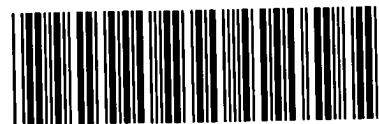


Company Registration No. 04323657 (England and Wales)

**TANGENT MARKETING SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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# **TANGENT MARKETING SERVICES LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Michael Green Oliver Green Philippa Norridge Timothy Green	(Appointed 1 June 2018)  (Appointed 9 January 2019)
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<b>Company number</b>	04323657
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<b>Registered office</b>	Threeways House 40-44 Clipstone Street London W1W 5DW
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<b>Auditor</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

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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The directors present the strategic report for the year ended 31 March 2019.

### Fair review of the business

Net profit after tax has increased by 30% to £1,007,814 from £773,217. Turnover during the year dropped from the previous year, partly due to the winding down of a low margin and legacy revenue stream.

The year to March 2019 has been one of consolidation and investment. There were new account wins including IWG, Taylor Wessing and NATS, and retention of all major clients. Our Newcastle team spent the first full year in their new upgraded office space. We continued to invest in the senior management team, with key hires made including a Delivery Director and a Finance Director as well as new business and marketing resource. We also invested in our own brand and website, relaunching this during the year, which has shown returns in terms of new business enquiries, and we go into the new financial year with a healthy new business pipeline.

The core of our business continues to be digital marketing and services related to the enhancement, optimisation and support of digital products. The market has continued to grow and develop as brands shift their marketing spend away from traditional channels and towards digital. The market is as competitive as ever and we must continually evolve and develop our proposition to ensure our offering remains competitive and relevant. To this end, we have been researching the digital and social content space, and are looking to develop further in this area in the coming year. We also invested in a 18.67% stake in the AIM listed social video company Brave Bison Group Plc after the year end.

### Principal risks and uncertainties

The key risk to the business is from contract losses and loss of key staff. To mitigate this, we continually review the market to ensure our processes are efficient and our talent is engaged and incentivised. There are also risks around information security and data breaches, which we mitigate against through our ISO27001 compliance.

### Key performance indicators

The key performance indicators used to measure and drive business performance are revenue, revenue growth, gross margin, overheads and salary costs as a percentage of sales and operating profit margin.

On behalf of the board

.....  
Oliver Green

Director

17<sup>th</sup> September 2019

# **TANGENT MARKETING SERVICES LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present their annual report and financial statements for the year ended 31 March 2019.

#### **Principal activities**

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

#### **Directors**

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

Michael Green	(Appointed 1 June 2018)
Oliver Green	
Philippa Norridge	(Appointed 9 January 2019)
Timothy Green	

#### **Results and dividends**

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

No ordinary dividends were paid (2018: £880,000).

#### **Auditor**

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

#### **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.

**TANGENT MARKETING SERVICES LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2019**

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**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

Date: 7<sup>th</sup> September 2019

## **INDEPENDENT AUDITOR'S REPORT**

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

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#### **Opinion**

We have audited the financial statements of Tangent Marketing Services Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

23/9/19

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

**TANGENT MARKETING SERVICES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2019**

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		Year ended 31 March 2019 £	Year ended 31 March 2018 £
	Notes		
<b>Turnover</b>	<b>4</b>	7,233,403	7,901,462
Cost of sales		(4,908,451)	(5,681,230)
		<hr/>	<hr/>
<b>Gross profit</b>		2,324,952	2,220,232
Administrative expenses		(1,795,313)	(1,347,314)
Intercompany balance write off		-	(80,922)
		<hr/>	<hr/>
<b>Profit before taxation</b>		529,639	791,996
Research and development tax credit	<b>8</b>	476,570	-
Other tax	<b>8</b>	1,605	(18,779)
		<hr/>	<hr/>
Taxation on profit		478,175	(18,779)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<u>1,007,814</u>	<u>773,217</u>

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# TANGENT MARKETING SERVICES LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	10		228,932		245,666
<b>Current assets</b>					
Debtors	11	6,570,035		5,191,876	
Cash at bank and in hand		550,318		595,113	
		<u>7,120,353</u>		<u>5,786,989</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,476,032)</u>		<u>(3,167,216)</u>	
<b>Net current assets</b>			3,644,321		2,619,773
<b>Total assets less current liabilities</b>			3,873,253		2,865,439
<b>Provisions for liabilities</b>	13		(108,500)		(108,500)
<b>Net assets</b>			<u>3,764,753</u>		<u>2,756,939</u>
<b>Capital and reserves</b>					
Called up share capital	16	250,000		250,000	
Profit and loss reserves	17	3,514,753		2,506,939	
<b>Total equity</b>			<u>3,764,753</u>		<u>2,756,939</u>

The financial statements were approved by the board of directors and authorised for issue on 17<sup>th</sup> April 2019 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 YEAR ENDED 31 MARCH 2019**

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2017</b>		250,000	2,613,722	2,863,722
<b>Period ended 31 March 2018:</b>				
Profit and total comprehensive income for the period		-	773,217	773,217
Dividends	9	-	(880,000)	(880,000)
<b>Balance at 31 March 2018</b>		250,000	2,506,939	2,756,939
<b>Period ended 31 March 2019:</b>				
Profit and total comprehensive income for the period		-	1,007,814	1,007,814
<b>Balance at 31 March 2019</b>		250,000	3,514,753	3,764,753

# **TANGENT MARKETING SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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#### **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 Threeways House, 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 £.

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.

##### **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.

# TANGENT MARKETING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

(Continued)

##### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for 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 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 it is probable will be recovered.

##### 1.4 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

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.

##### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

# TANGENT MARKETING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

---

#### 1 Accounting policies

(Continued)

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.

#### 1.6 Cash and cash equivalents

Cash at bank and in hand 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.

#### 1.7 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.

#### *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.

# TANGENT MARKETING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

(Continued)

##### *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.

##### *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.



# TANGENT MARKETING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

---

### 1 Accounting policies

(Continued)

#### 1.8 Equity instruments

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

#### 1.9 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.

##### *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.

#### 1.10 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 in which it arises.

# **TANGENT MARKETING SERVICES LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.11 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.

#### **1.12 Retirement benefits**

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

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.

#### **1.13 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.

# TANGENT MARKETING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 3 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.

### 4 Turnover and other revenue

	2019	2018
	£	£
<b>Turnover analysed by class of business</b>		
Fees and consultancy	7,233,403	7,901,462

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

### 5 Operating profit

	2019	2018
	£	£
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(4,660)	(35,327)
Fees payable to the company's auditor for the audit of the company's financial statements	15,750	20,000
Depreciation of owned tangible fixed assets	112,395	81,176
Loss on disposal of tangible fixed assets	4,636	-
Operating lease charges - property	401,047	399,096

Operating profit include £126,183 in respect of professional fees payable in relation to the successful research and development claim.

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £4,660 (2018 - £35,327).

**TANGENT MARKETING SERVICES LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2019**

**6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 69 (2018: 77)

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Sales & production	61	70
Administration	8	7
	<u>69</u>	<u>77</u>

Their aggregate remuneration comprised:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,393,710	3,422,625
Social security costs	413,856	358,447
Pension costs	54,979	39,021
	<u>3,862,545</u>	<u>3,820,093</u>

**7 Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	<u>161,320</u>	<u>65,419</u>

**8 Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Adjustments in respect of prior periods	<u>(476,570)</u>	<u>(10,386)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(1,605)</u>	<u>29,165</u>
 Total tax (credit)/charge	 <u>(478,175)</u>	 <u>18,779</u>

**TANGENT MARKETING SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****8 Taxation****(Continued)**

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before taxation	529,639	791,996
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	100,631	150,479
Tax effect of expenses that are not deductible in determining taxable profit	20,499	19,129
Change in unrecognised deferred tax assets	-	(3,431)
Adjustments in respect of prior years	-	(10,386)
Group relief	(122,922)	(138,912)
Research and development tax credit	(476,570)	-
Other differences	187	1,900
Taxation (credit)/charge for the period	(478,175)	18,779

**9 Dividends**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interim paid	-	880,000

**TANGENT MARKETING SERVICES LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2019**

**10 Tangible fixed assets**

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2018	134,926	714,261	849,187
Additions	34,768	64,961	99,729
Disposals	-	(6,666)	(6,666)
At 31 March 2019	169,694	772,556	942,250
<b>Depreciation and impairment</b>			
At 1 April 2018	90,326	513,195	603,521
Depreciation charged in the year	34,331	78,064	112,395
Eliminated in respect of disposals	-	(2,598)	(2,598)
At 31 March 2019	124,657	588,661	713,318
<b>Carrying amount</b>			
At 31 March 2019	45,037	183,895	228,932
At 31 March 2018	44,600	201,066	245,666

**11 Debtors**

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,668,703	1,063,883
Corporation tax recoverable	468,334	-
Amounts owed by group undertakings	3,845,274	3,504,902
Other debtors	10,026	16,446
Prepayments and accrued income	563,913	594,465
	6,556,250	5,179,696
Deferred tax asset (note 14)	13,785	12,180
	6,570,035	5,191,876

**TANGENT MARKETING SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****12 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	595,548	273,835
Amounts owed to group undertakings	1,772,889	1,984,461
Corporation tax	-	8,236
Other taxation and social security	390,331	344,331
Other creditors	29,182	44,578
Accruals and deferred income	688,082	511,775
	<u>3,476,032</u>	<u>3,167,216</u>

**13 Provisions for liabilities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Dilapidations	<u>108,500</u>	<u>108,500</u>

Movements on provisions:

	<b>Dilapidations</b>
	<b>£</b>
At 1 April 2018 and 31 March 2019	<u>108,500</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 YEAR ENDED 31 MARCH 2019

### 14 Deferred taxation

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

	Assets 2019 £	Assets 2018 £
<b>Balances:</b>		
ACAs	11,937	9,628
Other timing differences	1,848	2,552
	<u>13,785</u>	<u>12,180</u>
<b>Movements in the year:</b>		<b>2019 £</b>
Liability/(Asset) at 1 April 2018		(12,180)
Credit to profit or loss		(1,605)
		<u>(13,785)</u>
Liability/(Asset) at 31 March 2019		<u>(13,785)</u>

### 15 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	54,979	39,021
	<u>54,979</u>	<u>39,021</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.

### 16 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
250,000 Ordinary shares of £1 each	250,000	250,000
	<u>250,000</u>	<u>250,000</u>



## TANGENT MARKETING SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

#### 16 Share capital

(Continued)

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.

#### 17 Profit and loss reserves

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

#### 18 Operating lease commitments - property

##### 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:

	2019	2018
	£	£
Within one year	158,564	300,908
Between two and five years	212,235	226,266
In over five years	207,455	281,989
	<u>578,254</u>	<u>809,163</u>

#### 19 Events after the reporting date

On 18 June 2019, the company bought a 18.67% stake in a Brave Bison Group plc for a consideration of £1,358,467.

#### 20 Related party transactions

During the year, the company made sales of £117,488 (2018: £105,050) to Nails Inc, which is deemed to be a related party by virtue of Michael Green's (a director and shareholder of the parent company) common interest. At the year end, an amount of £7,735 (2018: £14,353) was owed by Nails Inc this is included within in trade debtors.