

Registration number: 07472717

# Affectv Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2017

Carbon Accountancy Limited  
80-83 Long Lane  
London  
EC1A 9ET

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## **Affectv Limited**

### **Company Information**

<b>Directors</b>	Glen Calvert Patrick Johnson
<b>Registered office</b>	1 Mark Square London London EC2A 4EG
<b>Accountants</b>	Carbon Accountancy Limited 80-83 Long Lane London EC1A 9ET

# Affectv Limited

## (Registration number: 07472717) Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	4	2,163,640	2,395,371
Tangible assets	5	6,437	42,100
Investments	6	137	-
		<u>2,170,214</u>	<u>2,437,471</u>
<b>Current assets</b>			
Debtors	7	3,985,157	2,235,371
Cash at bank and in hand		50,130	282,469
		<u>4,035,287</u>	<u>2,517,840</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(6,041,978)</u>	<u>(5,189,975)</u>
<b>Net current liabilities</b>		<u>(2,006,691)</u>	<u>(2,672,135)</u>
<b>Total assets less current liabilities</b>		163,523	(234,664)
<b>Creditors: Amounts falling due after more than one year</b>	8	(1,582,081)	(1,471,077)
<b>Provisions for liabilities</b>		<u>(72,841)</u>	<u>(228,725)</u>
<b>Net liabilities</b>		<u>(1,491,399)</u>	<u>(1,934,466)</u>
<b>Capital and reserves</b>			
Called up share capital	9	2,804	137
Share premium reserve		3,501,981	1,886,722
Profit and loss account		<u>(4,996,184)</u>	<u>(3,821,325)</u>
<b>Total equity</b>		<u>(1,491,399)</u>	<u>(1,934,466)</u>

For the financial year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

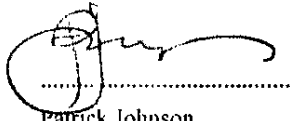
These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 4 to 11 form an integral part of these financial statements.

**Affectv Limited**

**(Registration number: 07472717)**  
**Balance Sheet as at 31 December 2017**

Approved and authorised by the Board on 28 September 2018 and signed on its behalf by:



Patrick Johnson  
Director

## **Affectv Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

1 Mark Square

London

London

EC2A 4EG

England

These financial statements were authorised for issue by the Board on 26 September 2018.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Going concern**

The statement of financial statement discloses that the company had net current liabilities of £2,006,691 (2016: £2,672,135) and net liabilities of £1,647,283 (2016: £1,934,466) at the year end. The principal creditors have confirmed that they will provide support to the company to enable it to meet its liabilities as they fall due. Given this, the directors consider that the financial statements should be prepared on going concern basis.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

##### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

## Affectv Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long-term leasehold property	over 5 years
Office equipment	over 3 years
Computer equipment	over 3 years

#### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Development costs	over 5 years

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Affectv Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Provisions**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## **Affectv Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 32 (2016 - 28).

## Affectv Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 4 Intangible assets

	Internally generated software development costs £	Total £
<b>Cost or valuation</b>		
At 1 January 2017	3,555,643	3,555,643
Additions acquired separately	<u>467,112</u>	<u>467,112</u>
At 31 December 2017	<u>4,022,755</u>	<u>4,022,755</u>
<b>Amortisation</b>		
At 1 January 2017	1,160,272	1,160,272
Amortisation charge	<u>698,843</u>	<u>698,843</u>
At 31 December 2017	<u>1,859,115</u>	<u>1,859,115</u>
<b>Carrying amount</b>		
At 31 December 2017	<u>2,163,640</u>	<u>2,163,640</u>
At 31 December 2016	<u>2,395,371</u>	<u>2,395,371</u>

#### 5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2017	27,682	92,575	120,257
Additions	<u>-</u>	<u>11,147</u>	<u>11,147</u>
At 31 December 2017	<u>27,682</u>	<u>103,722</u>	<u>131,404</u>
<b>Depreciation</b>			
At 1 January 2017	10,432	67,725	78,157
Charge for the year	<u>17,250</u>	<u>29,560</u>	<u>46,810</u>
At 31 December 2017	<u>27,682</u>	<u>97,285</u>	<u>124,967</u>
<b>Carrying amount</b>			
At 31 December 2017	<u>-</u>	<u>6,437</u>	<u>6,437</u>
At 31 December 2016	<u>17,250</u>	<u>24,850</u>	<u>42,100</u>

# Affectv Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 6 Investments

	2017 £	2016 £
Investments in subsidiaries	<u>137</u>	<u>-</u>
<b>Subsidiaries</b>		<b>£</b>
<b>Cost or valuation</b>		
Additions		<u>137</u>
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 December 2017		<u>137</u>

### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
Affectv Pty Limited		Ordinary	100%	0%

### 7 Debtors

	Note	2017 £	2016 £
Trade debtors		3,306,018	1,993,810
Amounts owed by group undertakings and undertakings in which the company has a participating interest	11	328,925	-
Prepayments		77,111	25,159
Other debtors		<u>273,103</u>	<u>216,402</u>
		<u>3,985,157</u>	<u>2,235,371</u>

# Affectv Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 8 Creditors

#### Creditors: amounts falling due within one year

	Note	2017 £	2016 £
<b>Due within one year</b>			
Bank loans and overdrafts	10	2,075,811	2,829,028
Trade creditors		2,707,467	1,448,600
Taxation and social security		472,835	250,275
Accruals and deferred income		779,910	554,284
Other creditors		5,955	107,788
		<u>6,041,978</u>	<u>5,189,975</u>

#### Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
<b>Due after one year</b>			
Loans and borrowings	10	<u>1,582,081</u>	<u>1,471,077</u>

### 9 Share capital

#### Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £0.0001000 each	23,312,778	2,331.28	1,000,000	100.00
A Ordinary shares of £0.0001000 each	-	-	373,230	37.32
Ordinary shares of £0.0000125 (2016 - £0) each	37,783,693	472.30	-	-
	<u>61,096,471</u>	<u>2,804</u>	<u>1,373,230</u>	<u>137</u>

### 10 Loans and borrowings

	2017 £	2016 £
<b>Non-current loans and borrowings</b>		
Other borrowings	<u>1,582,081</u>	<u>1,471,077</u>

## Affectv Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017

	2017 £	2016 £
<b>Current loans and borrowings</b>		
Bank overdrafts	-	8
Convertible debt	-	1,500,000
Other borrowings	2,075,811	1,329,020
	<u>2,075,811</u>	<u>2,829,028</u>

#### 11 Related party transactions

##### Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	<u>230,000</u>	<u>121,875</u>

##### Summary of transactions with other related parties

(P Johnson)

During the year, P Johnson, a director, was remunerated via invoices charged to Red Archer Limited, a company under his control. During the year, the amount invoiced was £46,667 (2016: £59,517)