

Infomedia Services Limited

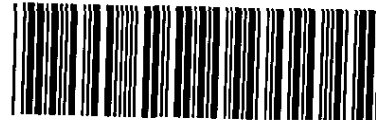
Annual Report and Financial Statements

Period Ended

31 December 2016

Company Number 02553993

FRIDAY



R6G0EO9U

RC2

29/09/2017

#69

COMPANIES HOUSE

Infomedia Services Limited

Company Information

Directors	Michael Tomlins IMSH Limited (appointed 30 March 2017)
Registered number	02553993
Registered office	7 Premier Court Moulton Park Northampton Northamptonshire NN3 6LF
Independent auditor	BDO LLP Regent House Clinton Avenue Nottingham NG5 1AZ

Infomedia Services Limited

Contents

	Page
Strategic Report	1
Directors' Report	2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4 - 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 22

Infomedia Services Limited

Strategic Report For the Period Ended 31 December 2016

Introduction

The directors present their strategic report for the 14 month period ended 31 December 2016. These financial statements represent the accounts of Infomedia Services Limited, a 100% owned subsidiary of Companionem Limited.

Principal Activity

The principal activity of the company is the provision of billing and managed services to the telecommunications and associated sectors.

Business review

Infomedia Services Limited is a leading Mobile Payments provider, delivering first-rate digital content to consumers on a global scale. Specialising in conversion rate optimisation and customer retention, we work with our merchants to ensure their products are positioned to maximise revenue, average revenue per user (ARPU), and customer satisfaction.

Infomedia Services Limited enable the world's leading brands to conveniently charge digital purchases to more than 200 million customers' mobile phone accounts with as little as a single click. Infomedia provides hassle-free monetisation of the world's largest digital channel via one simple integration.

Principal risks and uncertainties

The directors, in their consideration of whether the company is a going concern, have reviewed the company's future cash forecasts and revenue projections, which have been prepared on the basis of market knowledge, past experience and current trading conditions, and believe, that it is appropriate to prepare the financial statements of the company on a going concern basis.

The company does have some exposure to foreign currency but has set up policies and procedure to mitigate this exposure. The company does not use derivative financial instruments.

The company has minimal credit risk as merchants are not paid until carrier funds have been received.

Financial key performance indicators

End User Spend (EUS) has increased from £20 million for the twelve months ended 31st October, 2015 to £42 million for the fourteen months ended 31st December 2016.

This report was approved by the board and signed on its behalf.



Michael Tomlins
Director

Date: 28 September 2017

Infomedia Services Limited

Directors' Report For the Period Ended 31 December 2016

The directors present their report and the financial statements for the period ended 31 December 2016.

Results and dividends

The profit for the period, after taxation, amounted to £637,390 (2015 - £193,708).

Directors

The directors who served during the period were:

Michael Tomlins
Sanjay Mistry (resigned 30 March 2017)

Future developments

The company is committed to growing EUS by increasing the number of carriers and merchants globally.

Employee involvement

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The company policy makes it clear that full and fair considerations must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the company, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the company. Retraining of employees who become disabled whilst employed by the company is offered where appropriate.

Qualifying third party indemnity provisions

Throughout the year and up to the date of this report the company maintained qualifying third party indemnity insurance for the directors.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the board and signed on its behalf.



Michael Tomlins
Director

Date: 28 September 2017

Infomedia Services Limited

Directors' Responsibilities Statement For the Period Ended 31 December 2016

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 to 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.

Infomedia Services Limited

Independent Auditors' Report to the Members of Infomedia Services Limited

We have audited the financial statements of Infomedia Services Limited for the period ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. 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 auditor

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Other matters

The corresponding figures for the year ended 31 October 2015 are unaudited.

Infomedia Services Limited

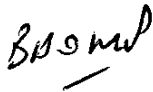
Independent Auditors' Report to the Members of Infomedia Services Limited (continued)

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 during the course of the audit, we have not identified material misstatements in the directors' report.

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.



Richard Wilson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Nottingham
United Kingdom

29 SEPTEMBER 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Infomedia Services Limited

Statement of Comprehensive Income For the Period Ended 31 December 2016

	Note	2016 £	As restated 2015 £
Turnover	4	34,020,011	3,248,338
Cost of sales		(30,639,185)	(1,977,313)
Gross profit		3,380,826	1,271,025
Administrative expenses		(1,253,978)	(1,176,066)
Exceptional administrative expenses	5	(1,526,347)	100,000
Operating profit	6	600,501	194,959
Interest receivable and similar income		35	-
Interest payable and expenses		-	(1,251)
Profit before tax		600,536	193,708
Tax on profit	10	36,854	-
Profit for the period		637,390	193,708

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 9 to 22 form part of these financial statements.

Infomedia Services Limited
Registered number: 02553993

Balance Sheet
As at 31 December 2016

	Note	31 December 2016 £	As restated 31 October 2015 £
Fixed assets			
Intangible assets	11	-	258,489
Tangible assets	12	14,141	12,764
		<u>14,141</u>	<u>271,253</u>
Current assets			
Debtors: amounts falling due within one year	13	8,262,721	5,563,989
Cash at bank and in hand	14	3,157,425	2,368,921
		<u>11,420,146</u>	<u>7,932,910</u>
Creditors: amounts falling due within one year	15	(11,013,306)	(8,420,572)
Net current assets/(liabilities)		<u>406,840</u>	<u>(487,662)</u>
Net assets/(liabilities)		<u><u>420,981</u></u>	<u><u>(216,409)</u></u>
Capital and reserves			
Called up share capital	17	2	2
Share premium account	18	378,000	378,000
Profit and loss account	18	42,979	(594,411)
		<u><u>420,981</u></u>	<u><u>(216,409)</u></u>

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



Michael Tomlins
Director

Date: 28 September 2017

The notes on pages 9 to 22 form part of these financial statements.

Infomedia Services Limited

Statement of Changes in Equity For the Period Ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2015	2	378,000	(594,411)	(216,409)
Comprehensive income for the period				
Profit for the period	-	-	637,390	637,390
At 31 December 2016	2	378,000	42,979	420,981

Statement of Changes in Equity For the Period Ended 31 October 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2014	2	378,000	(788,119)	(410,117)
Comprehensive income for the year				
Profit for the year	-	-	193,708	193,708
At 31 October 2015	2	378,000	(594,411)	(216,409)

The notes on pages 9 to 22 form part of these financial statements.

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

1. General information

Infomedia Services Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity is set out in the strategic report.

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.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

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 (see note 3).

As a result of a strategic management decision, Infomedia Services Limited changed its year end from 31 October to 31 December meaning the current financial statements have been prepared for a 14 month period. The comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Companionem Limited as at 31 December 2016 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Intellectual Property	-	20 % Straight line
-----------------------	---	--------------------

2.5 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:

Fixtures and fittings	-	25% on cost
Office equipment	-	25% on cost
Computer equipment	-	25% on cost

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.

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet 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 balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 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.

2.9 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

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.9 Financial instruments (continued)

the balance sheet date.

2.10 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.

2.11 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'.

2.12 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

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 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

Determine whether leases entered into by the company either as a lessor or a lessee are operating lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key source of estimation uncertainty:

Tangible fixed assets (see note 12) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

Analysis of turnover by country of destination:

	2016 £	As restated 2015 £
United Kingdom	27,800,123	3,085,787
Rest of Europe	53,630	-
Rest of the world	6,166,258	162,551
	34,020,011	3,248,338

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

5. Exceptional items

	2016 £	2015 £
Profit on sale of intellectual property	-	(100,000)
Costs in association with raising external finance	516,047	-
Intercompany impairment	1,010,300	-
	<u>1,526,347</u>	<u>(100,000)</u>

The exceptional costs in the year are in relation to due diligence work carried out on behalf of the group in relation to the raising of external finance.

In 2015 the Company signed an agreement to transfer the platform, software, intellectual property, know-how and prospects lists relating to the iView system to Humley Limited, a fellow Group company, with an effective date of 1 November 2014. This transaction gave rise to a profit of £600,000 for the company.

6. Operating profit

The operating profit is stated after charging:

	2016 £	As restated 2015 £
Depreciation of tangible fixed assets	8,114	20,301
Amortisation of intangible assets	95,365	81,455
Impairment of intangible assets	176,575	-
Exchange differences	13,810	4,678
Defined contribution pension cost	<u>15,953</u>	<u>615</u>

7. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>19,500</u>	<u>-</u>

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

8. Employees

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

	2016 £	2015 £
Wages and salaries	1,095,815	430,483
Social security costs	111,436	35,429
Cost of defined contribution scheme	15,953	615
	<u>1,223,204</u>	<u>466,527</u>

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

	2016 No.	2015 No.
Sales and administration	25	15
Directors	2	2
	<u>27</u>	<u>17</u>

9. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	<u>196,529</u>	<u>52,151</u>

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	6,706	-
Adjustments in respect of previous periods	5,525	-
Total current tax	<u>12,231</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(49,085)	-
Total deferred tax	<u>(49,085)</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(36,854)</u>	<u>-</u>

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

10. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	600,536	193,708
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	120,107	38,742
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	54,388	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	340,295	3,001
Utilisation of tax losses	(471,163)	(23,397)
Adjustments to tax charge in respect of prior periods	5,525	-
Other timing differences leading to an increase (decrease) in taxation	(51,503)	-
Book profit on chargeable assets	-	(20,000)
Group relief	(34,503)	-
Effective change in tax rates	-	1,654
Total tax charge for the period/year	(36,854)	-

Factors that may affect future tax charges

The provision for deferred tax is calculated based on the tax rates enacted or substantially enacted at the statement of financial position date. The finance (No.2) Act 2015 enacted the corporation tax rate to reduce from the current rate of 20% to 19% from April 2017 with a further reduction to 18% from April 2020. On 16 March 2016, the Chancellor of the Exchequer announced that legislation would be introduced in Finance Act 2016 to reduce the main rate of corporation tax to 17% from April 2020, superseding the 18% rate effective from that date introduced in the Finance (No. 2) Act 2015. These changes to the future tax rate were substantively enacted at the balance sheet date. The provision for deferred tax on the financial statements has been based upon the relevant rate to which the timing differences are expected to reverse.

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

11. Intangible assets

	Intellectual Property £
Cost	
At 1 November 2015	407,391
Additions	13,451
At 31 December 2016	<u>420,842</u>
Amortisation	
At 1 November 2015	148,902
Charge for the period	95,365
Impairment charge	176,575
At 31 December 2016	<u>420,842</u>
Net book value	
At 31 December 2016	<u>-</u>
At 31 October 2015	<u>258,489</u>

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

12. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 November 2015	11,153	11,581	6,276	29,010
Additions	2,964	-	6,527	9,491
At 31 December 2016	<u>14,117</u>	<u>11,581</u>	<u>12,803</u>	<u>38,501</u>
Depreciation				
At 1 November 2015	3,667	8,999	3,580	16,246
Charge for the period	3,598	2,121	2,395	8,114
At 31 December 2016	<u>7,265</u>	<u>11,120</u>	<u>5,975</u>	<u>24,360</u>
Net book value				
At 31 December 2016	<u>6,852</u>	<u>461</u>	<u>6,828</u>	<u>14,141</u>
At 31 October 2015	<u>7,486</u>	<u>2,582</u>	<u>2,696</u>	<u>12,764</u>

13. Debtors

	31 December 2016 £	As restated 31 October 2015 £
Trade debtors	2,686,385	2,616,913
Amounts owed by group undertakings	1,150,265	1,105,303
Other debtors	282,935	24,903
Prepayments and accrued income	4,094,051	1,816,870
Deferred taxation	49,085	-
	<u>8,262,721</u>	<u>5,563,989</u>

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

14. Cash and cash equivalents

	31 December 2016 £	As restated 31 October 2015 £
Cash at bank and in hand	3,157,425	2,368,921

15. Creditors: Amounts falling due within one year

	31 December 2016 £	As restated 31 October 2015 £
Trade creditors	7,161,405	5,646,137
Amounts owed to group undertakings	113,552	266,471
Corporation tax	6,706	-
Other taxation and social security	70,913	315,398
Other creditors	40,204	136,515
Accruals and deferred income	3,620,526	2,056,051
	11,013,306	8,420,572

16. Deferred taxation

	2016 £
Charged to profit or loss	49,085
At end of period	49,085

The deferred tax asset is made up as follows:

	31 December 2016 £
Accelerated capital allowances	49,085
	49,085

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

17. Share capital

	31 December 2016 £	31 October 2015 £
Shares classified as equity		
Allotted, called up and fully paid		
200 Ordinary A Shares shares of £0.01 each	2	2
18 Ordinary B Shares shares of £0.01 each	-	-
	<u>2</u>	<u>2</u>

18. Reserves

Share Capital

Called up share capital reserve represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

Profit & loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

19. Prior year adjustment

In the prior year tangible fixed assets that were purchased by Humleys Limited were incorrectly recorded in Infomedia Services Limited. This has been adjusted in the current year to ensure the assets are recorded in the correct entity. The value of this adjustment was the transfer of net book value of £7,774 from Infomedia Services Limited to Humley Limited.

A reassessment of contracts running in the previous year has found that trade debtors, and amounts owed by group undertakings were understated in the prior year, while prepayments and accrued income were overstated. This has resulted in a prior year adjustment of £1,605,269 increase to trade debtors, £1,605,303 increase to amounts owed by group undertakings, and £234,178 decrease to prepayments and accrued income.

This reassessment also included the cost element of contracts and found that in the prior year trade creditors, amounts owed to group undertakings, and accruals and deferred income were understated, while other creditors was overstated. This has resulted in a prior year adjustment of £1,632,637 increase to trade creditors, £266,471 increase to amounts owed to group undertakings, and £1,477,368 increase to accruals and deferred income. Also other creditors have decreased by £5,777 as a result of this reassessment.

The combined effect of these adjustments to the statement of comprehensive income is a reduction of £337,262 of the prior year profit figure.

Infomedia Services Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £15,953 (2015 - £615). Contributions totalling £Nil (2015 - £Nil) were payable to the fund at the balance sheet date.

21. Related party transactions

Rent of £60,000 (2015 - £17,073) was paid to Infomedia Services Directors' Retirement Scheme, a company in which certain directors are trustees. At 31 December 2016 £12,000 (2015 - £12,000) was outstanding.

Included within other debtors due within one year is a balance of £32,421 (2015 - £24,903) owed by M Tomlins, a director.

22. Controlling party

The company's parent undertaking is Companionem Limited, which in the opinion of the directors is the ultimate parent company. The registered address of the parent undertaking is 7 Premier Court, Moulton Park, Northampton, Northamptonshire, NN3 6LF. This is the parent undertaking of the largest and smallest group for which consolidated financial statements are prepared. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.

23. 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.