

REGISTERED NUMBER: 08039617 (England and Wales)

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
ACTIVATE SOLUTIONS GROUP LIMITED

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ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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ACTIVATE SOLUTIONS GROUP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS:

M J Cottman
P Spicer

REGISTERED OFFICE:

Sterling House
20 Station Road
Gerrards Cross
Buckinghamshire
SL9 8EL

BUSINESS ADDRESS:

c/o Field Sales Solutions Limited
Oxford House
Oxford Road
Thame
Oxfordshire
OX9 2AH

REGISTERED NUMBER:

08039617 (England and Wales)

AUDITORS:

Nunn Hayward LLP
Chartered Accountants
Statutory Auditor
Sterling House
20 Station Road
Gerrards Cross
Buckinghamshire
SL9 8EL

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their strategic report of the company and the group for the year ended 31 December 2016.

The principal activity of the group in the year under review was that of a range of services to brands, from brand design, direct consumer engagement, field marketing and outsourced sales services.

REVIEW OF BUSINESS

Consolidated group financial statements are prepared in order to reflect the financial performance and position of the group. The results of the subsidiary undertakings are reflected in these consolidated group accounts. As shown in the group's consolidated profit and loss account, the group's sales in continuing operations have increased to £16,700,998 (2015: £16,686,746) compared with the prior year. The group made a profit before taxation of £251,434 (2015: £185,129 loss).

The directors consider a key measure of the group's performance to be the commonly used measure 'Earnings Before Interest, Taxation, Depreciation and Amortisation' (EBITDA). The EBITDA for the group for 2016 was £496,102 (2015: £43,280).

The directors are pleased with the group's return to profitability, which was in line with the directors' expectations and driven by the investment strategy of the past three years. The directors expect continued growth in 2017, combined with improved profitability.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the principal business risk to the group would be the loss of business that would result should significant clients transfer their custom elsewhere.

ON BEHALF OF THE BOARD:



P Spicer - Director

7 July 2017

ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2016.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2016 was £nil.

FUTURE DEVELOPMENTS

No significant events having an effect on the financial position of the group have occurred between the end of the financial year and the approval of the accounts.

The principal activities of the group will remain consistent for the foreseeable future.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report

M J Cottman
P Spicer

FINANCIAL INSTRUMENTS

The directors' report does not contain an indication of the financial risk management objectives and policies of the group and details of the exposure of the group to price risk, credit risk, liquidity risk and cash flow risk on the basis that such information is not material to the assessment of the assets, liabilities, financial position and profit of the company and its subsidiary undertakings included in the consolidation

POLITICAL DONATIONS AND EXPENDITURE

The group did not make any political donations during the year to 31 December 2016

EMPLOYEE INVOLVEMENT

The group's policy is to consult and discuss with employees at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

DISABLED PERSONS

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Nunn Hayward LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

ON BEHALF OF THE BOARD:



P Spicer - Director

7 July 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVATE SOLUTIONS GROUP LIMITED

We have audited the financial statements of Activate Solutions Group Limited for the year ended 31 December 2016 on pages seven to twenty six. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'

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 a Report of the Auditors 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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of, whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVATE SOLUTIONS GROUP LIMITED**

Matters on which we are required to report by exception

In light of our 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 and the Report of the Directors.

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 director's 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 Report of the Directors and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Nunn Hayward LLP

Daniel Palmer (Senior Statutory Auditor)
for and on behalf of Nunn Hayward LLP
Chartered Accountants
Statutory Auditor
Sterling House
20 Station Road
Gerrards Cross
Buckinghamshire
SL9 8EL

Date: *7 July 2017*

ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	£	2016 £	£	2015 £
TURNOVER	3		16,700,998		16,686,746
Other operating income			<u>63,092</u>		<u>40,822</u>
			16,764,090		16,727,568
Staff costs	4	9,855,701		9,513,946	
Other operating expenses		<u>6,412,287</u>		<u>7,170,342</u>	
			<u>16,267,988</u>		<u>16,684,288</u>
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION			496,102		43,280
Depreciation			<u>243,142</u>		<u>219,408</u>
OPERATING PROFIT/(LOSS)	5		252,960		(176,128)
Interest receivable and similar income			<u>254</u>		<u>193</u>
			253,214		(175,935)
Interest payable and similar expenses	6		<u>1,780</u>		<u>9,194</u>
PROFIT/(LOSS) BEFORE TAXATION			251,434		(185,129)
Tax on profit/(loss)	7		<u>-</u>		<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			<u>251,434</u>		<u>(185,129)</u>
Profit/(loss) attributable to:					
Owners of the parent			251,435		(202,601)
Non-controlling interests			<u>(1)</u>		<u>17,472</u>
			<u>251,434</u>		<u>(185,129)</u>

The notes form part of these financial statements

ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
PROFIT/(LOSS) FOR THE YEAR		251,434	(185,129)
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>251,434</u>	<u>(185,129)</u>
Total comprehensive income attributable to:			
Owners of the parent		251,435	(202,601)
Non-controlling interests		<u>(1)</u>	<u>17,472</u>
		<u>251,434</u>	<u>(185,129)</u>

The notes form part of these financial statements

ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2016

	Notes	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	9		591,502		677,246
Tangible assets	10		109,980		153,231
Investments	11		-		-
			<u>701,482</u>		<u>830,477</u>
CURRENT ASSETS					
Debtors	12	3,961,945		3,204,636	
Cash at bank		<u>1,379,845</u>		<u>210,796</u>	
		5,341,790		3,415,432	
CREDITORS					
Amounts falling due within one year	13	<u>4,776,148</u>		<u>3,188,790</u>	
NET CURRENT ASSETS			<u>565,642</u>		<u>226,642</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,267,124		1,057,119
CREDITORS					
Amounts falling due after more than one year	14		<u>(12,500)</u>		<u>(33,929)</u>
NET ASSETS			<u>1,254,624</u>		<u>1,023,190</u>
CAPITAL AND RESERVES					
Called up share capital	19		11,899		12,284
Share premium	20		59,263		59,263
Capital redemption reserve	20		1,285		900
Other reserves	20		4,054		4,054
Retained earnings	20		<u>1,178,126</u>		<u>946,691</u>
SHAREHOLDERS' FUNDS			1,254,627		1,023,192
NON-CONTROLLING INTERESTS	21		<u>(3)</u>		<u>(2)</u>
TOTAL EQUITY			<u>1,254,624</u>		<u>1,023,190</u>

The financial statements were approved by the Board of Directors on 7 July 2017 and were signed on its behalf by



P Spicer - Director

The notes form part of these financial statements

ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

COMPANY BALANCE SHEET
31 DECEMBER 2016

	Notes	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		<u>1,036,332</u>		<u>1,036,332</u>
			1,036,332		1,036,332
CREDITORS					
Amounts falling due within one year	13	<u>944,937</u>		<u>924,752</u>	
NET CURRENT LIABILITIES			<u>(944,937)</u>		<u>(924,752)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>91,395</u>		<u>111,580</u>
CAPITAL AND RESERVES					
Called up share capital	19		11,899		12,284
Share premium	20		59,263		59,263
Capital redemption reserve	20		385		-
Other reserves	20		4,054		4,054
Retained earnings	20		<u>15,794</u>		<u>35,979</u>
SHAREHOLDERS' FUNDS			<u>91,395</u>		<u>111,580</u>
 Company's loss for the financial year			 <u>(185)</u>		 <u>(559)</u>

The financial statements were approved by the Board of Directors on 7 July 2017 and were signed on its behalf by



P Spicer - Director

The notes form part of these financial statements

ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £
Balance at 1 January 2015	11,547	1,286,684	-	900
Changes in equity				
Issue of share capital	737	-	59,263	-
Total comprehensive income	-	(202,601)	-	-
Increase in stake in subsidiaries	-	(137,392)	-	-
Balance at 31 December 2015	<u>12,284</u>	<u>946,691</u>	<u>59,263</u>	<u>900</u>
Changes in equity				
Purchase of own shares	(385)	(20,000)	-	385
Total comprehensive income	-	251,435	-	-
Balance at 31 December 2016	<u>11,899</u>	<u>1,178,126</u>	<u>59,263</u>	<u>1,285</u>
	Other reserves £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2015	4,054	1,303,185	(134,866)	1,168,319
Changes in equity				
Issue of share capital	-	60,000	-	60,000
Total comprehensive income	-	(202,601)	17,472	(185,129)
Increase in stake in subsidiaries	-	(137,392)	117,392	(20,000)
Balance at 31 December 2015	<u>4,054</u>	<u>1,023,192</u>	<u>(2)</u>	<u>1,023,190</u>
Changes in equity				
Purchase of own shares	-	(20,000)	-	(20,000)
Total comprehensive income	-	251,435	(1)	251,434
Balance at 31 December 2016	<u>4,054</u>	<u>1,254,627</u>	<u>(3)</u>	<u>1,254,624</u>

The notes form part of these financial statements

ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2015	11,547	36,538	-
Changes in equity			
Issue of share capital	737	-	59,263
Total comprehensive income	-	(559)	-
Balance at 31 December 2015	<u>12,284</u>	<u>35,979</u>	<u>59,263</u>
Changes in equity			
Purchase of own shares	(385)	(20,000)	-
Total comprehensive income	-	(185)	-
Balance at 31 December 2016	<u>11,899</u>	<u>15,794</u>	<u>59,263</u>
	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 January 2015	-	4,054	52,139
Changes in equity			
Issue of share capital	-	-	60,000
Total comprehensive income	-	-	(559)
Balance at 31 December 2015	<u>-</u>	<u>4,054</u>	<u>111,580</u>
Changes in equity			
Purchase of own shares	385	-	(20,000)
Total comprehensive income	-	-	(185)
Balance at 31 December 2016	<u>385</u>	<u>4,054</u>	<u>91,395</u>

The notes form part of these financial statements

ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	1,308,579	(41,745)
Interest paid		(1,780)	(9,194)
Tax paid		<u>14,259</u>	<u>(23,608)</u>
Net cash from operating activities		<u>1,321,058</u>	<u>(74,547)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(110,835)	(179,027)
Interest received		<u>254</u>	<u>193</u>
Net cash from investing activities		<u>(110,581)</u>	<u>(178,834)</u>
Cash flows from financing activities			
Loan repayments in year		(21,428)	(21,428)
Share issue		-	40,000
Share buyback		<u>(20,000)</u>	<u>-</u>
Net cash from financing activities		<u>(41,428)</u>	<u>18,572</u>
Increase/(decrease) in cash and cash equivalents		<u>1,169,049</u>	<u>(234,809)</u>
Cash and cash equivalents at beginning of year	2	<u>210,796</u>	<u>445,605</u>
Cash and cash equivalents at end of year	2	<u><u>1,379,845</u></u>	<u><u>210,796</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit/(loss) before taxation	251,434	(185,129)
Depreciation charges	239,386	219,408
Loss on disposal of fixed assets	444	-
Finance costs	1,780	9,194
Finance income	(254)	(193)
	<u>492,790</u>	<u>43,280</u>
(Increase)/decrease in trade and other debtors	(771,568)	640,938
Increase/(decrease) in trade and other creditors	<u>1,587,357</u>	<u>(725,963)</u>
Cash generated from operations	<u>1,308,579</u>	<u>(41,745)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2016

	31.12.16	1 1 16
	£	£
Cash and cash equivalents	<u>1,379,845</u>	<u>210,796</u>

Year ended 31 December 2015

	31.12.15	1 1 15
	£	£
Cash and cash equivalents	<u>210,796</u>	<u>445,605</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. STATUTORY INFORMATION

Activate Solutions Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial information is presented in pounds sterling, rounded to the nearest £1

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year.

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated balance sheet immediately below goodwill.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities. All intra-group transactions, balances, income and expenses are eliminated fully on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is impaired to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

Goodwill and intangible assets

The group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the consolidated balance sheet and amortised on a straight line basis over its expected useful life. Where the group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the synergies of the combination.

If a subsidiary, associate or business is subsequently sold or discontinued, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or discontinuance.

Turnover

Turnover consists of amounts receivable for field marketing and out-sourced sales services and is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. Revenue is recognised as the service is performed.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Short leasehold	- 20% on cost
Improvements to property	- 25% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 25% on cost and 20% on cost
Motor vehicles	- 33% on cost and 25% on cost
Computer equipment	- 50% on cost, 33% on cost and 25% on cost

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES - continued

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated

Deferred tax assets are only 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.

Deferred tax is recognised when income or expenses from a subsidiary have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense or income is presented either in profit or loss, other comprehensive income or equity, depending on the transaction that resulted in the tax expense or income.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if the group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities or which are intended to be realised and settled simultaneously.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate

Debtors

Short term debtors are measured at transaction price, less any impairment. They do not carry any interest

Creditors

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

3. TURNOVER

The turnover and profit (2015 - loss) before taxation are attributable to the one principal activity of the group

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
United Kingdom	<u>16,700,998</u>	<u>16,686,746</u>
	<u>16,700,998</u>	<u>16,686,746</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

4. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	8,977,097	8,667,014
Social security costs	719,297	698,710
Other pension costs	159,307	148,222
	<u>9,855,701</u>	<u>9,513,946</u>

The average monthly number of employees during the year was as follows

	2016	2015
Head office	68	72
Field staff	<u>332</u>	<u>340</u>
	<u>400</u>	<u>412</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 400.

	2016	2015
	£	£
Directors' remuneration	232,004	206,816
Directors' pension contributions to money purchase schemes	<u>16,072</u>	<u>25,456</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	<u>143,257</u>	<u>128,914</u>

5. OPERATING PROFIT/(LOSS)

The operating profit (2015 - operating loss) is stated after charging/(crediting):

	2016	2015
	£	£
Hire of plant and machinery	19,257	21,127
Other operating leases	112,569	133,388
Depreciation - owned assets	153,642	128,664
Loss on disposal of fixed assets	3,756	-
Goodwill amortisation	84,913	84,913
Other intangibles amortisation	831	5,831
Auditors' remuneration	27,700	26,600
Other non-audit services	8,000	7,800
Foreign exchange differences	<u>(86)</u>	<u>916</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Bank interest	<u>1,780</u>	<u>9,194</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

7 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit/(loss) before tax	<u>251,434</u>	<u>(185,129)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	50,287	(37,026)
Effects of:		
Utilisation of tax losses	-	(4,717)
Disallowable (income)/expenses	-	(3,638)
Other adjustments	<u>(50,287)</u>	<u>45,381</u>
Total tax charge	<u>-</u>	<u>-</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Other intangibles £	Totals £
COST			
At 1 January 2016 and 31 December 2016	<u>1,046,338</u>	<u>28,212</u>	<u>1,074,550</u>
AMORTISATION			
At 1 January 2016	369,923	27,381	397,304
Amortisation for year	<u>84,913</u>	<u>831</u>	<u>85,744</u>
At 31 December 2016	<u>454,836</u>	<u>28,212</u>	<u>483,048</u>
NET BOOK VALUE			
At 31 December 2016	<u>591,502</u>	<u>-</u>	<u>591,502</u>
At 31 December 2015	<u>676,415</u>	<u>831</u>	<u>677,246</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

10. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 January 2016	81,493	5,595	11,725
Additions	<u>4,776</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u>86,269</u>	<u>5,595</u>	<u>11,725</u>
DEPRECIATION			
At 1 January 2016	30,714	2,017	11,725
Charge for year	16,885	1,399	-
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u>47,599</u>	<u>3,416</u>	<u>11,725</u>
NET BOOK VALUE			
At 31 December 2016	<u>38,670</u>	<u>2,179</u>	<u>-</u>
At 31 December 2015	<u>50,779</u>	<u>3,578</u>	<u>-</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2016	140,314	-	933,341	1,172,468
Additions	15,914	4,529	85,616	110,835
Disposals	<u>(23,064)</u>	<u>-</u>	<u>(349,752)</u>	<u>(372,816)</u>
At 31 December 2016	<u>133,164</u>	<u>4,529</u>	<u>669,205</u>	<u>910,487</u>
DEPRECIATION				
At 1 January 2016	96,899	-	877,882	1,019,237
Charge for year	20,008	875	114,475	153,642
Eliminated on disposal	<u>(23,064)</u>	<u>-</u>	<u>(349,308)</u>	<u>(372,372)</u>
At 31 December 2016	<u>93,843</u>	<u>875</u>	<u>643,049</u>	<u>800,507</u>
NET BOOK VALUE				
At 31 December 2016	<u>39,321</u>	<u>3,654</u>	<u>26,156</u>	<u>109,980</u>
At 31 December 2015	<u>43,415</u>	<u>-</u>	<u>55,459</u>	<u>153,231</u>

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2016 and 31 December 2016	<u>1,036,332</u>
NET BOOK VALUE	
At 31 December 2016 and 31 December 2015	<u>1,036,332</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

11. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Field Sales Solutions Limited

Registered office: 20 Station Road, Gerrards Cross, Bucks. SL9 8EL.

Nature of business: Field Marketing

Class of shares:

Ordinary

	% holding		
	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		2,278,210	1,918,944
Profit for the year		<u>359,266</u>	<u>22,371</u>

Field Sales Solutions Tactical Limited

Registered office: 20 Station Road, Gerrards Cross, Bucks. SL9 8EL.

Nature of business: Field Marketing

Class of shares:

Ordinary

	% holding		
	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		246,000	79,717
Profit for the year		<u>166,283</u>	<u>11,875</u>

Ovation London Limited

Registered office: 20 Station Road, Gerrards Cross, Bucks. SL9 8EL.

Nature of business: Creative Agency

Class of shares:

Ordinary

	% holding		
	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		97,996	189,205
(Loss)/profit for the year		<u>(91,209)</u>	<u>26,258</u>

Fieldology Limited

Registered office: 20 Station Road, Gerrards Cross, Bucks. SL9 8EL.

Nature of business: Field Marketing

Class of shares:

Ordinary

	% holding		
	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		(254,451)	(295,126)
Profit for the year		<u>40,675</u>	<u>81,702</u>

ACTIVATE SOLUTIONS GROUP LIMITED (REGISTERED NUMBER: 08039617)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. FIXED ASSET INVESTMENTS - continued

Box Marketing Limited

Registered office: 20 Station Road, Gerrards Cross, Bucks. SL9 8EL.

Nature of business: Field Marketing

Class of shares:	%		
Ordinary	holding		
	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		149,886	84,299
Profit/(loss) for the year		<u>65,587</u>	<u>(25,328)</u>

Activate Fulfilment Limited

Registered office: 20 Station Road, Gerrards Cross, Bucks. SL9 8EL.

Nature of business: Warehousing and storage facilities

Class of shares:	%		
Ordinary	holding		
	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		(118,107)	(86,166)
Loss for the year		<u>(31,941)</u>	<u>(39,048)</u>

INQB8 Limited

Registered office: 20 Station Road, Gerrards Cross, Bucks. SL9 8EL.

Nature of business: Dissolved on 12 April 2016

Class of shares:	%		
Ordinary	holding		
	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		<u>-</u>	<u>100</u>

StreetAd Limited

Registered office: 20 Station Road, Gerrards Cross, Bucks. SL9 8EL.

Nature of business: Digital Screen Advertising

Class of shares:	%		
Ordinary	holding		
	100.00		
		2016	2015
		£	£
Aggregate capital and reserves		(645,459)	(473,330)
Loss for the year		<u>(172,129)</u>	<u>(177,487)</u>

Thanks a million ! Limited

Registered office: 20 Station Road, Gerrards Cross, Bucks. SL9 8EL.

Nature of business: Dissolved on 1 March 2016

Class of shares:	%		
Ordinary	holding		
	55.00		
		2016	2015
		£	£
Aggregate capital and reserves		<u>-</u>	<u>100</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

11. FIXED ASSET INVESTMENTS - continued

Subsidiary undertakings Field Sales Solutions Tactical Limited, Ovation London Limited, Fieldology Limited, Activate Fulfilment Limited and StreetAd Limited have claimed audit exemption under Companies Act 2006 Section 479A with respect to the year ended 31 December 2016. The group parent company, Activate Solutions Group Limited, has given a statement of guarantee under Companies Act 2006 Section 479C, whereby Activate Solutions Group Limited will guarantee all outstanding liabilities to which the respective subsidiary companies are subject as at 31 December 2016

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2016	2015
	£	£
Trade debtors	2,778,760	2,034,940
Other debtors	88,191	102,281
Tax	-	14,259
Prepayments and accrued income	<u>1,094,994</u>	<u>1,053,156</u>
	<u>3,961,945</u>	<u>3,204,636</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts (see note 15)	21,429	21,428	-	559
Trade creditors	399,691	339,273	-	-
Amounts owed to group undertakings	-	-	944,937	924,193
Social security and other taxes	1,304,212	912,225	-	-
Other creditors	137,993	268,110	-	-
Accruals and deferred income	<u>2,912,823</u>	<u>1,647,754</u>	<u>-</u>	<u>-</u>
	<u>4,776,148</u>	<u>3,188,790</u>	<u>944,937</u>	<u>924,752</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2016	2015
	£	£
Bank loans (see note 15)	<u>12,500</u>	<u>33,929</u>

15. LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	-	-	559
Bank loans	<u>21,429</u>	<u>21,428</u>	<u>-</u>	<u>-</u>
	<u>21,429</u>	<u>21,428</u>	<u>-</u>	<u>559</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>12,500</u>	<u>33,929</u>	<u>-</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

15. LOANS - continued

The bank loan expires on 29 July 2018 and is repayable on a monthly basis and interest is payable at 4% above the bank's base rate

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows.

Group

	2016	Non-cancellable operating leases 2015
	£	£
Within one year	71,892	71,892
Between one and five years	<u>269,595</u>	<u>341,487</u>
	<u>341,487</u>	<u>413,379</u>

17. SECURED DEBTS

In relation to Box Marketing Limited, a 100% owned subsidiary consolidated within these accounts, on the 28th March 2011 a bank loan was secured by a fixed and floating charge over the assets of the company with NatWest.

18. FINANCIAL INSTRUMENTS

The carrying amount of the group's financial instruments are as follows:

	2016 £	2015 £
Financial assets		
Debt instruments measured at amortised cost:		
-Trade debtors (note 12)	2,778,760	2,034,940
-Other debtors (note 12)	88,191	102,281
-Prepayments and accrued income (note 12)	<u>1,094,994</u>	<u>1,053,156</u>
	<u>3,961,945</u>	<u>3,190,377</u>
Financial liabilities		
Measured at amortised cost:		
-Bank loans and overdrafts (note 13-14)	33,929	55,357
-Trade creditors (note 13)	399,691	339,273
-Other creditors (note 13)	137,993	268,110
-Accruals and deferred income (note 13)	<u>2,912,823</u>	<u>1,647,754</u>
	<u>3,484,436</u>	<u>2,310,494</u>

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £254 (2015: £193) and £1,780 (2015: £9,194) respectively

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:
Number: Class:

		Nominal value:	2016 £	2015 £
455,000	A Ordinary	1p	4,550	4,550
455,000	B Ordinary	1p	4,550	4,550
76,980	D Ordinary	1p	770	1,155
202,941	E Ordinary	1p	<u>2,029</u>	<u>2,029</u>
			<u>11,899</u>	<u>12,284</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

19. CALLED UP SHARE CAPITAL - continued

Only the A Ordinary shares and B Ordinary shares have rights to vote. All shares have equal rights to dividends on a return of capital and on winding up. There are no rights of redemption.

20. RESERVES

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Other reserves £	Totals £
At 1 January 2016	946,691	59,263	900	4,054	1,010,908
Profit for the year	251,435				251,435
Purchase of own shares	(20,000)	-	385	-	(19,615)
At 31 December 2016	<u>1,178,126</u>	<u>59,263</u>	<u>1,285</u>	<u>4,054</u>	<u>1,242,728</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Other reserves £	Totals £
At 1 January 2016	35,979	59,263	-	4,054	99,296
Deficit for the year	(185)				(185)
Purchase of own shares	(20,000)	-	385	-	(19,615)
At 31 December 2016	<u>15,794</u>	<u>59,263</u>	<u>385</u>	<u>4,054</u>	<u>79,496</u>

Other reserves comprise share-based payment reserve, which arose on granting of 45,039 "E" ordinary shares to the employees of subsidiary undertaking Field Sales Solutions Limited on 30 April 2012. These shares were awarded and vested on 30 April 2012 and their fair value has been determined based on a valuation of 10 pence per "E" ordinary share and was accounted for as an equity-settled share-based payment transaction. A weighted average fair value of the shares was not calculated as there were no vesting conditions.

On 14 October 2015 the group capitalised £100,000 of its loan in subsidiary company StreetAd Limited in order to facilitate a more stable balance sheet in StreetAd Limited in its dealings with suppliers as the company moves forward. This loan capitalisation resulted in the group ownership of the issued share capital of StreetAd Limited increasing from 95% to 99.9995%. At the date of the loan capitalisation, the group derecognised the carrying amount of the non-controlling interest of £(27,198) and recorded a decrease in equity attributable to owners of the parent of £27,198.

On 30 November 2015 the group acquired the remaining 24.9% of the issued shares of subsidiary company Fieldology Limited for a purchase consideration of £20,000. This was satisfied by the non-controlling interest being allotted 24,570 E Ordinary Shares in the capital of the parent company. At the date of the acquisition the group derecognised the carrying amount of the non-controlling interest of £(90,219) and recorded a decrease in equity attributable to owners of the parent of £110,194.

21. NON-CONTROLLING INTERESTS

Included in the share capital of StreetAd Limited are 50 ordinary shares belonging to non-controlling interests with a 0.0005% interest in the subsidiary undertaking.

22. PENSION COMMITMENTS

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group into the funds. The contributions payable by the group for the year amount to £159,307 (2015: £148,222).

23 CONTINGENT LIABILITIES

The company has given guarantees and charges over its assets in favour of other group companies in support of certain borrowings of those companies. At the balance sheet date there was no amount outstanding under these borrowings.

24. RELATED PARTY DISCLOSURES

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the group and other related parties are disclosed below.

During the year, Field Sales Solutions Limited paid £70,909 (2015: £59,910) for the rent of the business premises owned by S P McQuillan's and M J Cottman's Self Invested Personal Pension Plans. Included in prepayments is an amount of £21,127 (2015: £44,604) relating to future rental periods.

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties of the group are Mr S P McQuillan and Mr M J Cottman.