

Company Registration No. 04323657 (England and Wales)

**TANGENT MARKETING SERVICES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 28 FEBRUARY 2013**

**COMPANIES HOUSE COPY**



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## **TANGENT MARKETING SERVICES LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	Nicholas Green Timothy Green
<b>Secretary</b>	Kevin Cameron
<b>Company number</b>	04323657
<b>Registered office</b>	84-86 Great Portland Street London W1W 7NR
<b>Auditors</b>	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

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# **TANGENT MARKETING SERVICES LIMITED**

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# **TANGENT MARKETING SERVICES LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 28 FEBRUARY 2013**

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The directors present their report and financial statements for the year ended 28 February 2013

#### **Principal activities and review of the business**

The principal activity of the company is that of customised marketing services

#### **Key risks and uncertainties**

The key risks and uncertainties for the company are identified as loss of a major client, loss of key personnel, changes in technology and competition in key market sectors

#### **Results and dividends**

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

#### **Directors**

The following directors have held office since 1 March 2012

Nicholas Green

Timothy Green

#### **Political and charitable donations**

**2013**

**2012**

**£**

**£**

During the year the company made the following payments

Charitable donations

1,995

4,528

#### **Auditors**

The auditors, UHY Hacker Young, are deemed to be reappointed under section 487(2) of the Companies Act 2006

# **TANGENT MARKETING SERVICES LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 28 FEBRUARY 2013**

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### **Statement of directors' responsibilities**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Kevin Cameron

**Secretary**

25 November 2013

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF TANGENT MARKETING SERVICES LIMITED**

We have audited the financial statements of Tangent Marketing Services Limited for the year ended 28 February 2013 set out on pages 5 to 15. 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).

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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE MEMBERS OF TANGENT MARKETING SERVICES LIMITED**

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**Matters on which we are required to report by exception**

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

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

*UHY Hacker Young*

**Colin Wright (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

25 November 2013

**Chartered Accountants**  
**Statutory Auditor**

**TANGENT MARKETING SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 28 FEBRUARY 2013**

	Notes	2013 £	2012 £
<b>Turnover</b>	<b>2</b>	10,102,137	10,479,733
Cost of sales		<u>(3,695,125)</u>	<u>(3,777,725)</u>
<b>Gross profit</b>		6,407,012	6,702,008
Administrative expenses		<u>(5,575,348)</u>	<u>(5,769,866)</u>
<b>Operating profit</b>	<b>3</b>	831,664	932,142
Non-operating exceptional items	<b>3</b>	<u>(119,450)</u>	<u>(173,240)</u>
<b>Profit on ordinary activities before interest</b>		712,214	758,902
Interest payable and similar charges	<b>4</b>	<u>-</u>	<u>(67)</u>
<b>Profit on ordinary activities before taxation</b>		712,214	758,835
Tax on profit on ordinary activities	<b>5</b>	<u>(232,975)</u>	<u>(225,915)</u>
<b>Profit for the year</b>	<b>14</b>	<u><u>479,239</u></u>	<u><u>532,920</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account



**TANGENT MARKETING SERVICES LIMITED**

**BALANCE SHEET**

**AS AT 28 FEBRUARY 2013**

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Intangible assets	6	272,469		-	
Tangible assets	7	256,973		247,969	
		<u>529,442</u>		<u>247,969</u>	
<b>Current assets</b>					
Debtors	8	4,859,651		5,318,782	
Cash at bank and in hand		<u>671,558</u>		<u>578,624</u>	
		5,531,209		5,897,406	
<b>Creditors: amounts falling due within one year</b>	9	<u>(4,041,070)</u>		<u>(4,605,033)</u>	
<b>Net current assets</b>		<u>1,490,139</u>		<u>1,292,373</u>	
<b>Total assets less current liabilities</b>		<u>2,019,581</u>		<u>1,540,342</u>	
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(1,200,000)</u>		<u>(1,200,000)</u>	
		<u>819,581</u>		<u>340,342</u>	
<b>Capital and reserves</b>					
Called up share capital	13	250,000		250,000	
Profit and loss account	14	<u>569,581</u>		<u>90,342</u>	
<b>Shareholders' funds</b>	15	<u>819,581</u>		<u>340,342</u>	

Approved by the Board and authorised for issue on 25 November 2013

  
Nicholas Green  
Director

  
Timothy Green  
Director

Company Registration No. 04323657

# **TANGENT MARKETING SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 28 FEBRUARY 2013**

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

##### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

##### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

##### **1.4 Customer lists**

The customer lists are amortised on a straight line basis over 2 years

##### **1.5 Intangible assets**

At the beginning of the period the following accounting policy in respect of intangible assets became relevant as the company commenced development of its own software platform

Internally generated assets arising from the company's software development are recognised only if all of the following conditions are met

An asset is created that can be identified

It is probable that the asset created will generate future economic benefit, and

The development cost of the asset can be measured reliably

Once development has been completed internally generated intangible assets are amortised on a straight line basis over their useful lives. However, as development was not completed in the period no amortisation has been charged in the year to 28 February 2013

##### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Leasehold improvements

Over the term of the lease

Fixtures, fittings & equipment

Over 3-10 years on cost

##### **1.7 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

# TANGENT MARKETING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2013

### 1 Accounting policies

(Continued)

#### 1.8 Pensions

The company makes contributions to the personal pension plans of certain employees. Contributions are charged to the profit and loss accounts as they become payable.

#### 1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted.

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate at the forward contract rate. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, or the contracted rate if the transaction is covered by a forward exchange contract. All differences are taken to profit and loss account.

### 2 Turnover

#### Geographical market

	2013 £	2012 £
UK	7,993,337	8,088,458
Europe	1,753,040	1,359,953
Rest of world	355,760	1,031,322
	<u>10,102,137</u>	<u>10,479,733</u>

**TANGENT MARKETING SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 28 FEBRUARY 2013**

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<b>3</b>	<b>Operating profit</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Depreciation of tangible assets	110,201	126,080
	Loss on disposal of tangible assets	596	-
	Loss on foreign exchange transactions	22,313	15,810
	Operating lease rentals	192,788	166,739
	Fees payable to the company's auditor for the audit of the company's annual accounts	10,000	10,000
		<u>10,000</u>	<u>10,000</u>

The non-operating exceptional items £119,450 (2012 £173,240) relate to redundancy and termination costs

<b>4</b>	<b>Interest payable</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Hire purchase interest	-	67
		<u>-</u>	<u>67</u>

**TANGENT MARKETING SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 28 FEBRUARY 2013**

<b>5 Taxation</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
U K corporation tax	199,769	232,015
Adjustment for prior years	20,206	(2,100)
<b>Total current tax</b>	<b>219,975</b>	<b>229,915</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(3,000)	(4,000)
Deferred tax adjustments arising in previous periods	16,000	-
	<b>13,000</b>	<b>(4,000)</b>
	<b>232,975</b>	<b>225,915</b>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	<b>712,214</b>	<b>758,835</b>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	<b>170,931</b>	<b>197,297</b>
Effects of		
Non deductible expenses	15,010	30,007
Depreciation in excess of capital allowances	6,031	10,414
Provisions	5,987	-
Adjustments to previous periods	20,206	(2,100)
Other tax adjustments	1,810	(5,703)
	<b>49,044</b>	<b>32,618</b>
<b>Current tax charge for the year</b>	<b>219,975</b>	<b>229,915</b>

# TANGENT MARKETING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

### 6 Intangible fixed assets

	Customer Development lists £	Costs £	Total £
<b>Cost</b>			
At 1 March 2012	39,121	-	39,121
Additions	-	272,469	272,469
At 28 February 2013	39,121	272,469	311,590
<b>Amortisation</b>			
At 1 March 2012 & at 28 February 2013	39,121	-	39,121
<b>Net book value</b>			
At 28 February 2013	-	272,469	272,469
At 29 February 2012	-	-	-

During the year the company spent £272,469 on internally generated intangible assets, developing e-commerce platforms

### 7 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 March 2012	202,451	503,547	705,998
Additions	38,137	82,860	120,997
Transfers out from fellow subsidiaries	-	(5,125)	(5,125)
At 28 February 2013	240,588	581,282	821,870
<b>Depreciation</b>			
At 1 March 2012	194,057	263,972	458,029
Transfers out from fellow subsidiaries	-	(3,333)	(3,333)
Charge for the year	13,625	96,576	110,201
At 28 February 2013	207,682	357,215	564,897
<b>Net book value</b>			
At 28 February 2013	32,906	224,067	256,973
At 29 February 2012	8,394	239,575	247,969

**TANGENT MARKETING SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 28 FEBRUARY 2013**

<b>8 Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,427,127	2,676,711
Amounts owed by parent and fellow subsidiary undertakings	1,990,707	2,330,113
Other debtors	94,389	53,646
Prepayments and accrued income	301,428	199,312
Deferred tax asset (see note 11)	46,000	59,000
	<u>4,859,651</u>	<u>5,318,782</u>

<b>9 Creditors: amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	121,920	150,483
Amounts owed to parent and fellow subsidiary undertakings	2,937,372	2,754,100
Corporation tax	103,773	199,182
Other taxes and social security costs	262,853	435,434
Other creditors	-	78,163
Accruals and deferred income	615,152	987,671
	<u>4,041,070</u>	<u>4,605,033</u>

On 12 August 2012 the company agreed a £1m overdraft facility at a rate of 1 25% over base rate secured by cross guarantees and debentures. The overdraft facility has never been drawn, but having the facility improves the financial flexibility of the company.

<b>10 Creditors: amounts falling due after more than one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other loans	<u>1,200,000</u>	<u>1,200,000</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,200,000</u>	<u>1,200,000</u>

The other loans represents amounts due to parent and is unsecured, interest free and has no fixed terms of repayment

**TANGENT MARKETING SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 28 FEBRUARY 2013**

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**11 Provisions for liabilities**

The deferred tax asset (included in debtors, note 8) is made up as follows:

	<b>2013</b> <b>£</b>
Balance at 1 March 2012	(59,000)
Profit and loss account	<u>13,000</u>
Balance at 28 February 2013	<u><u>(46,000)</u></u>

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Decelerated capital allowances	(24,000)	(30,500)
Other timing differences	<u>(22,000)</u>	<u>(28,500)</u>
	<u><u>(46,000)</u></u>	<u><u>(59,000)</u></u>

**12 Pension and other post-retirement benefit commitments**  
**Defined contribution**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Contributions payable by the company for the year	<u>35,329</u>	<u>33,003</u>

**13 Share capital**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>Allotted, called up and fully paid</b>		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>



# TANGENT MARKETING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2013

### 14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 March 2012	90,342
Profit for the year	479,239
Balance at 28 February 2013	<u>569,581</u>

### 15 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	479,239	532,920
Opening shareholders' funds	<u>340,342</u>	<u>(192,578)</u>
Closing shareholders' funds	<u>819,581</u>	<u>340,342</u>

### 16 Contingent liabilities

At 28 February 2013, the company had contingent liabilities amounting to £1m in respect of a unlimited multilateral guarantee and debentures relating to the group overdraft facility taken out by the parent company. The overdraft facility has never been drawn, but having the facility improves the financial flexibility of the group.

### 17 Financial commitments

At 28 February 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 28 February 2014

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire				
Within one year	23,500	-	-	-
Between two and five years	<u>236,683</u>	<u>202,562</u>	<u>10,264</u>	<u>6,227</u>
	<u>260,183</u>	<u>202,562</u>	<u>10,264</u>	<u>6,227</u>

## TANGENT MARKETING SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 28 FEBRUARY 2013

#### 18 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Production	61	60
Sales	33	34
Administration	11	7
	<u>105</u>	<u>101</u>

##### Employment costs

	2013 £	2012 £
Wages and salaries	4,053,559	4,452,483
Social security costs	483,929	472,747
Other pension costs	35,329	33,003
Costs of share option scheme	24,000	-
	<u>4,596,817</u>	<u>4,958,233</u>

#### 19 Control

The ultimate controlling party of the company is its parent company Tangent Communications plc, a company registered in England and Wales. Tangent Communications plc prepares group financial statements and copies are available from the parent company's head office at 84-86 Great Portland Street, London W1W 7NR.