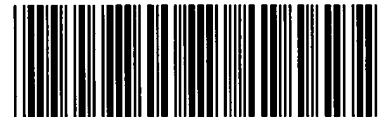


**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
INFORM COMMUNICATIONS LTD**

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FOR THE YEAR ENDED 31 MARCH 2018**

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INFORM COMMUNICATIONS LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018**

DIRECTORS:

R N Coppack
C D Owen

SECRETARY:

Mackrell Turner Garrett

REGISTERED OFFICE:

Venture House
2 Arlington Square
Downshire Way
Bracknell
Berkshire
RG12 1WA

REGISTERED NUMBER:

02644647

AUDITORS:

CMB Partnership Limited
Chartered Accountants and Statutory Auditor
Chapel House
1 Chapel Street
Guildford
Surrey
GU1 3UH

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

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

Inform Communications (IC) is a U.K. leader in the provision of automated, multi-channel response services. Inform 360 is a suite of fully managed, automated, multi-channel enquiry services incorporating telephone, email, SMS, mobile-web, chatbot and social media channels. Crisys is a safety monitoring service for lone workers.

During 2017/18 the company responded well to a continuing challenging economic climate within the UK local government sector (our main market for Inform 360 services), increased turnover by 7% to £1,156,636 and produced a significantly increased net profit of £22,141 before tax and £123,358 after tax.

The company's relocation to Regus's largest European centre in Bracknell has proved an excellent move and we have negotiated a further extension to August 2019 with a tenant only break clause available after January 2019. Bracknell has excellent road and rail connections and is the base for a large number of international hi-tech companies. The Regus arrangement is highly flexible in space and term.

IC works at the heart of the global shift to mobile communications and our focus last year was on continuing to deliver mobile-focused services that are consistent with this extract from Ofcom's 2017 report on UK Communications:

"Smartphones are the way many of us keep connected. They are now firmly established as the most widely owned internet-enabled device, with more than seven in ten consumers owning one, up by 5 percentage points from the previous year."

In consequence, IC continued to invest heavily in time and resources to develop our "Omni-channel" approach to customer self-service. IC's design once, deploy anywhere architecture enables one core application to be deployed across multiple customer contact channels that share underlying, business logic and back-end access while maintaining their own unique advantages and characteristics.

In addition to our core IVR, email, SMS and Mobile-Web services, during 2017/18 we developed a new range of Artificial Intelligent enabled chatbot services that can be deployed across web-chat, Facebook, Messenger and Twitter channels. We also made significant progress in building skill sets for Amazon Alexa and Google Home devices that enable customers to speak and ask questions or report issues and receive instant answers. These services assist our local authority clients to meet challenging channel shift and digital transformation targets whilst delivering significant cost and efficiency savings.

Research and development will continue throughout 2018/19 to continually improve and expand our chat based services.

In addition to inbound channels, IC has also developed new pro-active outbound IVR, SMS and email services to enable clients to perform a variety of communications including debt chasing, surveys and appointment reminders.

We have continued to develop our secure, on-line portal that enables clients to log on and access a wide variety of analytics and statistical reports that endorse the business case for our services.

We are confident that our continually evolving range of services will not only help us to retain existing clients but also to increase our footprint with them in addition to gaining new clients. We will also seek to convert shorter term contracts to 3 or 5 year terms and expand into new markets outside the public sector.

During 2017/18 we continued to develop our Crisys service to give us increased resilience and functionality and our clients once again experienced 100% service uptime. We added a new GPS based web-app that enables Lone Workers to log on and off and schedule safety check calls via the app. and management to track the exact location of their colleagues. We also revised our charges and increased margins whilst still remaining highly competitive and this in turn will lead to increased profitability. Scottish Water - our largest Crisys client for whom we help protect thousands of their Lone Workers responded by extending their contract.

In 2017/18 our presence on the UK government's G Cloud 9 framework resulted in winning 3 new contracts and we have since successfully applied for inclusion on the latest G Cloud 10 platform that will take us into 2019. G Cloud is an initiative targeted at easing procurement by public-sector bodies requiring information technology services that use cloud computing. In many cases this removes the need for a council to run full tender or procurement processes that have previously been a barrier to us. Both Inform 360 and Crisys are featured on the framework.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

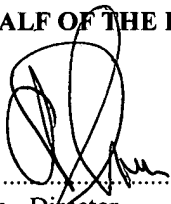
During 2017/18 we embarked on a programme to achieve ISO 27001 accreditation in the spring of 2018. This also addressed all the issues associated with achieving full GDPR compliance.

The appointment of Big Star as our copywriting, social media and website optimisation agency has been very successful. Big Star produced a series of excellent blogs and "power pages" in addition to advising on website optimisation. Detailed analytics show that this has led to a significant increase in website visitors and Linked In traffic and we will continue to work with Big Star to ensure this is converted to increased sales leads.

With further substantial reductions in local government budgets continuing for the foreseeable future, the momentum for implementing automated services that enable channel shift and reduce costs is accelerating. Our increasing ability to quantify and support with actual case studies real savings opportunities that our services can achieve, places us in an excellent position to gain further ground in this market. Being part of the governments drive to substantially increase the number of contracts awarded to SME's is further assisting in us winning contracts.

The directors are confident that, given our market position and our growing presence on G Cloud, taking additional new Artificial Intelligent enabled products to market and the buoyancy and appetite for cost-saving opportunities in our current and target markets, the company is in a strong position to increase turnover and profits in the next financial year and beyond.

ON BEHALF OF THE BOARD:



.....
C D Owen - Director

Date: 22.10.2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

CHANGE OF NAME

The company passed a special resolution on 28 March 2018 changing its name from Inform Communications Plc to Inform Communications Ltd.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2018 will be £75,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

R N Coppack
C D Owen

FINANCIAL INSTRUMENTS

Treasury operations

The company operates a treasury function which is responsible for managing the liquidity and interest rate risks associated with the company's activities.

The company's principal financial instruments comprise cash and bank borrowing together with various items such as trade debtors, trade creditors, accruals and prepayments that arise directly from its operations.

The main purpose of these financial instruments is to finance the company's operations.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has significant liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to interest rate risk on its fixed borrowings and cash flow interest risk on bank overdrafts and loans.

Credit risk

The company's credit risk is primarily attributable to its trade debtors. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, CMB Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
C D Owen - Director

Date: 22-10-2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INFORM COMMUNICATIONS LTD

Opinion

We have audited the financial statements of Inform Communications Ltd (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 profit 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 Auditors' 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INFORM COMMUNICATIONS LTD

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 or the Report of the Directors.

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 Statement of Directors' Responsibilities set out on page five, 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 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.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

CMB Partnership Limited

Paul Martin (Senior Statutory Auditor)
for and on behalf of CMB Partnership Limited
Chartered Accountants and Statutory Auditor
Chapel House
1 Chapel Street
Guildford
Surrey
GU1 3UH

Date: *22 / 10 / 2018*

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

	Notes	31.3.18 £	31.3.17 £
TURNOVER	2	1,156,636	1,080,684
Cost of sales		169,161	207,889
GROSS PROFIT		987,475	872,795
Administrative expenses		965,334	872,220
OPERATING PROFIT	4	22,141	575
Interest payable and similar expenses	5	322	534
PROFIT BEFORE TAXATION		21,819	41
Tax on profit	6	(101,539)	(97,778)
PROFIT FOR THE FINANCIAL YEAR		123,358	97,819

INFORM COMMUNICATIONS LTD (REGISTERED NUMBER: 02644647)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

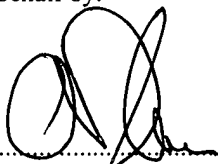
	Notes	31.3.18 £	31.3.17 £
PROFIT FOR THE YEAR		123,358	97,819
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>123,358</u>	<u>97,819</u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2018

	Notes	31.3.18 £	£	31.3.17 £	£
FIXED ASSETS					
Intangible assets	9		10,712		13,609
Tangible assets	10		3,440		7,002
			<u>14,152</u>		<u>20,611</u>
CURRENT ASSETS					
Debtors	11	517,078		426,472	
Cash at bank		8,290		12,873	
		<u>525,368</u>		<u>439,345</u>	
CREDITORS					
Amounts falling due within one year	12	218,975		187,769	
		<u>218,975</u>		<u>187,769</u>	
NET CURRENT ASSETS			<u>306,393</u>		<u>251,576</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>320,545</u>		<u>272,187</u>
CAPITAL AND RESERVES					
Called up share capital	14		118,889		118,889
Share premium	15		201,111		201,111
Retained earnings	15		545		(47,813)
			<u>320,545</u>		<u>272,187</u>
SHAREHOLDERS' FUNDS			<u>320,545</u>		<u>272,187</u>

The financial statements were approved by the Board of Directors on 22-10-2018 and were signed on its behalf by:



C D Owen - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2016	118,889	(145,632)	201,111	174,368
Changes in equity				
Total comprehensive income	-	97,819	-	97,819
Balance at 31 March 2017	118,889	(47,813)	201,111	272,187
Changes in equity				
Dividends	-	(75,000)	-	(75,000)
Total comprehensive income	-	123,358	-	123,358
Balance at 31 March 2018	118,889	545	201,111	320,545

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	31.3.18 £	31.3.17 £
Cash flows from operating activities			
Cash generated from operations	1	(105,800)	(105,751)
Interest paid		(322)	(534)
Tax refund		101,539	90,778
Net cash from operating activities		<u>(4,583)</u>	<u>(15,507)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(14,481)
Purchase of tangible fixed assets		-	(4,467)
Net cash from investing activities		<u>-</u>	<u>(18,948)</u>
Decrease in cash and cash equivalents		<u>(4,583)</u>	<u>(34,455)</u>
Cash and cash equivalents at beginning of year	2	12,873	47,328
Cash and cash equivalents at end of year	2	<u>8,290</u>	<u>12,873</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.18	31.3.17
	£	£
Profit before taxation	21,819	41
Depreciation charges	6,458	4,026
Finance costs	322	534
	<u>28,599</u>	<u>4,601</u>
Increase in trade and other debtors	(90,605)	(77,595)
Decrease in trade and other creditors	(43,794)	(32,757)
	<u>(105,800)</u>	<u>(105,751)</u>
Cash generated from operations	(105,800)	(105,751)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	<u>8,290</u>	<u>12,873</u>

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	<u>12,873</u>	<u>47,328</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES

General information and basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Inform Communications Plc is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is as follows:

Venture House
2 Arlington Square
Downshire Way
Bracknell
Berkshire RG12 1WA

The nature of the company's operations and its principal activities are set out in the strategic report.

The company's functional and presentational currency is pound sterling.

Turnover

The company is a U.K. leader in the provision of automated response services. Inform 360 is a fully managed, automated, multi-channel enquiry service incorporating telephone, email, SMS and mobile web channels specifically designed for local authorities. Turnover is recognised immediately for Inform 360 services not exceeding one year in term, as this reflects the up-front costs incurred in getting the system operational together with the benefit to the client from the outset. For contracts in excess of one year, part of the income is deferred to reflect future costs to be incurred. These contracts are normally irrevocable and the incidental costs are considered insignificant.

The company also offers Crisys being a safety monitoring service for lone workers. Turnover is recognised monthly based on the usage by organisations using this service.

Development costs

Development costs are amortised over a 5 year period, being the directors estimated useful life of this expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Impairment of assets

Assets, other than those measured at fair value are assessed for indication of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES - continued

Going concern

The company meets its day to day working capital requirement through its bank accounts. The company's forecasts and projections taking into account possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. The directors therefore have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

The assumption is considered appropriate because the directors have considered the profitability of the company for the period for at least one year from the date of the approval of these financial statements and believe it will be profitable during that period. Any necessary bank borrowings are guaranteed by Messrs Coppack, Owen and another party.

Taxation

Taxation expense for the period comprise current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income.

Current and deferred taxation assets and liabilities are not discounted.

Current tax is the amount of tax payable in respect of taxable profit for the year or prior years. Tax is calculated on the basis of tax rates that have been enacted or substantially enacted at the year end.

Deferred tax arises from the timing differences that are differences between the taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.

Research and Development tax credits are accounted for when it is probable they will be received.

Financial instruments

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price.

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price. Trade payables are obligations for goods or services that have been supplied in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities where payment is due within one year or less.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.3.18	31.3.17
	£	£
Inform 360	1,002,524	950,481
Crisys	154,112	130,203
	<u>1,156,636</u>	<u>1,080,684</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

2. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	31.3.18 £	31.3.17 £
United Kingdom	1,156,636	1,080,684
	<u>1,156,636</u>	<u>1,080,684</u>

3. EMPLOYEES AND DIRECTORS

	31.3.18 £	31.3.17 £
Wages and salaries	551,341	483,933
Social security costs	58,963	38,873
Other pension costs	69,858	102,271
	<u>680,162</u>	<u>625,077</u>

The average number of employees during the year was as follows:

	31.3.18	31.3.17
Direct call centre operators	6	6
Administration/sales support	9	9
	<u>15</u>	<u>15</u>

	31.3.18 £	31.3.17 £
Directors' remuneration	183,007	128,325
Directors' pension contributions to money purchase schemes	68,060	101,940
	<u>251,067</u>	<u>230,265</u>

The number of directors to whom retirement benefits were accruing was as follows:

	31.3.18	31.3.17
Money purchase schemes	<u>1</u>	<u>1</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.18 £	31.3.17 £
Depreciation - owned assets	3,562	3,154
Development costs amortisation	2,897	872
Auditors remuneration	4,000	4,000
	<u>10,459</u>	<u>8,026</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.18 £	31.3.17 £
Bank loans and overdraft	<u>322</u>	<u>534</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

6. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

	31.3.18 £	31.3.17 £
Current tax:		
R & D tax credits	(101,539)	(97,778)
Tax on profit	<u>(101,539)</u>	<u>(97,778)</u>

The company has tax losses of £337,000 carried forward at 31 March 2018. No deferred tax asset is recognised on this as the relief for this is dependent on future results not being surrendered as R & D tax credits.

7. DIVIDENDS

Dividends totalling £67,500 and £7,500 were distributed on the Ordinary and "B" shares respectively during the year.

8. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

9. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 April 2017	
and 31 March 2018	<u>64,564</u>
AMORTISATION	
At 1 April 2017	50,955
Amortisation for year	<u>2,897</u>
At 31 March 2018	<u>53,852</u>
NET BOOK VALUE	
At 31 March 2018	<u>10,712</u>
At 31 March 2017	<u>13,609</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2017 and 31 March 2018	40,185	225,396	265,581
DEPRECIATION			
At 1 April 2017	40,185	218,394	258,579
Charge for year	-	3,562	3,562
At 31 March 2018	40,185	221,956	262,141
NET BOOK VALUE			
At 31 March 2018	-	3,440	3,440
At 31 March 2017	-	7,002	7,002

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18 £	31.3.17 £
Trade debtors	303,832	208,858
Other debtors	17,460	-
Tax	90,000	90,000
Prepayments and accrued income	105,786	127,614
	517,078	426,472

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18 £	31.3.17 £
Trade creditors	54,275	86,570
Social security and other taxes	108,768	82,335
Other creditors	39,753	1,078
Accruals and deferred income	16,179	17,786
	218,975	187,769

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.18 £	31.3.17 £
Within one year	28,028	21,021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.3.18	31.3.17
Number:	Class:		£	£
107,000	Ordinary	£1	107,000	107,000
11,889	"B"	£1	11,889	11,889
			<u>118,889</u>	<u>118,889</u>

The "B" shares are non voting except in certain specified circumstances. On a distribution they will rank equally with ordinary shares. On a winding up the "B" shares have preference up to £150,000 or 10% of net distributable reserves, whichever is greater.

15. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2017	(47,813)	201,111	153,298
Profit for the year	123,358		123,358
Dividends	(75,000)		(75,000)
At 31 March 2018	<u>545</u>	<u>201,111</u>	<u>201,656</u>

16. RELATED PARTY DISCLOSURES

The directors have provided personal guarantees on any bank borrowings.

17. ULTIMATE CONTROLLING PARTY

The company is not under the control of one individual, and is considered to be under the control of the directors.