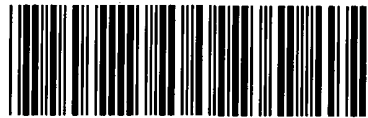


Company Registration No. 03967805 (England and Wales)

TANGENT COMMUNICATIONS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018



TANGENT COMMUNICATIONS PLC

COMPANY INFORMATION

Directors	Michael Green Timothy Green
Company number	03967805
Registered office	21 South Street LONDON W1K 2XB
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

TANGENT COMMUNICATIONS PLC

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TANGENT COMMUNICATIONS PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business

Tangent Communications Plc operates as the Management Company for the group. Costs relating to the operations of the Management Company are recharged through this company.

Principal risks and uncertainties

Loss of key personnel and skills

The inability to retain key staff with the required level of competency and technical knowledge may impact our ability to capitalise on opportunity and deliver against our Group's business strategy and objectives.

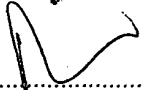
Tangent Plc seeks to engage, motivate and retain staff by offering remuneration packages that include competitive basic salaries, annual bonus awards and benefits packages. Comprehensive annual staff reviews are undertaken to identify skills gaps.

Development and performance

Directors intentions are to continue operating Tangent Communications Plc as the Management Company for the Group.

They will continue to offer competitive remuneration packages to its staff to ensure retention.

On behalf of the board



.....
Timothy Green

Director

10/8/18

TANGENT COMMUNICATIONS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018. The comparative period is for the period from 1 March 2016 to 31 March 2017.

Principal activities

The principal activity of the company continued to be that of a holding company.

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

Timothy Green

Nicholas Green

(Resigned 4 July 2017)

Results and dividends

The results for the year 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.

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 COMMUNICATIONS PLC

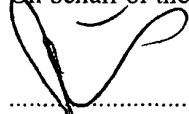
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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



.....
Timothy Green

Director

Date: 10/6/18

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TANGENT COMMUNICATIONS PLC**

Opinion

We have audited the financial statements of Tangent Communications Plc (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 2018 and of its loss 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 COMMUNICATIONS PLC

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 COMMUNICATIONS PLC

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

15/8/18

Chartered Accountants
Statutory Auditor

TANGENT COMMUNICATIONS PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

		Year ended 31 March 2018 £	Period ended 31 March 2017 £
Administrative expenses		(392,102)	(357,952)
Impairment of investment		(5,023,000)	-
Intercompany balance write off		653,126	-
Operating loss	4	(4,761,976)	(357,952)
Interest receivable and similar income	7	4,863,186	4
Amounts written off investments	8	(402,933)	(410,388)
Loss before taxation		(301,723)	(768,336)
Taxation	9	(135,219)	-
Loss for the financial year	19	(436,942)	(768,336)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

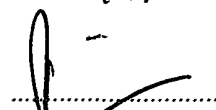
TANGENT COMMUNICATIONS PLC

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	10		316		710
Investments	11		23,868,218		29,576,150
			<u>23,868,534</u>		<u>29,576,860</u>
Current assets					
Debtors	14	4,663,873		3,174,573	
Cash at bank and in hand		497,095		246,360	
		<u>5,160,968</u>		<u>3,420,933</u>	
Creditors: amounts falling due within one year	15	(12,098,348)		(15,629,697)	
Net current liabilities			<u>(6,937,380)</u>		<u>(12,208,764)</u>
Total assets less current liabilities			<u>16,931,154</u>		<u>17,368,096</u>
Capital and reserves					
Called up share capital	18		2,814,298		2,814,298
Share premium account	19		8,587,058		8,587,058
Other reserves	19		2,602,231		2,602,231
Profit and loss reserves	19		2,927,567		3,364,509
Total equity			<u>16,931,154</u>		<u>17,368,096</u>

The financial statements were approved by the board of directors and authorised for issue on 12/8/18 and are signed on its behalf by:


 Timothy Green
 Director

Company Registration No. 03967805

TANGENT COMMUNICATIONS PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 March 2016	2,814,298	8,587,058	2,459,314	4,132,845	17,993,515
Period ended 31 March 2017:					
Loss and total comprehensive income for the period	-	-	-	(768,336)	(768,336)
Disposals of own shares	-	-	379,358	-	379,358
Loss on disposal of own shares	-	-	(236,441)	-	(236,441)
Balance at 31 March 2017	2,814,298	8,587,058	2,602,231	3,364,509	17,368,096
Period ended 31 March 2018:					
Loss and total comprehensive income for the period	-	-	-	(436,942)	(436,942)
Balance at 31 March 2018	2,814,298	8,587,058	2,602,231	2,927,567	16,931,154

TANGENT COMMUNICATIONS PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash absorbed by operations	21	(9,939,395)		(717,836)	
Investing activities					
Proceeds on disposal of subsidiaries		5,707,932		830,447	
Proceeds on disposal of fixed asset investments		(402,933)		(410,388)	
Proceeds from other investments and loans		21,945		(21,945)	
Interest received		4		4	
Dividends received		4,863,182		-	
Net cash generated from investing activities		10,190,130		398,118	
Financing activities					
Sale of treasury shares		-		142,917	
Net cash generated from financing activities		-		142,917	
Net increase/(decrease) in cash and cash equivalents		250,735		(176,801)	
Cash and cash equivalents at beginning of year		246,360		423,161	
Cash and cash equivalents at end of year		497,095		246,360	

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Tangent Communications Plc is a private company limited by shares incorporated in England and Wales. The registered office is 21 South Street, LONDON, W1K 2XB.

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 company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Tangent Communications Plc financial statements are consolidated in the financial statements of Portland Asset Management (UK) Limited. These consolidated financial statements are available to the public and can be obtained 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.

1.3 Reporting period

In the prior year the company changed the reporting year end to 31 March. As such the comparative period presented are for a period longer than a year and therefore the comparative figures are not entirely comparable.

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 land and buildings	Over the term of the lease
Fixtures and fittings	2-5 years 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.

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 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.

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.

1.7 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. 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 COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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 COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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 COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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 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

Tangent has defined contribution plans under which Tangent pays fixed contributions into a separate entity. Tangent has no legal or constructive obligations to pay further contributions relating to employee service in the current and prior years. The contributions are recognised as an employee benefit expense when they are due.

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Tangent operates a number of share-based payment schemes.

The cost of equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value excludes the effect of non-market based vesting conditions.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on Tangent's estimate of equity instruments that will eventually vest. At each balance sheet date Tangent revisits its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimate, if any, is recognised in the consolidated statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in the consolidated statement of comprehensive income for the year.

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 Controlling party

The immediate parent company is Tangent Holdings UK Limited and the ultimate parent company is Portland Asset Management (UK) Limited, a company registered in England and Wales.

Portland Asset Management (UK) Limited is the largest company for which consolidated group financial statements are prepared. Group financial statements and copies are available from Companies House.

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Operating loss

	2018	2017
	£	£
Operating loss for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	14,850	22,762
Depreciation of owned tangible fixed assets	394	1,141
	<u> </u>	<u> </u>

5 Employees

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

	2018	2017
	Number	Number
London	3	4
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	237,340	294,203
Social security costs	29,676	35,966
Pension costs	17,943	20,638
	<u> </u>	<u> </u>
	284,959	350,807
	<u> </u>	<u> </u>

6 Directors' remuneration

	2018	2017
	£	£
Remuneration for qualifying services	173,315	239,498
Company pension contributions to defined contribution schemes	17,910	20,638
	<u> </u>	<u> </u>
	191,225	260,136
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

6 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018	2017
	£	£
Remuneration for qualifying services	173,315	189,201
Company pension contributions to defined contribution schemes	17,910	18,769
	<u> </u>	<u> </u>

7 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	4	4
Income from fixed asset investments		
Income from shares in group undertakings	4,863,182	-
	<u> </u>	<u> </u>
Total income	4,863,186	4
	<u> </u>	<u> </u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	4	4
	<u> </u>	<u> </u>

**8 Amounts written off investments
fixed asset investments**

	2018	2017
	£	£
Loss on disposal of fixed asset investments	(402,933)	(410,388)
	<u> </u>	<u> </u>

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Taxation

	2018	2017
	£	£
Deferred tax		
Origination and reversal of timing differences	135,219	-
	<u>135,219</u>	<u>-</u>

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

	2018	2017
	£	£
Loss before taxation	(301,723)	(768,336)
	<u>(301,723)</u>	<u>(768,336)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	(57,327)	(153,667)
Tax effect of expenses that are not deductible in determining taxable profit	911,347	82,077
Tax effect of income not taxable in determining taxable profit	(924,005)	-
Change in unrecognised deferred tax assets	(83)	80
Adjustments in respect of prior years	135,219	-
Group relief	70,068	71,510
	<u>135,219</u>	<u>-</u>
Taxation charge for the period	<u>135,219</u>	<u>-</u>

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

10 Tangible fixed assets

	<i>Fixtures and fittings</i>
	£
Cost	
At 1 April 2017 and 31 March 2018	1,677
Depreciation and impairment	
At 1 April 2017	967
Depreciation charged in the year	394
At 31 March 2018	1,361
Carrying amount	
At 31 March 2018	316
At 31 March 2017	710

11 Fixed asset investments

	Notes	2018	2017
		£	£
Investments in subsidiaries	12	23,868,218	29,576,150

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

11 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2017	29,576,150
Disposals	(684,932)
	<hr/>
At 31 March 2018	28,891,218
	<hr/>
Impairment	
At 1 April 2017	-
Impairment losses	5,023,000
	<hr/>
At 31 March 2018	5,023,000
	<hr/>
Carrying amount	
At 31 March 2018	23,868,218
	<hr/>
At 31 March 2017	29,576,150
	<hr/>

On 28 February 2018 the company sold 25% of subsidiary Tangent Marketing Services Limited to Oliver Green, a director of the company, further details found in note 20.

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Goodprint UK Limited	England and Wales	Printing Services	Ordinary	100.00	
Tangent Marketing Services Limited	England and Wales	Marketing and technology	Ordinary	75.00	
The DDG Network Limited	England and Wales	Dormant	Ordinary	100.00	
The Printed Group Limited	England and Wales	Design, print and support services	Ordinary	86.25	
TOD London UK Ltd	England and Wales	Design and print services	Ordinary	100.00	
Tangent Labs Limited	England and Wales	Dormant	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Goodprint UK Limited	1,134,120	2,991,004
Tangent Marketing Services Limited	773,217	2,756,939
The DDG Network Limited	(783,230)	(1,962)
The Printed Group Limited	508,640	4,011,984
TOD London UK Ltd	775,210	2,723,884
Tangent Labs Limited	-	10

13 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,175,647	2,988,500
Carrying amount of financial liabilities		
Measured at amortised cost	12,088,535	15,618,386

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

14 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	4,167,426	2,821,913
Other debtors	15,462	173,150
Prepayments and accrued income	480,985	44,291
	<u>4,663,873</u>	<u>3,039,354</u>
Deferred tax asset (note 16)	-	135,219
	<u><u>4,663,873</u></u>	<u><u>3,174,573</u></u>

15 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	738	1,353
Amounts due to group undertakings	11,985,267	15,521,864
Other taxation and social security	9,813	11,311
Other creditors	33,808	12,388
Accruals and deferred income	68,722	82,781
	<u>12,098,348</u>	<u>15,629,697</u>

16 Deferred taxation

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

	Assets	Assets
	2018	2017
	£	£
Balances:		
Accelerated capital allowances	<u>-</u>	<u>135,219</u>

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

16 Deferred taxation (Continued)

	2018
	£
Movements in the year:	
Liability/(Asset) at 1 April 2017	(135,219)
Charge to profit or loss	135,219
	<u> </u>
Liability at 31 March 2018	<u> </u>

The realisation of the above deferred tax asset is dependent upon the anticipated continuing profitability of the group. The deferred tax asset is recognised as the directors foresee future profits adequate to assume recovery.

17 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	17,943	20,638
	<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.

18 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
281,429,851 Ordinary shares of 1p each	2,814,298	2,814,298
	<u> </u>	<u> </u>
	2,814,298	2,814,298
	<u> </u>	<u> </u>

All shares are of equal rights to vote, receive dividends and participate in any distributions.

TANGENT COMMUNICATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

19 Reserves

Share premium

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Own shares

The own shares reserve represents the cost of shares in Tangent Communications PLC purchased in the market and held in treasury. The number of ordinary shares held in treasury by the company at 31 March 2017 was 3,945,000.

Other reserves

Other reserves represents the following:

Merger reserve

The merger reserve arose on the acquisition of a subsidiary in prior years.

ESOP reserve

The ESOP reserve represents the cost of Tangent shares held by the employee share ownership trust. At 31 March 2017 the employee share ownership trust held a total of nil (2017: nil) ordinary shares. All ESOP shares were satisfied in the prior year.

Share-based payment reserve

The share-based payment reserve represents the value of share-based payments recognised in the consolidated statement of comprehensive income to date less any transfers to retained earnings that arise from the exercise or lapse of options.

Profit and loss reserves

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

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	308,316	312,469

TANGENT COMMUNICATIONS PLC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2018****20 Related party transactions****(Continued)**

On 28 February 2018 the company sold 25% of subsidiary Tangent Marketing Services Limited to Oliver Green, a director of the company, for a consideration of £282,000 resulting in a loss on disposal of £402,933.

Included within other creditors is an amount owed to Tangent Industries Limited of £33,808, a company ultimately owned and controlled by Michael Green.

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

21 Cash generated from operations

	2018	2017
	£	£
Loss for the year after tax	(436,942)	(768,336)
Adjustments for:		
Taxation charged	135,219	-
Investment income	(4,863,186)	(4)
Depreciation of tangible fixed assets	394	1,141
Loss on sale of investments	402,933	410,388
Movements in working capital:		
Increase in debtors	(1,645,786)	(2,686,772)
(Decrease)/increase in creditors	(3,532,027)	2,325,747
Cash absorbed by operations	<u>(9,939,395)</u>	<u>(717,836)</u>