Registered number: 06446827

Adjust Your Set Limited

Financial statements

Information for filing with the registrar

For the period ended 30 June 2017

Adjust Your Set Limited
Registered number:06446827

Statement of financial position

As at 30 June 2017

	Note		30 June 2017 £		As restated 31 December 2015 £
Fixed assets					
Tangible assets	5		64,865		267,987
			64,865		267,987
Current assets					
Debtors: amounts falling due within one year	6	1,490,104		692,394	
Cash at bank and in hand	7	259,355		-	
		1,749,459		692,394	
Creditors: amounts falling due within one year	8	(2,612,228)		(1,570,159)	
Net current liabilities			(862,769)		(877,765)
Total assets less current liabilities			(797,904)		(609,778)
Creditors: amounts falling due after more than one year			(525,069)		(82,118)
Net liabilities			(1,322,973)		(691,896)
Capital and reserves					
Called up share capital			285,001		285,001
Profit and loss account			(1,607,974)		(976,897)
Shareholders' deficit			(1,322,973)		(691,896)

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Christopher Gorell Barnes
Director
Date: 30 May 2018

The notes on pages 3 to 12 form part of these financial statements.

Statement of changes in equity

For the period ended 30 June 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	285,001	(976,897)	(691,896)
Comprehensive income for the period			
Loss for the period	-	(631,077)	(631,077)
Total comprehensive loss for the period	-	(631,077)	(631,077)
At 30 June 2017	285,001	(1,607,974)	(1,322,973)

Statement of changes in equity

For the period ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	285,001	(145,260)	139,741
Comprehensive income for the year			
Loss for the year (as restated)	-	(831,637)	(831,637)
Total comprehensive loss for the year (as restated)	-	(831,637)	(831,637)
Total transactions with owners	-	-	-
At 31 December 2015	285,001	(976,897)	(691,896)

The notes on pages 3 to 12 form part of these financial statements.

Notes to the financial statements

For the period ended 30 June 2017

1. General information

Adjust Your Set Limited is a private limited company, limited by shares and is incorporated in England and Wales. The registered office is 151 Rosebery Avenue, London, United Kingdom, EC1R 4AB. The Company extended its current accounting period, therefore the financial statements cover the 18 month period from 1 January 2016 to 30 June 2017.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 15.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

Although the company has reported a net liability position and is making losses, and despite the current challenging economic and business environment, the directors are confident that the company is well placed to continue to build on its historic and creative financial success. This assessment is based on the company's and group's projected trading results, cash flows and available banking facilities.

Based on the above, the directors confirm that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and continues to be supported financially by another group entity, Oliver Marketing Limited, which has been confirmed in writing and is legally binding. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the financial statements
For the period ended 30 June 2017

2. Accounting policies (continued)

2.3 Revenue

Turnover represents amounts receivables from clients, exclusive of VAT, sales taxes and trade discounts in respect of charges for fees, commission and rechargeable expenses incurred on behalf of clients.

Gross profit is turnover less amounts payable on behalf of clients to external suppliers where they are retained to perform part of specific client project or service, and represents fees, commissions and mark-ups on rechargeable expenses. Revenue is recognised on the following basis:

- Retainer and other non-retainer fees are recognised as the services are performed, in accordance with the terms of the contractual arrangement.
- Project fees are recognised on a percentage of completion basis as contract activity progresses, if the final outcome can be assessed with reasonable certainty. The stage of completion is generally measured on the basis of the services performed to date as a percentage of the total services to be performed.
- Expenses are recharged to clients at cost plus an agreed mark-up when the services are performed, where applicable.

Revenue recognised in the profit and loss account but not yet invoiced is held on the balance sheet within amounts invoiced on account. Revenue invoiced but not yet recognised in the profit and loss account is held on the balance sheet within prebilled revenue and deferred income.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 10 years straight-line
Computer equipment	- 3 years straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Notes to the financial statements
For the period ended 30 June 2017

2. Accounting policies (continued)

2.5 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the financial statements

For the period ended 30 June 2017

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

For the period ended 30 June 2017

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the financial statements
For the period ended 30 June 2017

2. Accounting policies (continued)

2.14 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

3. Directors' remuneration

The remuneration paid to directors for services to the Company for the year were £199,365 (period ended 31 December 2015 - £142,826).

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	18 months ended 30 June 2017	12 months ended 31 December 2015
	£	£
Wages and salaries	**2,760,956**	2,737,993
Social security	**302,526**	306,809
Other pension	**59,393**	42,874
	3,122,875	3,087,676

The average monthly number of employees, including the directors, during the period was as follows:

	18 months ended 30 June 2017	12 months ended 31 December 2015
	No.	No.
	34	56

Notes to the financial statements

For the period ended 30 June 2017

5. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2016	319,679	388,200	707,879
Additions	16,450	5,974	22,424
Disposals	(118,473)	(203,615)	(322,088)
At 30 June 2017	217,656	190,559	408,215
Depreciation			
At 1 January 2016	200,282	239,610	439,892
Charge for the period on owned assets	85,172	122,353	207,525
Disposals	(103,959)	(200,108)	(304,067)
At 30 June 2017	181,495	161,855	343,350
Net book value			
At 30 June 2017	36,161	28,704	64,865
At 31 December 2015	119,397	148,590	267,987

6. Debtors

	30 June 2017 £	31 December 2015 £
Trade debtors	367,608	400,767
Amounts due from related parties	758,233	-
Other debtors	109,730	108,986
Prepayments and accrued income	254,533	182,641
	1,490,104	692,394

Amounts due from related parties are unsecured, interest free and repayable on demand.

Notes to the financial statements
For the period ended 30 June 2017

7. Cash and cash equivalents

	30 June 2017 £	31 December 2015 £
Cash at bank and in hand	259,355	-
Less: bank overdrafts	(103,676)	(73,619)
	155,679	(73,619)

8. Creditors: Amounts falling due within one year

	30 June 2017 £	31 December 2015 £
Bank overdrafts	103,676	73,619
Trade creditors	205,610	445,526
Amounts owed to related parties	1,369,067	-
Other taxation and social security	108,950	352,725
Other creditors	7,069	38,370
Accruals and deferred income	817,856	659,919
	2,612,228	1,570,159

Amounts due to related parties are unsecured, interest free and repayable on demand.

9. Creditors: Amounts falling due after more than one year

	30 June 2017 £	31 December 2015 £
Directors loan	269,683	-
Rent deposit	255,386	82,118
	525,069	82,118

Director loan balances attract interest at the rate agreed by HMRC, it accrues annualy. The loan has no fixed repayment date.

Notes to the financial statements

For the period ended 30 June 2017

10. Share capital

	30 June 2017 £	31 December 2015 £
Shares classified as equity		
Allotted, called up and fully paid		
285,001 Ordinary shares of £1 each	**285,001**	285,001

11. Reserves

Profit and loss account

Includes all current and prior period retained profit and losses.

12. Related party transactions

At the year end, the Company has amounts due to Oliver Marketing Limited of £477,751 and amounts due to Dare Digital Limited of £91,175.

The company has taken advantage of exemptions under FRS 102 Section 33 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

13. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Adjust Your Set Holdings Limited. The ultimate parent company is Inside Ideas Group Limited, a company incorporated in England and Wales. Inside Ideas Group Limited is the parent undertaking of the smalled and largest group to consolidate these financial statements. These consolidated financial statements are publicly available and can be obtained from its registered office address, 151 Rosebury Avenue, London, EC1R 4AB.

14. Prior year adjustments

As part of the acquisition of Adjust Your Set Limited by the Inside Ideas Group, an intangible asset was acquired with a net book value of £529,882. Following the acquisition, management concluded that the carrying value of this asset could not be supported and therefore an adjustment has been recorded to write down the value of the intangible in the prior period. There were also a number of tangible assets whose existence could not be verified therefore an adjustment was posted to write off these assets. The adjustments resulted in the following restatements for the year ended 31 December 2015:

	As Reported	Adjustment	Restated 2015
Intangibles	529,882	(529,882)	-
Tangible assets	289,523	(21,536)	267,987
Profit and loss account	(280,219)	(551,418)	(831,637)

Notes to the financial statements
For the period ended 30 June 2017

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

16. Auditor's information

The auditor's report on the financial statements for the period ended 30 June 2017 was unqualified.

The audit report was signed on 30 May 2018 by Sergio Cardoso (Senior statutory auditor) on behalf of Grant Thornton UK LLP.