Company Registration No. 07266006 (England and Wales)

ACQUITY CUSTOMER INSIGHT LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2016

ACQUITY CUSTOMER INSIGHT LIMITED

COMPANY INFORMATION

Directors	M G Runacus M J H Brown M D Phillips J Barnes-Austin B A Bilboul
Company number	07266006
Registered office	Farringdon Place 20 Farringdon Road London EC1M 3HE
Auditors	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL

ACQUITY CUSTOMER INSIGHT LIMITED

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ACQUITY CUSTOMER INSIGHT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present their annual report and financial statements for the year ended 30 April 2016.

Principal activities
The principal activity of the company is that of the provision of data and analytical services.

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

M G Runacus	
M J H Brown	
I M Scoffield	(Resigned 21 September 2016)
M D Phillips	(Appointed 8 September 2015)
J Barnes-Austin	(Appointed 21 September 2016)
B A Bilboul	(Appointed 24 November 2016)

Results and dividends
The results for the year are set out on page 5.

No ordinary dividends were paid. The directors are precluded from recommending payment of a final dividend.

Auditor
The auditor, KPMG LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The directors have also taken the available exemption from the requirement to prepare a strategic report.

On behalf of the board

Ben Bilboul
B A Bilboul
Director
24 NOV 16

ACQUITY CUSTOMER INSIGHT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2016

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACQUITY CUSTOMER INSIGHT LIMITED

We have audited the financial statements of Acquity Customer Insight Limited for the year ended 30 April 2016 set out on pages 5 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 page 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 30 April 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Andrew Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 24 November 2016

ACQUITY CUSTOMER INSIGHT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 £
Turnover	3	1,467,545	1,797,661
Direct costs		(638,399)	(596,709)
Revenue		829,146	1,200,952
Administrative expenses:			
Operating		(800,943)	(1,321,843)
Depreciation	5	(6,005)	(7,224)
Amortisation and impairments	5	-	(22,668)
Non recurring items	4	(16,363)	(142,194)
Total administrative expenses		(823,311)	(1,493,929)
Operating profit/(loss)	5	5,835	(292,977)
Interest receivable and similar income	8	-	324
Interest payable and similar charges	9	-	(449)
Profit/(loss) on ordinary activities before taxation		5,835	(293,102)
Taxation	10	48,833	1,445
Profit/(loss) for the financial year	18	54,668	(291,657)
Total comprehensive income for the year		54,668	(291,657)

EBITDA before non recurring items*	28,203	(120,891)
EBIT before non recurring items**	22,198	(150,783)

*EBITDA defined as earnings before interest, tax, depreciation and amortisation.

**EBIT defined as earnings before interest and tax.

Company Registration No. 07266006

ACQUITY CUSTOMER INSIGHT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	13		2,006		8,011
Current assets					
Debtors	14	291,485		234,126	
Cash at bank and in hand		219,338		225,523	
		510,823		459,649	
Creditors: amounts falling due within one year	15	(1,702,968)		(1,712,467)	
Net current liabilities			(1,192,145)		(1,252,818)
Net liabilities			(1,190,139)		(1,244,807)
Capital and reserves					
Called up share capital	18		1		1
Profit and loss reserves	19		(1,190,140)		(1,244,808)
Total equity			(1,190,139)		(1,244,807)

The financial statements were approved by the board of directors and authorised for issue on 24 NOV 16 and are signed on its behalf by:

Ben Bilboul

B A Bilboul
Director

ACQUITY CUSTOMER INSIGHT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 May 2014		1	(953,151)	(953,150)
Period ended 30 April 2015:				
Loss and total comprehensive income for the year		-	(291,657)	(291,657)
Balance at 30 April 2015		1	(1,244,808)	(1,244,807)
Period ended 30 April 2016:				
Loss and total comprehensive income for the year		-	54,668	54,668
Balance at 30 April 2016		1	(1,190,140)	(1,190,139)

1 Accounting policies

Company information
Acquity Customer Insight Limited is a company limited by shares incorporated and domiciled in England and Wales. The registered office is Farringdon Place, 20 Farringdon Road, London, EC1M 3HE.

The company's principal activities are disclosed in the Directors' Report.

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.

First time adoption of FRS 102
These financial statements are the first financial statements of Acquity Customer Insight Limited prepared in accordance with FRS 102. The financial statements of Acquity Customer Insight Limited for the year ended 30 April 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

There were no adjustments arising from the transition to FRS 102 to either the comparative figures or to retained earnings at the transition date.

In accordance with FRS 102, the Company has taken advantage of the 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' & 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*

Acquity Customer Insight Limited is a wholly owned subsidiary of Karma Communications Holdings Limited and the results of Acquity Customer Insight Limited are included in the consolidated financial statements of Karma Communications Holdings Limited which are available from Farringdon Place, 20 Farringdon Road, London, UK, EC1M 3HE.

1 *Accounting policies (Continued)*

Going concern

The Company's accounts show a profit after tax for the period ended 30 April 2016 of £54,668 (2015: loss £291,657), net current liabilities of £1,192,145 (2015: £1,252,818) and a net liabilities position of £1,190,139 (2015: £1,244,807).

The directors have considered the factors that impact the Company's future development, performance, cash flows and financial position along with Company's current liquidity in forming their opinion on the going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Company has support from the ultimate parent company, Karma Communications Holdings Limited, which has confirmed that there is no intention to ask for repayment of amounts due to itself and other group companies in the foreseeable future, and not less than 12 months from the date of signing the audit report.

Turnover

Turnover represents amounts receivable from clients (exclusive of Value Added Tax) for services provided and comprises fees, performance related bonuses, and direct costs incurred on behalf of clients.

Direct costs comprise third party production costs for those services that the Group is arranging for its clients in its capacity as an intermediary. The Group contracts directly with suppliers and is responsible for their payment, recharging its clients for all costs incurred. Where the Group acts as an intermediary, costs incurred with external suppliers are excluded from revenue.

Revenue comprises turnover, less amounts payable on behalf of clients to external suppliers performing part of the work being provided to the client, and represents fees, performance related bonuses and mark up on rechargeable expenses. Fees are comprised of retainer fees (recognised on a straight line basis over the term of the contract). Revenue from contracts for the provision of 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.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1 Accounting policies (Continued)

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated 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:

Fixtures, fittings and equipment	33% straight line
Computer equipment	33% straight line

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.

Impairment of fixed assets
At each reporting end date, the company reviews the carrying amounts of its fixed 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) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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 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.

1 Accounting policies (Continued)

Basic financial assets
Basic financial assets, which include trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets
Other financial assets, including trade investments, 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 publically 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.

Basic financial liabilities
Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest.

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

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

1 Accounting policies (Continued)

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.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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.

Retirement benefits
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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.

Key accounting estimates in preparing the financial statements include the amortisation period of goodwill. In determining the amortisation period the directors estimate the useful life of the goodwill by determining the period over which the company expects to consume the future economic benefits, with reference to future revenues expected to be generated.

There were no other estimates and assumptions considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Turnover and other revenue

The total turnover of the company for the year has been derived entirely from its principal activity which is considered to be the sole class of business, wholly undertaken in the United Kingdom.

4 Non recurring costs

	2016	2015
	£	£
Restructuring costs	16,363	142,194

5 Operating profit/(loss)

	2016	2015
Operating profit/(loss) for the year is stated after charging/(crediting):	£	£
Depreciation of owned tangible fixed assets	6,005	7,224
Amortisation of intangible assets	-	22,668

6 Auditors' remuneration

	2016	2015
Fees payable to the company's auditor and its associates:	£	£
For audit services		
Audit of the company's financial statements	9,492	8,487
For other services		
Taxation compliance services	4,002	3,980
All other non-audit services	-	717
	4,002	4,697

7 Employees

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

	2016 Number	2015 Number
Client services	9	15

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	572,647	796,789
Social security costs	31,914	76,157
Pension costs	6,893	16,388
	611,454	889,334

The aggregate emoluments of the highest paid director were £nil (2015: £nil) and pension contributions paid on their behalf were £nil (2015: £nil).

8 Directors' remuneration

The directors' remuneration is paid by Karma Communications Group Limited. The directors do not believe it is practical to apportion the remuneration between this company and their services to the parent company and fellow subsidiaries.

There are no directors for whom retirement benefits are accruing under a personal pension plan in respect of qualifying services.

9 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Other interest income	-	324

10 Interest payable and similar charges

	2016 £	2015 £
Interest on other loans	-	449

11 Taxation

	2016	2015
	£	£
Deferred tax		
Origination and reversal of timing differences	7,741	(1,445)
Adjustment in respect of prior periods	(56,574)	-
Total deferred tax	(48,833)	(1,445)

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2016	2015
	£	£
Profit/(loss) before taxation	5,835	(293,102)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.92%)	1,167	(61,311)
Income not taxable for tax purposes	(126)	-
Group relief	-	59,170
Deferred tax adjustments in respect of prior years	(56,574)	-
Expenses not deductible for tax purposes	-	630
Other timing differences	6,700	66
Current tax expense for the year	(48,833)	(1,445)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 30 April 2016 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 30 April 2016 by £603.

12 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 May 2015 and 30 April 2016	123,617
Amortisation and impairment	
At 1 May 2015 and 30 April 2016	123,617
Carrying amount	
At 30 April 2016	-
At 30 April 2015	-

12 Intangible fixed assets (Continued)

In the year ended 31 March 2011, the Company acquired the trade and certain assets of Acquity Limited, for a fair value consideration of £148,617. The fair value of the assets acquired was £25,000, which related to tangible fixed assets, resulting in the recognition of £123,617 in goodwill.

Goodwill was amortised over a period of 5 years, which the directors believe reflect the useful economic life of the assets acquired.

13 Tangible fixed assets

	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£
Cost			
At 1 May 2015 & 30 April 2016	25,000	23,468	48,468
Depreciation and impairment			
At 1 May 2015	25,000	15,457	40,457
Depreciation charged in the year	-	6,005	6,005
At 30 April 2016	25,000	21,462	46,462
Carrying amount			
At 30 April 2016	-	2,006	2,006
At 30 April 2015	-	8,011	8,011

14 Debtors

	2016	2015
Amounts falling due within one year:	£	£
Trade debtors	70,579	83,984
Amounts due from fellow group undertakings	29,562	93,157
Other debtors	13,718	3,534
Prepayments and accrued income	117,331	41,989
	231,190	222,664
Deferred tax asset (note 16)	60,295	11,462
	291,485	234,126

15 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	148,230	80,739
Amounts due to group undertakings	1,436,610	1,328,066
Other taxation and social security	8,653	25,168
Other creditors	6,167	2,440
Accruals and deferred income	103,308	276,054
	1,702,968	1,712,467

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2016	Assets 2015
Balances:	£	£
Depreciation in excess of capital allowances	8,928	8,719
Tax losses	51,037	1,889
Other timing differences	330	854
	60,295	11,462

	2016
Movements in the year:	£
Liability/(Asset) at 1 May 2015	(11,462)
Credit to other comprehensive income	(48,833)
Liability/(Asset) at 30 April 2016	(60,295)

17 Retirement benefit schemes

Defined contribution schemes

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.

The charge to profit or loss in respect of defined contribution schemes was £6,893 (2015 - £16,388).

18 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
1 ordinary of £1 each	1	1

19 Reserves

Profit and loss reserves
Cumulative profit and loss net of distributions to owners.

20 Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

21 Controlling party

The Company is a subsidiary undertaking of Karma Communications Holdings Limited, a company incorporated in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from Farringdon Place, 20 Farringdon Road, London, UK, EC1M 3HE.

As at 30 April 2016, the majority shareholder of Karma Communications Holdings Limited is Phoenix Equity Nominees Limited. Phoenix Equity Nominees Limited is a nominee company that holds shares on behalf of the Limited Partners that constitute Phoenix Equity Partners 2010 LP, and co-investors that constitute Phoenix Equity Partners Limited 2010 GP LP. These are private collective investment schemes advised by Phoenix Equity Partners 2010 Guernsey Limited, the ultimate controlling party for Karma Communications Holdings Group and its subsidiaries.

The accounts of Phoenix Equity Partners 2010 Guernsey Limited (which do not reflect the consolidation of the group) are available from the Company Secretary at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands, GY1 2HL.