Registered No 01183941

Capscan Limited

Report and Financial Statements

For the year ended 31 March 2013

Company Information

Directors	Mr RA Law Mr DJ Wilson
Company Secretary	Mr J Constantin
Registered Office	GB House Kingsfield Court Chester Business Park CHESTER CH4 9GB
Business Address	Moorgate House Dysart Street LONDON EC2A 2GU
Registered Auditor	Ernst & Young LLP 100 Barbirolli Square MANCHESTER M2 3EY
Solicitors	Squire Sanders Hammonds Trinity Court 16 John Dalton Street MANCHESTER M60 8HA

Directors' report

The directors present their report and the financial statements for the year ended 31 March 2013

Results and dividends

The loss for the year, after taxation, amounted to £15,070 (2012 £90,980 loss) No interim dividends were paid during the year and the directors do not recommend the payment of a final dividend (2012 – nil)

Principal activity and review of the business

The principal activity of the Company is that of software development, information dissemination, supply and management services

On 1 September 2012, the trade and assets of Capscan Limited were hived up to its ultimate parent undertaking GB Group PLC at fair value The operating results reflect the five months of trading before the hive up took place

Principal risks and uncertainties

Prior to the hive up taking place, management used a model to identify and assess the impact of risks to the business under four key headings – financial, strategic, operational and knowledge For each risk, the likelihood and consequence are identified, management controls are confirmed and results reported The significant risks and uncertainties faced by the Company were common with those faced by the ultimate parent undertaking GB Group PLC and as such are set out in its Annual Report Additionally, the corporate governance report of GB Group PLC provides further detail about the risk management processes in place through its group companies

Directors

The directors who served the company during the period were as follows

Mr Richard Anthony Law
Mr David John Wilson

Mr John Constantin served company secretary during the period

Directors' liabilities

During the year the company had in force an indemnity provision in favour of the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006

Directors' report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Political and charitable donations

During the year the company made no charitable donations (2012 – £nil) No political donations were made in the year (2012 – £nil)

Auditors

Ernst & Young LLP were auditors of the Company during the year and are deemed re-appointed as the company's auditor under the Companies Act 2006

By order of the Board

John Constantin
Company Secretary
11 December 2013

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 estimates that are reasonable and prudent,
- state whether applicable UK 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 proper 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

Independent auditors' report

to the members of Capscan Limited

We have audited the financial statements of Capscan Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 17 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the period 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report (continued)

to the members of Capscan Limited

Matters on which we are required to report by exception

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

Ernst & Young LLP

Gary Harding (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP (Statutory Auditor)
Manchester
Date 12 December 2013

Profit and Loss Account

For the year ended 31 March 2013

	Notes	Year ending 31 March 2013 £	Year ending 31 March 2012 £
Turnover	2	2,712,083	7,214,772
Cost of sales		(983,278)	(2,840,751)
Gross profit		1,728,805	4,374,021
Administrative expenses (excluding exceptional items)		(1,682,281)	(4,089,747)
Operating profit before exceptional items		46,524	284,274
Exceptional items	4	(61,594)	(351,464)
Operating loss	3	(15,070)	(67,190)
Interest receivable and similar income	7	-	17,526
Loss on ordinary activities before taxation		(15,070)	(49,664)
Tax	8	-	(41,316)
Loss for the financial year	14	(15,070)	(90,980)

The results for the period are derived from operations that were hived up into the ultimate parent company on 1 September 2012

Statement of total recognised gains and losses

for the Year ended 31 March 2013

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £15,070 in the year ended 31 March 2013 (2012 – £90,980 loss)

Balance Sheet

As at 31 March 2013

	Notes	As at 31 March 2013 £	As at 31 March 2012 £
Fixed assets			
Tangible assets	9	-	67,880
Investments	10	-	33,462
		-	101,342
Current assets			
Debtors	11	5,377,708	5,047,630
Cash at bank and in hand		-	2,220,591
		5,377,708	7,268,221
Creditors: amounts falling due within one year	12	-	(1,976,785)
Net current assets		5,377,708	5,291,436
Total assets less current liabilities		5,377,708	5,392,778
Net assets		5,377,708	5,392,778
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	5,377,608	5,392,678
Shareholders' funds		5,377,708	5,392,778

Approved by the Board

DJ Wilson
Director
11 December 2013

Company Registration No 01183941

Notes to the financial statements

1. Accounting policies

Basis of preparation

The financial statements for the year ended 31 March 2013 were authorised for issue by the Board of Directors on 11 December 2013 and the balance sheet was signed on the Board's behalf by Mr D Wilson

Capscan Limited is a company incorporated and domiciled England

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

The accounting policies that follow set out those policies that apply in preparing the financial statements for the year ending 31 March 2013 The Company has applied the same policies throughout the period

Statement of cash flows

The company has taken advantage of the exemption available under FRS 1 (revised) not to prepare a statement of cash flows

Revenue Recognition

Revenue is measured at the fair value of the consideration received from the sale of software and rendering of services, net of value-added tax, rebates and discounts Revenue is recognised as follows

(a) Sale of software licences

Revenue in respect of software licences where the Company has no further obligations and the contract is non cancellable is recognised at the time of sale Revenue in respect of software licences where there are further contractual obligations, in the form of additional services provided by the Company, such as software delivered online is recognised over the duration of the licence in line with when the costs are incurred and delivery obligations fulfilled

(b) Rendering of services

Revenue from the rendering of services is recognised by reference to the stage of completion Stage of completion of the specific transaction is assessed on the basis of the actual services provided as a proportion of the total services to be provided

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of purchase, of each asset evenly over its expected useful life, as follows

Plant & machinery – 3-5 years straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Investments

Fixed asset investments are shown at cost less provision for impairment Current asset investments are stated at the lower of cost and net realisable value

Notes to the financial statements

1. Accounting policies (continued)

Operating lease commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at rates of exchange ruling at the date of the transaction All foreign exchange differences are taken to the profit and loss account in the year in which they arise

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources and borrowing facilities to continue operational existence for the foreseeable future Accordingly, the company continues to adopt the going concern basis in preparing the financial statements

Deferred taxation

Corporation tax is provided on the assessable profits of the company at the appropriate rates in force

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pensions

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable

Notes to the financial statements

2. Turnover

Revenue is measured at the fair value of the consideration received from the sale of software and rendering of services, net of value-added tax, rebates and discounts and after the elimination of inter-company transactions within the Company Revenue is recognised as follows

(a) Sale of software licences

Revenue in respect of software licences where the Group has no further obligations and the contract is non-cancellable is recognised at the time of sale Revenue in respect of software licences where there are further contractual obligations, in the form of additional services provided by the Group, such as software delivered online is recognised over the duration of the licence in line with when the costs are incurred and delivery obligations fulfilled

(b) Rendering of services

Revenue from the rendering of services is recognised by reference to the stage of completion Stage of completion of the specific transaction is assessed on the basis of the actual services provided as a proportion of the total services to be provided

(c) Interest income

Revenue is recognised as interest accrues using the effective interest method The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount

3. Operating loss

This is stated after charging

	Year ending 31 March 2013	*Year ending 31 March 2012*
	£	*£*
Depreciation of tangible fixed assets owned by the company	13,166	17,484
Loss on disposal of fixed assets	-	1,175
Operating lease rentals – land and buildings	60,426	96,825
Operating lease rentals – other	173	-
Auditors' remuneration	-	-
Foreign exchange differences	8,820	91,575

Fees paid to the auditors for UK audit and non-audit services were borne by the parent company

Notes to the financial statements

4. Exceptional costs

Exceptional costs of £61,594 were incurred in the period ended 31 March 2013 in relation to the costs of staff reorganisation Exceptional costs of £351,464 in the year ended 31 March 2012 was in relation to the write off of an investment as per note 10

5. Directors' emoluments

Mr RA Law and Mr DJ Wilson are both also directors of the ultimate parent undertaking, GB Group PLC, and fellow subsidiaries In the year to 31 March 2013, the two directors received emoluments totalling £659,000 (2012 £718,000) Further information can be found in the GB Group PLC financial statements

The directors do not believe it is practicable to apportion these amounts between services as directors of the Company and their services as directors of the holding and fellow subsidiary companies

There were no directors accruing retirement benefits borne by the Company during the period (2012 nil)

6. Staff costs

	Year ending 31 March 2013 £	*Year ending 31 March 2012 £*
Wages and salaries	845,048	2,406,141
Social security costs	115,083	322,719
	960,131	2,728,860

The average monthly number of employees during the year was made up as follows

	Year ending 31 March 2013 No	*Year ending 31 March 2012 No*
Sales and administration	28	29
Technical	20	26

Notes to the financial statements

7. Interest receivable

	Year ending 31 March 2013 £	Year ending 31 March 2012 £
Bank interest	-	17,526

8. Taxation

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	Year ending 31 March 2013 £	Year ending 31 March 2012 £
Current tax		
UK corporation tax charge on loss for the year	-	41,316
Total current tax (note 8(b))	-	41,316

(b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24% (2012 26%) The differences are explained below

	Year ending 31 March 2013 £	Year ending 31 March 2012 £
Loss on ordinary activities before taxation	(15,070)	(49,664)
	(15,070)	(49,664)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2012 – 26%)	(3,617)	(12,913)
Effects of		
Expenses not deductible for tax purposes	2,400	104,381
Recognition of losses carried back	489	-
Surrendered for group relief	-	(28,964)
Other timing differences	-	(17,095)
Depreciation in excess of capital allowances	728	-
Capital allowances in excess of depreciation	-	(4,093)
	-	41,316

Notes to the financial statements

8. Taxation (continued)

(c) Factors that may affect the future tax charges

A reduction in the UK corporation tax rate from 24% to 23% has been substantively enacted and is effective from 1 April 2013 In addition, the Government has already announced its intention to further reduce UK corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015

9. Tangible fixed assets

	Plant and machinery
	£
Cost	
At 1 April 2012	226,238
Additions	94,315
Disposals	(320,553)
At 31 March 2013	-
Depreciation	
At 1 April 2012	158,358
Provided during the year	13,166
Eliminated on disposal	(171,524)
At 31 March 2013	-
Net book value	
At 31 March 2013	-
At 31 March 2012	67,880

Notes to the financial statements

10. Investments

	Unlisted associate undertakings £
Cost:	
At 1 April 2012	384,926
Additions	90,375
Disposals	(475,301)
At 31 March 2013	-
Provisions for diminution in value:	
At 1 April 2012	351,464
Eliminated on disposal	(351,464)
At 31 March 3013	-
Net book value:	
At 31 March 2013	-
At 31 March 2012	33,462

An investment was held in Loqate Inc , a private company based in the USA which develops international addressing solutions

11. Debtors

	31 March 2013 £	31 March 2012 £
Trade debtors	-	2,272,635
Other debtors and prepayments	-	102,322
Intercompany debtors	5,377,708	2,672,673
	5,377,708	5,047,630

Notes to the financial statements

12. Creditors: amounts falling due within one year

	31 March 2013 £	31 March 2012 £
Trade creditors	-	296,795
Social security and other taxes	-	349,164
Other creditors	-	1,330,826
	-	1,976,785

13. Issued share capital

Authorised	31 March 2013 No	31 March 2012 No	31 March 2013 £	31 March 2012 £
Ordinary shares of £1 each	100	100	100	100

Allotted, called up and fully paid	31 March 2013 No	31 March 2012 No	31 March 2013 £	31 March 2012 £
Ordinary shares of £1 each	100	100	100	100

14. Statement of movement on reserves

	Profit and loss account £
At 1 April 2011	5,483,658
Loss for the year	(90,980)
At 31 March 2012	5,392,678
Loss for the period	(15,070)
At 31 March 2013	5,377,608

Notes to the financial statements

15. Shareholder's (deficit)/funds

	£
At 1 April 2011	5,483,758
Loss for the period	(90,980)
At 31 March 2012	5,392,778
Loss for the period	(15,070)
At 31 March 2013	5,377,708

16. Related party transactions

The company is a wholly owned subsidiary of GB Group PLC and has taken advantage of the exemption under FRS 8 not to disclose transactions with other group companies and investees of the group qualifying as related parties

During the period, the Company entered into transactions, in the ordinary course of business, with other related parties Transactions entered into, and trading balances outstanding at 31 March are as follows

	Sales to related parties	*Purchases from related parties*	*Net amounts owed to related parties*
	£	*£*	*£*
Loqate Inc			
12m to 31 March 2013	-	11,654	-
12m to 31 March 2012	-	26,526	-

17. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is GB Group PLC which is registered in England and Wales The Company is included in the consolidated financial statements of GB Group PLC Copies of GB Group PLC's financial statements may be obtained from The Company Secretary, GB House, Kingsfield Court, Chester Business Park, CH4 9GB

The immediate parent undertaking is Capscan Parent Limited, which is registered in England and copies of its financial statements are available from the above address