' funds - equity			<u>2,001</u>		<u>2,175</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a profit after tax of £401k (2016 - £438k), which is dealt with in the financial statements of the parent company.

The financial statements were approved by the Board of Directors and authorised for issue on 26th September 2018.

P D Townsin

Directors

P Orwell

The notes on pages 14 to 23 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 December 2017

	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Cash flows from operating activities				
Profit for the year	450		461	
Adjustments for:				
Provision against investments/return of capital	-		1	
Depreciation of fixed assets	137		141	
Foreign exchange (gain)/loss	(3)		16	
Interest receivable	(1)		(2)	
Tax charge	118		137	
(Increase)/Decrease in debtors	(586)		299	
Increase/(Decrease) in creditors	486		(545)	
Cash from operations		601		508
Tax Paid	(171)		(105)	
Interest received	1		2	
		(170)		(103)
Net cash generated from operating activities		431		405
Cash flows from investing activities				
Payments to acquire tangible fixed assets	(6)		(30)	
Proceeds from sale of investments	-		-	
Net cash used in investing activities		(6)		(30)
Cash flows from financing activities				
Dividends paid on ordinary shares	(575)		(1,000)	
Net cash used in financing activities		(575)		(1,000)
Net decrease in cash and cash equivalents		(150)		(625)
Cash and cash equivalents at the start of year		1,124		1,749
Cash and cash equivalents at the end of year		974		1,124

The notes on pages 14 to 23 form part of these financial statements.

venturethree Limited**Consolidated statement of changes in equity for the year ended 31 December 2017**

	Called-up Share Capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2016	20	782	2,035	2,837
Profit and total comprehensive income	-	-	461	461
Dividends paid	-	-	(1,000)	(1,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	20	782	1,496	2,298
Profit and total comprehensive income	-	-	450	450
Dividends paid	-	-	(575)	(575)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	20	782	1,371	2,173
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 14 to 23 form part of these financial statements.

venturethree Limited**Company statement of changes in equity for the year ended 31 December 2017**

	Called-up Share Capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2016	20	782	1,935	2,737
Profit and total comprehensive income	-	-	438	438
Dividends paid	-	-	(1,000)	(1,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	20	782	1,373	2,175
Profit and total comprehensive income	-	-	401	401
Dividends paid	-	-	(575)	(575)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	20	782	1,199	2,001
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 14 to 23 form part of these financial statements.

1 General information

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

2 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the results of venturethree Limited and all of its subsidiary undertakings as at 31 December 2017 using the acquisition method of accounting as required. Under the acquisition method, the results of subsidiary undertakings are included from the date of acquisition.

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Fixed asset investments

Fixed asset investments are held at cost less provision for impairment if required.

Turnover

Turnover represents the invoiced amount of services provided, stated net of value added tax and includes, in relation to long term contracts, the appropriate proportion of the total value of the contract so as to reflect the value of work completed in the year on those contracts.

Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

2 Accounting policies (continued)

Tangible assets (continued)

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	over the length of the lease
Fixtures and fittings	-	20% per annum
Computer and office equipment	-	33 1/3 % per annum

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Functional currency

The financial statements are prepared in pounds sterling as that is the currency of the primary economic environment in which the company operates.

In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recognised at the spot rate at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

2 Accounting policies (continued)

Taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Share based payments

When share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the vesting period.

Where the scheme is treated as cash settled, the Company recognises the services received, and a liability to pay for those services, as the employees render service. Until the liability is settled, the Company re-measures the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value charged or credited to the profit and loss account for the year.

The group operates one equity settled scheme which has not been accounted for in accordance with Section 26 'Share based payments', on the grounds that they are not material.

Share Capital

Called up share capital represents the nominal value of the shares issued.

Share Premium

Share premium represents the amount subscribed for share capital in excess of the nominal value, net of issue costs.

Reserves

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Accounting policies (continued)

Financial Instruments

Classification

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like investments, trade and other debtors and creditors.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash consideration expected to be received.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to the insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognized initially at the transaction price. At the period end they are revalued using the period end foreign exchange rates, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. Trade creditors are recognized at the transaction price and at the period end they are revalued using the period end foreign exchange rates.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the directors have made the following judgements:

- Determining the stage of completion in respect of ongoing services. Factors considered include milestone achievements and level of staff time incurred per project as a proportion of the total expected time.

4 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. Turnover arises from Europe, with the exception of £489k (2016 - £656k) which arises from elsewhere in the world.

5 Employees and directors

	2017	2016
	£'000	£'000
<i>Staff costs consist of:</i>		
Wages and salaries	2,977	3,082
Social security costs	360	367
Pension contributions	49	57
Benefits in kind	10	12
	<u>3,396</u>	<u>3,518</u>
<i>The average number of employees, including directors, during the year was:</i>	Number	Number
Management staff and consultants	38	45
<i>The directors' aggregate emoluments in respect of qualifying services were:</i>	2017	2016
	£'000	£'000
Emoluments receivable	774	704
<i>Highest paid director</i>	2017	2016
	£'000	£'000
Total emoluments	315	219
<i>Compensation paid or payable to key management including directors for employee services:</i>	2017	2016
	£'000	£'000
Salaries and other short-term benefits	1,165	1,057

Two directors and two key management employees were issued share options in 2015. These were all exercised in the year.

6 Operating profit

	2017	2016
	£'000	£'000
This has been arrived at after charging:		
Depreciation	137	141
Auditors' remuneration - audit fees	19	18
- taxation services	8	8
Operating lease rentals - land and buildings	301	297

7 Taxation on profit on ordinary activities

	2017 £'000	2016 £'000
Current tax		
UK corporation tax on profits of the year	132	142
Under/(Over) provision in prior year	(7)	-
	<hr/>	<hr/>
Total current tax	125	142
Deferred tax		
Origination and reversal of timing differences	(7)	(3)
Effect of tax rate change on opening balance	-	(2)
	<hr/>	<hr/>
Total tax charge	118	137
	<hr/>	<hr/>

The tax assessed for the year is greater than (2016: greater than) the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £'000	2016 £'000
Profit on ordinary activities before tax	568	598
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	109	120
Effects of:		
Expenses not deductible for tax purposes	7	8
Depreciation for year differences from capital allowances	9	10
Adjust deferred tax to average rate	-	(1)
Under/(Over) provision in prior year	(7)	-
Tax relief on share options granted	-	-
	<hr/>	<hr/>
Current tax charge for year	118	137
	<hr/>	<hr/>
<i>Deferred tax liability</i>		
Opening balance	27	32
Short term timing differences	(7)	(5)
	<hr/>	<hr/>
Balance as at 31 December	20	27
	<hr/>	<hr/>

8 Fixed asset investments

	Company	
	2017	2016
	£'000	£'000
Shares in NY3 Limited	1	1

Subsidiary undertakings

Subsidiary undertakings of the company, including the aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date, were as follows:

Name	Class of share	Holding	Aggregate of share capital and reserves £'000	Profit £'000
NY3 Limited	Ordinary	100%	171	48

The registered address of NY3 Limited is 20-22 Wenlock Road, London, N1 7GU.

The principal activity of NY3 Ltd is brand strategy, design, communication and production.

9 Tangible assets

	Consolidated & Company			
	Leasehold improvements £'000	Fixtures and fittings £'000	Computer and office equipment £'000	Total £'000
<i>Cost</i>				
At 1 January 2017	998	94	585	1,677
Additions	-	-	6	6
At 31 December 2017	998	94	591	1,683
<i>Depreciation</i>				
At 1 January 2017	378	60	545	983
Charge for the year	95	13	29	137
At 31 December 2017	473	73	574	1,120
<i>Net book value</i>				
At 31 December 2017	525	21	17	563
At 31 December 2016	620	34	40	694

10 Debtors

	Consolidated		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade debtors	1,968	1,209	1,968	1,209
Other debtors	157	158	157	158
Corporation tax	38	-	55	-
Amounts owed from group undertakings	-	-	15	-
Prepayments and accrued income	318	490	318	490
	<u>2,481</u>	<u>1,857</u>	<u>2,513</u>	<u>1,857</u>

Debtors of £150,000 (2016 - £150,000) in the group and company are recoverable after more than one year.

11 Creditors: amounts falling due within one year

	Consolidated		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade creditors	113	54	113	54
Other creditors	-	7	-	7
Corporation tax	-	28	-	19
Other taxation and social security	333	225	336	240
Accruals and deferred income	1,379	1,036	1,379	1,036
Amounts owed to group undertakings	-	-	-	5
Deferred taxation	20	27	20	27
	<u>1,845</u>	<u>1,377</u>	<u>1,848</u>	<u>1,388</u>

12 Commitments under operating leases

As at 31 December 2017, the future minimum payments under non-cancellable operating leases are as set out below:

	Consolidated & Company	
	Land and buildings	Land and buildings
	2017	2016
	£'000	£'000
Not later than one year	340	327
Later than one year and not later than five years	1,467	1,364
Later than five years	196	533
	<u>2,003</u>	<u>2,224</u>
Total gross payments		

13 Share capital

	2017 '000	2016 '000	Allotted and called up 2017 £'000	2016 £'000
Ordinary shares of £0.001 each:				
At 1 January & 31 December 2017	20,261	20,261	20	20

Existing options under the 2008 scheme are exercisable at 11 pence each should certain circumstances occur relating to a significant change in the company's ownership.

At 31st December 2017, the total number of shares under option was 593,415 (2016 – 593,415).

No share option charge has been included in these accounts, on the grounds that it is not material.

14 Dividend

During the year a dividend of £575,000 (2016 - £1,000,000) was paid.

15 Control

There is no ultimate controlling party of venturethree Limited.

16 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

17 Defined contribution pension plan

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

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

18 Contingent liability

At the balance sheet date the company was in discussions relating to double taxation relief claimed during the current and prior financial years.

These discussions were resolved in favour of venturethree Limited in 2018. There is no additional liability required.