

Company Registration No. 04323657 (England and Wales)

TANGENT MARKETING SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2017

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TANGENT MARKETING SERVICES LIMITED

COMPANY INFORMATION

Directors	Timothy Green	
	Oliver Green	(Appointed 31 October 2016)
	Nicholas Green	(Resigned 31 October 2016)
Secretary	Hugh O'Neill	
Company number	04323657	
Registered office	4th Floor 40-44 Clipstone Street London W1W 5DW	
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW	

TANGENT MARKETING SERVICES LIMITED

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TANGENT MARKETING SERVICES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2017

The directors present the strategic report for the period ended 31 March 2017.

Fair review of the business

The principal activity of the company continued to be that of digital marketing. The business operated through the Tangent Snowball brand and was been re-branded to Tangent during the year.

Sales continued to grow in 2016-17, increasing by 18% against the prior year. Sales have also increased on a like-for-like basis when comparing the 13 months to March 17 against the 13 months to March 2016.

Principal risks and uncertainties

The principal risks and uncertainties faced by the company are listed below. Some risks remain beyond the control of the company, as such the company cannot provide absolute assurance that all risks are managed to an acceptable level.

Risk area	Impact on Tangent	Mitigation of risk
Loss of service in both website and print/delivery infrastructure.	Tangent will not be able to fulfill client orders and as such financial performance may be impacted in both the short and longer term as customers may move to alternative suppliers.	Tangent invests in significant IT hosting infrastructure to ensure that up time is maximised and disaster recovery procedures are resilient and robust. Tangent has service contracts in respect of all its key items of plant with contracted service levels to mitigate downtime. In addition, Tangent invests in vendor lead training programmes to further reduce machinery failure.
Loss or a significant reduction in revenue from a major client	Tangent has some significant client relationships. Loss or a significant reduction in revenue from one or more of these clients may impact Tangent's operating profit and financial performance.	Tangent has a proven track record of both winning new business and organically growing long term client relationships. Strategic account managers are appointed to preserve these relationships, monitor service levels and expand services to clients.
Shortage or loss of key personnel and skills	The inability to attract or retain key staff with the required level of competency and technical knowledge may impact our ability to capitalise on opportunity and deliver against our business strategy and objectives.	Tangent seeks to engage, motivate and retain staff by offering remuneration packages that include competitive basic salaries, annual bonus awards and benefits packages. Comprehensive annual staff reviews are undertaken to identify skills gaps.

TANGENT MARKETING SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

Principal risk and Uncertainties (continued)

Deterioration in the general economic environment	There is a risk that general economic issues may impact Tangent's clients and reduce their spending power. This may impact on revenue and the profitability of Tangent.	Trends, both general and market specific, are monitored and factored into business planning and forecasting. In addition, Tangent builds strong working relationships with its significant clients maintaining an on-going dialogue to provide visibility on potential future revenue.
Technological obsolescence	Tangent's equipment/products may become obsolete, potentially impacting productivity and margin.	Tangent continues to invest in digital platforms to improve competitive edge and broaden the product offering. Development of strong relationships with suppliers and dedicated procurement resources within the group ensures that Tangent is able to react quickly to changes in technology.

Key performance indicators

The key performance indicators that management use to measure and drive business performance are as follows:-

- Revenue
- Revenue growth
- Gross margin
- Employment costs as a percentage of sales
- Underlying operating profit margin
- Staff retention

On behalf of the board

Oliver Green

Director

28/9/17

TANGENT MARKETING SERVICES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the period ended 31 March 2017.

The company has changed their reporting year end to 31 March during the period under review, the annual statements have been presented for a period longer than a year therefore the comparative figures are not entirely comparable. The newly adopted year-end aligns with that of the parent undertaking.

Principal activities

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

Directors

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

Timothy Green

Oliver Green

Nicholas Green

(Appointed 31 October 2016)

(Resigned 31 October 2016)

Results and dividends

The results for the period are set out on page 7.

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

Auditor

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

TANGENT MARKETING SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 auditor

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

On behalf of the board



.....
Oliver Green

Director

28/9/17

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TANGENT MARKETING SERVICES LIMITED

We have audited the financial statements of Tangent Marketing Services Limited for the period ended 31 March 2017 set out on pages 7 to 24. 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 FRS 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, 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 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 annual report 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 company's affairs as at 31 March 2017 and of its profit for the period 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

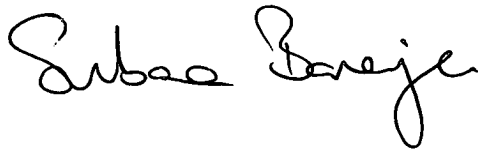
TO THE MEMBERS OF TANGENT MARKETING SERVICES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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



Subarna Banerjee (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

28/9/17

Chartered Accountants
Statutory Auditor

TANGENT MARKETING SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2017

		Period ended 31 March 2017 £	Year ended 28 February 2016 £
	Notes		
Turnover	3	7,811,559	6,636,031
Cost of sales		(5,777,665)	(4,707,796)
Gross profit		2,033,894	1,928,235
Administrative expenses		(1,467,771)	(1,283,471)
Profit before taxation		566,123	644,764
Taxation	7	(115,541)	57,800
Profit for the financial period	16	450,582	702,564

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

TANGENT MARKETING SERVICES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	9		118,248		198,587
Current assets					
Debtors	10	5,996,839		6,525,221	
Cash at bank and in hand		321,852		270,863	
		6,318,691		6,796,084	
Creditors: amounts falling due within one year	11	(3,492,991)		(4,547,552)	
Net current assets			2,825,700		2,248,532
Total assets less current liabilities			2,943,948		2,447,119
Provisions for liabilities	12		(80,226)		(33,979)
Net assets			2,863,722		2,413,140
Capital and reserves					
Called up share capital	15		250,000		250,000
Profit and loss reserves	16		2,613,722		2,163,140
Total equity			2,863,722		2,413,140

The financial statements were approved by the board of directors and authorised for issue on 28/9/17 and are signed on its behalf by:

Oliver Green
Director

Company Registration No. 04323657

TANGENT MARKETING SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 March 2015	250,000	1,460,576	1,710,576
Period ended 29 February 2016:			
Profit and total comprehensive income for the period	-	702,564	702,564
	<hr/>	<hr/>	<hr/>
Balance at 29 February 2016	250,000	2,163,140	2,413,140
Period ended 31 March 2017:			
Profit and total comprehensive income for the period	-	450,582	450,582
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	<u>250,000</u>	<u>2,613,722</u>	<u>2,863,722</u>

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

Company information

Tangent Marketing Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor, 40-44 Clipstone Street, London, W1W 5DW.

1.1 Accounting convention

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

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

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

These financial statements for the period ended 31 March 2017 are the first financial statements of Tangent Marketing Services Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 March 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 ‘Statement of Financial Position’ – Reconciliation of the opening and closing number of shares;
- Section 7 ‘Statement of Cash Flows’ – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Portland Asset Management (UK) Limited. These consolidated financial statements are available from Companies House.

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

During the period the company has changed the reporting year end to 31 March. As such the annual statements have been presented for a period longer than a year and therefore the comparative figures cover a different period to that of the reporting period. The newly adopted year-end aligns with that of the parent undertaking.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the term of the lease
Fixtures, fittings & equipment	Over 3-5 years on cost

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and balances with fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

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

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2017	2016
	£	£
Turnover		
Fees, consultancy and print revenue	7,811,559	6,636,031

The Board has chosen, for commercial reasons, not to disclose the split of revenue by geographical area.

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

4 Operating profit

	2017	2016
	£	£
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(48,934)	(11,059)
Fees payable to the company's auditor for the audit of the company's financial statements	21,240	30,225
Depreciation of owned tangible fixed assets	131,934	103,135
Amortisation of intangible assets	-	52,492
Impairment of intangible assets	-	130,744
Operating lease charges	415,883	293,359
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was 79

	2017	2016
	Number	Number
Sales & production	71	73
Administration	8	8
	<u> </u>	<u> </u>
	79	81
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	3,160,641	2,868,988
Social security costs	264,020	247,123
Pension costs	31,716	71,368
	<u> </u>	<u> </u>
	3,456,377	3,187,479
	<u> </u>	<u> </u>

6 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	67,250	-
	<u> </u>	<u> </u>

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

7 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	107,305	7,988
Adjustments in respect of prior periods	-	(63,340)
Double tax relief	-	(7,988)
	<u>107,305</u>	<u>(63,340)</u>
Total UK current tax	107,305	(63,340)
Foreign current tax on profits for the current period	-	7,988
Adjustments in foreign tax in respect of prior periods	8,240	11,990
	<u>115,545</u>	<u>(43,362)</u>
Deferred tax		
Origination and reversal of timing differences	8,233	(18,215)
Changes in tax rates	-	2,570
Adjustment in respect of prior periods	(8,237)	1,207
	<u>(4)</u>	<u>(14,438)</u>
Total deferred tax	(4)	(14,438)
Total tax charge/(credit)	<u>115,541</u>	<u>(57,800)</u>

TANGENT MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 MARCH 2017****7 Taxation****(Continued)**

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

	2017	2016
	£	£
Profit before taxation	566,123	644,764
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	113,225	128,953
Tax effect of expenses that are not deductible in determining taxable profit	6,396	1,488
Adjustments in respect of prior years	3	(51,350)
Effect of change in corporation tax rate	1,787	-
Group relief	(5,870)	(133,054)
Permanent capital allowances in excess of depreciation	-	(2,087)
Other non-reversing timing differences	-	(1,750)
Taxation charge/(credit) for the period	115,541	(57,800)

8 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2017	2016
	£	£
In respect of:		
Intangible assets	-	130,744
Recognised in:		
Administrative expenses	-	130,744

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

9 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 March 2016	118,262	475,560	593,822
Additions	-	67,475	67,475
Write off	-	(20,704)	(20,704)
At 31 March 2017	118,262	522,331	640,593
Depreciation and impairment			
At 1 March 2016	44,701	350,534	395,235
Depreciation charged in the period	25,334	106,600	131,934
Eliminated in respect of write off	-	(4,824)	(4,824)
At 31 March 2017	70,035	452,310	522,345
Carrying amount			
At 31 March 2017	48,227	70,021	118,248
At 29 February 2016	73,561	125,026	198,587

10 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	1,247,755	1,367,372
Amounts due from group undertakings	4,200,485	4,137,650
Other debtors	23,625	181,585
Prepayments and accrued income	483,625	797,269
	5,955,490	6,483,876
Deferred tax asset (note 13)	41,349	41,345
	5,996,839	6,525,221

In the prior year amounts due to and from group undertakings were not netted off, resulting in an overstatement of debtors and creditors: amounts due within one year.

The debtor balance has been reclassified in the comparative year, this change has decreased debtors and decreased creditors: amounts due within one year resulting in a nil effect on net assets.

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

11 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	201,595	190,194
Amounts due to group undertakings	2,708,898	3,932,728
Corporation tax	115,545	-
Other taxation and social security	121,096	262,138
Other creditors	-	653
Accruals and deferred income	345,857	161,839
	<u>3,492,991</u>	<u>4,547,552</u>

The prior year dilapidation provision was included within accruals, this balance has been reclassified to provisions for liabilities (note 13). There has been no impact on the net asset position of the company.

See note 10 regarding reclassifications effecting the comparative amounts due to group undertakings balance.

12 Provisions for liabilities

	2017	2016
	£	£
Dilapidation	<u>80,226</u>	<u>33,979</u>

Movements on provisions:

	Dilapidation
	£
At 1 March 2016	33,979
Additional provisions in the year	<u>46,247</u>
At 31 March 2017	<u>80,226</u>

Provisions for dilapidation repairs are recognised as the company has a present obligation to carry out dilapidation repair work on some of the leasehold premises it occupies before they are vacated. The amount recognised as a provision is the best estimate of the costs required to carry out the dilapidations work.

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2017 £	Assets 2016 £
Balances:		
ACAs	41,349	41,345
	<u> </u>	<u> </u>
Movements in the period:		2017 £
Liability/(Asset) at 1 March 2016		(41,345)
Credit to profit or loss		(4)
		<u> </u>
Liability/(Asset) at 31 March 2017		(41,349)
		<u> </u>

14 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	31,716	71,368
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
250,000 Ordinary shares of £1 each	250,000	250,000
	<u> </u>	<u> </u>

All shares are non-redeemable and hold equal voting and distribution rights.

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

16 Profit and loss reserves

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

16 Profit and loss reserves

(Continued)

Profit and loss reserves include all current and prior period retained profits and losses.

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	249,351	282,526
Between two and five years	500,176	655,754
	<u>749,527</u>	<u>938,280</u>

TANGENT MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

18 Related party transactions

During the period, the company made sales of £96,496 (2016: £136,199) to Nails Inc, and £7,754 (2016: £nil) to Tangent Estates Limited, which are deemed to be a related parties by virtue of Michael Green's (a director and shareholder of the parent company) common interest. At the year end, an amount of £13,196(2016: £43,729) was owed by Nails Inc and £9,305 (2016: £nil) was owed by Tangent Estates Limited, both included in trade debtors.

19 Controlling party

The immediate parent company of the entity is Tangent Communications plc, which is registered in England and Wales.

The ultimate parent company is Portland Asset Management (UK) Limited, a company registered in England and Wales. This is the largest company for which consolidated group financial statements are prepared. Group financial statements and copies are available from Companies House.