

ARI Consultancy Limited

Filleted financial statements

Year ended 30 September 2017

Company registration number: 04257410



ARI Consultancy Limited

Directors' report and financial statements

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ARI Consultancy Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

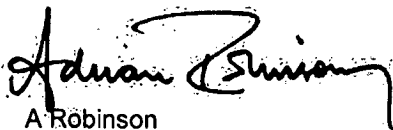
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 assets, liabilities and financial position of the Company and of its profit or loss for that year. 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board



A Robinson
Director

29 June 2018

ARI Consultancy Limited


Balance sheet as at 30 September 2017

| | Note | 2017 £ | 2017 £ | 2016 £ | 2016 £ |
|--|------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Financial fixed assets | 3 | | 354,328 | | 354,328 |
| | | | <u>354,328</u> | | <u>354,328</u> |
| Current assets | | | | | |
| Debtors | 4 | 2,534,723 | | 2,544,373 | |
| Cash at bank and in hand | | 6,790 | | 5,608 | |
| | | <u>2,541,513</u> | | <u>2,549,981</u> | |
| Creditors: Amounts falling due within one year | 5 | (91,854) | | (26,497) | |
| Net current assets | | | 2,449,659 | | 2,523,484 |
| Creditors: Amounts falling due after more than one year | 6 | | | | (70,000) |
| Net assets | | | <u>2,803,987</u> | | <u>2,807,812</u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | 171 | | 171 |
| Share premium | | | 1,714,435 | | 1,714,435 |
| Profit and loss account | | | 1,089,381 | | 1,093,206 |
| Shareholders' funds | | | <u>2,803,987</u> | | <u>2,807,812</u> |

The profit and loss account and directors' report have not been delivered to the Register of Companies in accordance with the special provisions applicable to companies subject to the small companies regime.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the board of directors on 29 June 2018 and signed on its behalf by:


Adrian Robinson
Director

Registered company number 04257410

The notes on pages 4 to 9 form part of these financial statements.

ARI Consultancy Limited

Notes

forming part of the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

1.1 Basis of preparation

ARI Consultancy Limited (the "company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 04257410 and the registered office is Suite 12 Pegaxis House, 61 Victoria Road, Surbiton, KT6 4JX. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in September 2015. The presentation currency of these financial statements is sterling. There were no material departures from that standard.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 11.

The company has taken advantage of the exemption included in FRS 102 section 1A.7 small entities not to prepare a cash flow statement.

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The company is in a strong net asset position and while the company's subsidiary, PRO, has achieved sustained profitability since 2016 there is the risk that funding may be required beyond the company's currently available balances. The directors have reviewed forecasts of expected cash flows for the next 12 months and, after due consideration, consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

1.3 Financial fixed assets

Financial fixed assets comprise investments in subsidiary and associated undertakings and are stated at cost.

1.4 Foreign currencies

Transactions in foreign currencies are recorded using the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

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Notes (continued)

1 Accounting policies (continued)

1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.6 Turnover

Turnover excludes value-added tax and represents the fair value of services delivered to customers in the accounting period. Services are deemed to have been delivered to customers when, and to the extent that, the entity has met its obligations under its service contracts.

1.7 Basic financial instruments

Other debtors and creditors

Other debtors are recognised initially at transaction price less attributable transaction costs. Other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

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Notes (continued)

1 Accounting policies (continued)

1.7 Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

2 Staff numbers

The average number of persons employed by the company (including directors) during the year was 3 (2016: 3).

3 Financial fixed assets

| | Shares £ | Licence costs £ | Total £ |
|----------------------|----------------|-----------------------|----------------|
| At 30 September 2016 | 315,333 | 38,995 | 354,328 |
| Movement in year | | | |
| At 30 September 2017 | <u>315,333</u> | <u>38,995</u> | <u>354,328</u> |

On 19 October 2005, Absolute & Dowse LLC was incorporated in Delaware, USA, in which the company has a 50% interest. This investment is carried at its historical cost amount of £Nil (2016: £Nil). Absolute & Dowse LLC provides consulting and intellectual property services to clients, principally in North America, and the aggregate amount of its capital and reserves as at 30 September 2017 was a deficit of US\$94,318 (2016: deficit of US\$87,931). Its loss for the year ended 30 September 2017 was US\$6,387 (2016: profit of US\$3,542).

On 7 June 2006, the company acquired 100% of the issued 'A' ordinary shares of Passion Radio (Oxford) Limited (PRO) comprising 1,957,647 ordinary shares of £1 each incorporated in UK. The total consideration for the shares, including costs of acquisition, was £315,333. In October 2006, PRO was awarded a second licence, Jack FM, in a competitive tender and costs of £38,995 associated with this licence award have been capitalised as part of financial fixed assets.

The aggregate amount of the capital and reserves of Passion Radio (Oxford) Limited at 30 September 2017 was a deficit of £3,408,656 (2016: deficit of £3,521,922) and its profit for the year ended on that date was £113,266 (2016: profit of £80,158). In the opinion of the directors the value of the investment in Passion Radio (Oxford) Limited is at least equivalent to its carrying amount.

On 14 March 2012 PRO incorporated a wholly owned subsidiary, Oxis Media Limited, which issued 1 ordinary share of £1 to PRO for cash at par incorporated in UK. The aggregate amount of the capital and reserves of Oxis Media Limited at 30 September 2017 was a surplus of £766 (2016: deficit of £19,115) and its profit for the year ended on that date was £19,881 (2016: loss of £39,974).

On 6 July 2015 PRO set up a subsidiary company, Jack Media Surrey Limited, which on incorporation issued 1 ordinary share of £1 to PRO for cash at par incorporated in UK. The aggregate amount of the capital and reserves of Jack Media Surrey Limited at 30 September 2017 was a deficit of £1,216,728 (2016: £333,323) and its loss for the year ended on that date was £882,907 (2016: £303,434).

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Notes (continued)

| 4 Debtors | 2017 | 2016 |
|---|------------------|------------------|
| | £ | £ |
| Prepayments and accrued income | 4,195 | 4,334 |
| Other debtors | 16,195 | 15,506 |
| Corporation tax recoverable | 3,750 | 3,750 |
| Amount due from subsidiary undertaking, net | 2,510,583 | 2,520,783 |
| | <u>2,534,723</u> | <u>2,544,373</u> |
| The amount due from subsidiary undertaking is analysed as follows | | |
| Amount due from subsidiary undertaking | 3,010,583 | 3,020,783 |
| Less provision | (500,000) | (500,000) |
| | <u>2,510,583</u> | <u>2,520,783</u> |
| The movement in the provision is analysed as follows | | |
| At beginning of year | (500,000) | (1,000,000) |
| Movement during the year | | 500,000 |
| | <u>(500,000)</u> | <u>(500,000)</u> |
| At end of year | (500,000) | (500,000) |

All debtors fall due within one year.

| 5 Creditors: amounts falling due within one year | 2017 | 2016 |
|---|---------------|---------------|
| | £ | £ |
| Trade creditors and accruals | 21,854 | 26,497 |
| Loan | 70,000 | |
| | <u>91,854</u> | <u>26,497</u> |

The loan is unsecured with an interest rate of 6% and is repayable on demand.

| 6 Creditors: amounts falling due after more than one year | 2017 | 2016 |
|--|-------------|---------------|
| | £ | £ |
| Loan | | 70,000 |
| | <u></u> | <u>70,000</u> |

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Notes (continued)

| 7 | Called up share capital | 2017 £ | 2016 £ |
|---|---|-----------|-----------|
| | Allotted, called up and fully paid | | |
| | 17,116 (2016: 17,116) ordinary shares of £0.01 each | 171 | 171 |

8 Subsequent events

There were no events after the reporting date that would require adjustment to or disclosure in the financial statements.

9 Related party transactions

The company owns 50% of Absolute & Dowse LLC, a company incorporated in the United States of America. During the year, £1,801 (2016: £245) of costs were borne directly by the company on behalf of Absolute & Dowse LLC and £498 (2016: £1,097) of net cash received by Absolute & Dowse LLC was processed through the company. At 30 September 2017, net of provisions, £Nil was due from Absolute & Dowse LLC to the company (2016: £Nil).

During the year ended 30 September 2017, the company advanced funds amounting to £Nil (2016: £43,625) to Passion Radio (Oxford) Limited. These loans are non-interest bearing and repayable on demand. £10,200 (2016: £25,775) was repaid during the year. At 30 September 2017, £3,010,583 (2016: £3,020,783) was due to the company from Passion Radio (Oxford) Limited. A provision of £500,000 (2016: £500,000) has been provided against the balance due to the company from Passion Radio (Oxford) Limited.

The company has made available current account facilities to each of the three directors during the year. The maximum outstanding amount during the year and the outstanding balance at 30 September 2017 to each director was £5,000 (2016: £5,000). These amounts are included within debtors at the year end. The company had a loan balance of £70,000 (2016: £70,000) owed to a shareholder as disclosed in notes 5 and 6.

10 Ultimate controlling party

At 30 September 2017 the company was majority owned and controlled by its three executive directors, namely, Clive Dickens, Donnach O'Driscoll and Adrian Robinson.

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Notes *(continued)*

11 Accounting estimates and judgements

The preparation of these financial statements in conformity with Section 1A of FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed and revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Board has reviewed the provision against the intercompany balance with PRO at the year end and have made no adjustment at 30 September 2017 to the provision brought forward from 30 September 2016 of £500,000.

12 Audit report

On 29 June 2018 KPMG reported, as auditors of ARI Consultancy Limited, to the members on the Company's financial statements for the year ended 30 September 2017 which were unqualified and unmodified. The audit report from KPMG was signed by John Poole (Senior Statutory Auditor).