

The Gift & Loyalty Company Limited

Annual report and financial statements

Registration Number: 03941797

31 March 2017

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Contents	Page No.
Directors' Report	3 - 5
Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements	6
Independent Auditor's Report to the Members of The Gift & Loyalty Company Limited	7 - 8
Statement of Profit and Loss and Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes	13 - 24

Directors' Report

Business Review

The principal activity of the Company in the period under review was that of operating and developing Loyalty Schemes and Prepaid Gift Card Schemes for major international brands.

The Company holds a number of important client relationships with international and significant retail and commercial brands, which in themselves provide the Company with an excellent set of established reference points for future business development.

The business is operating in a very timely and dynamically expanding market space, where due to the current economic climate there is a need for retailers to drive foot fall and develop alternative and acceptable ways of allowing their products and services to be gifted.

There is a significant move from paper based gift vouchers to plastic cards and the core networked on line solutions The Gift & Loyalty Company offer.

There has also been a major increase in the corporate rewards market where gift cards are used to improve the well-being of employees by rewarding them for extra efforts or increased contribution through the use of gift cards they can use in their leisure time.

The Company has also developed a range of virtual gift card solutions where gifts can be given over the internet or via mobile networks in real time as incentives for visiting a retailer or choosing to use a particular service.

Principal Income Streams

The Company earns revenues from programme set up, card creation and transaction fees relating to the cards.

Principal Risks and Uncertainties

The management of the business and the execution of its strategy are subject to a number of potential risks. The key business risks and uncertainties that could affect the Company are considered to relate to the value of the investment that is made, the level of income generated by its platform, fraud attacks, plus any regulatory changes that may occur in the gift card services market.

The Directors mitigate these risks by closely monitoring their investments and business functions, plus ensuring that they keep abreast of all legislation that effect payments in the areas that the Company operates in.

Key Performance Indicators

During the year ended 31 March 2017 the Company processed 1,137,905 transactions (2016: 1,123,307 transactions).

Results and Dividends

The results of the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 9. Turnover was £317,608 (2016: £355,769) and the loss for the year was £816,899 (2016: loss £360,720). The Directors do not recommend the payment of a final dividend (2015: nil).

Directors' Report (Continued)

Directors

The following directors have held office during and subsequent to the financial year:

Peter J Cox
Michael J Fromant (resigned 7 April 2016)
Lee Johnstone
Thomas Gregory (resigned 17 June 2016)
Flavia Alzetta (appointed 1 June 2017)

Creditor Payment Policy

The Company's current policy concerning the payment of trade creditors is to:

- (i) Settle the terms of payment with the suppliers when agreeing the terms of each transaction;
- (ii) Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (iii) Pay in accordance with the Company's contractual and other legal obligations.

The Company's trade creditors at 31 March 2017 were equivalent to 120 days of purchases (2016: 23 days).

Auditors

A resolution proposing that KPMG LLP be reappointed as the Company's Auditors will be put to the Annual General Meeting of the Company.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware:

- there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' Report (Continued)

Statement of Going Concern

The financial statements are prepared on a going concern basis. At 31 March 2017 the Company had net current liabilities of £1,934,664 and net liabilities of £1,934,664 and generated a loss for the 12 month period to 31 March 2017 of £816,899. Subsequent to the year end on 25 July 2017 the Company's sister company, Contis Financial Services, signed a three year debt facility, under which it obtained a £17m secured credit line for the provision of Collateral to Visa and thus released approximately £3.5m of additional working capital to the Group. Contis Financial Services Limited has indicated that for at least 12 months from the date of approval of these Financial Statements, it will continue to make available such funds as are needed by the company. The directors are satisfied that the Company has the resources to continue in business for the foreseeable future. Further information can be found in note 1 to the financial statements.

Political and charitable contributions

The Company did not make any charitable or political donations during the year (2016: £nil).

Future outlook

The Company is now positioned to retain its key relationships with significant corporate and retail brands and take advantage of the major increase in the corporate rewards market, whilst further exploring the offering of virtual gift card solutions.

By order of the Board



P J Cox
Director

20 September 2017

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of The Gift & Loyalty Company Limited

We have audited the financial statements of The Gift & Loyalty Company Limited for the year ended 31 March 2017 as set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

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 auditors' 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 Directors' Responsibilities Statement set out on page 6, 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

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

Opinion on 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 2017 and of the loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU; 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in this report; and
- in our opinion, this report has been prepared in accordance with the Companies Act 2006

**Independent Auditor's Report to the Members of The Gift & Loyalty Company Limited
(Continued)**

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



David Allen (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

20 September 2017

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 March 2017

	2017	2016
	£	£
	<i>Note</i>	
Revenue	317,608	355,769
Cost of sales	<u>(46,242)</u>	<u>(70,392)</u>
Gross profit	271,366	285,377
Other operating expenses	<u>(1,088,265)</u>	<u>(646,097)</u>
Operating loss	2 (816,899)	(360,720)
Finance income/(expense)	5 –	–
Loss before tax	<u>(816,899)</u>	<u>(360,720)</u>
Taxation	6 –	–
Loss for the year	<u><u>(816,899)</u></u>	<u><u>(360,720)</u></u>
Other comprehensive income	–	–
Total comprehensive loss for the period	<u><u>(816,899)</u></u>	<u><u>(360,720)</u></u>

The notes on pages 13 to 24 form an integral part of these financial statements.

Balance Sheet

At 31 March 2017

		31 March 2017	31 March 2016
	Note	£	£
Non-Current assets			
Intangible assets	7	–	–
Property, Plant and Equipment	8	–	–
		<u>–</u>	<u>–</u>
Current assets			
Trade and other receivables	9	831,012	654,082
Cash and cash equivalents		35,571	79,670
		<u>866,583</u>	<u>733,752</u>
Total assets		<u>866,583</u>	<u>733,752</u>
Current liabilities			
Trade and other payables	10	(21,348)	(10,172)
Other payables	11	(2,779,899)	–
		<u>(2,801,247)</u>	<u>(10,172)</u>
Non-current liabilities			
Other payables	11	–	(1,841,345)
Total Liabilities		<u>(2,801,247)</u>	<u>(1,851,517)</u>
Net Liabilities		<u>(1,934,664)</u>	<u>(1,117,765)</u>
Equity			
Share capital	13	2	2
Retained earnings		<u>(1,934,666)</u>	<u>(1,117,767)</u>
Total Shareholder Liabilities		<u>(1,934,664)</u>	<u>(1,117,765)</u>

These financial statements were approved by the board on 20 September 2017 and were signed on its behalf by:



P J Cox

Director

Company registration number: 03941797

The notes on pages 13 to 24 form an integral part of the financial statements.

Statement of Changes in Equity

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Total</i>
	£	£	£
Balance at 1 April 2015	2	(757,047)	(757,045)
Loss for the year	–	(360,720)	(360,720)
Issuance of share capital	–	–	–
Balance at 31 March 2016	–	(1,117,767)	(1,117,765)
Loss for the year	–	(816,899)	(816,899)
Issuance of share capital	–	–	–
Balance at 31 March 2017	2	(1,934,666)	(1,934,664)

The notes on pages 13 to 24 form an integral part of the financial statements.

Cash Flow Statement

For year ended 31 March 2017

	<i>31 March</i> 2017 £	<i>31 March</i> 2016 £
Loss before tax	(816,899)	(360,720)
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	–	–
 Movement in working capital:		
Trade and other receivables	(176,930)	(161,524)
Trade and other payables	949,730	583,801
Cash (used in)/from operations	(44,099)	61,557
 Cash (outflow)/inflow from operating activities	 (44,099)	 61,557
 Cash flows from investing activities	 –	 –
 Cash flows from financing activities	 –	 –
 Net (decrease) / increase in cash	(44,099)	61,557
Cash and cash equivalents at 1 April	79,670	18,113
Cash and cash equivalents at period end	35,571	79,670

The notes on pages 13 to 24 form an integral part of the financial statements.

Notes

(forming part of the financial statements)

1. Accounting policies

The Gift & Loyalty Company Limited is a private company, limited by shares, incorporated and domiciled in the United Kingdom.

The registered office of The Gift & Loyalty Company Limited is Navigation House, Belmont Wharf, Skipton, United Kingdom, BD23 1RL.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements are prepared on the historical cost basis.

The functional currency of the Company is GBP. The company financial statements are presented in GBP and all values are rounded to the pound, except where otherwise indicated.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements are prepared on a going concern basis. At 31 March 2017 the Company had net current liabilities of £1,934,664 and net liabilities of £1,934,664 and generated a loss for the 12 month period to 31 March 2017 of £816,899. Subsequent to the year end on 25 July 2017 the company's sister company, Contis Financial Services, signed a three year debt facility, under which it obtained a £17m secured credit line for the provision of Collateral to Visa and thus released approximately £3.5m of additional working capital to the Group. Contis Financial Services Limited has indicated that for at least 12 months from the date of approval of these Financial Statements, it will continue to make available such funds as are needed by the company. The directors are therefore satisfied that the company has the resources to continue in business for the foreseeable future.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at the date. Foreign exchange differences arising on translation are recognised in the statement of profit and loss and other comprehensive Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

1.4 Revenue recognition

Revenue reflects amounts invoiced to clients.

Revenues are generated from our clients in the form of set up fees, annual / monthly charges, transaction fees and card production and fulfilment. All charges and fees are collected by invoice to the client.

Both set up fees and annual charges are recognised at the time of invoice. Monthly charges and transaction fees are invoiced at the end of the month in which the activity occurred. Card production and fulfilment are invoiced at the point cards have been despatched to the client.

Notes (continued)

1. Accounting policies (continued)

1.5 Intangible assets

Intangible fixed assets acquired as part of an acquisition are capitalised at their cost value.

Purchased goodwill, concessions, patents, licences and trademarks purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives, generally 10 years.

1.6 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost represents expenditure that is directly attributable to the purchase of the asset.

Depreciation is charged on a straight-line basis, so as to write off the costs of assets less their residual values over their estimated useful lives, on the following basis:

Fixtures, fittings and equipment	-	1-5 years
Computer equipment	-	1-3 years

The assets' estimated useful lives, depreciation rates and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying value is written down immediately to its recoverable amount if its carrying value is greater than its recoverable amount.

The gain or loss arising on disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss and other comprehensive

1.7 Impairment of property, plant and equipment and intangible assets

At each reporting period, the Company reviews its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, with any impairment recognised immediately through the statement of profit and loss and other comprehensive income.

1.8 Classification of financial instruments issued by the Company

Following the adoption of IAS 32 Financial Instruments: Presentation, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Notes (continued)

1. Accounting policies (continued)

1.9 Financial instruments

Non-derivative financial instruments comprise other receivables, cash at bank and in hand, and trade and other payables.

Trade receivables

Trade receivables are recognised initially at the fair value of the amount receivable and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. A provision for impairment is established when there is objective evidence that there is a difference between the carrying value and the recoverable amount.

Other receivables

Other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances

1.10 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the year end and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.12 Cost of Sales

Cost of sales comprises the cost directly associated with the revenue recognised during the year.

Notes (continued)

1. Accounting policies (continued)

1.13 Provision for impairment of receivables

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an 'incurred loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganisation; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

1.14 Adopted IFRS not yet applied

The following standards and interpretations have an effective date after the date of these financial statements.

<i>Standard or interpretation</i>	<i>Title</i>	<i>Effective for accounting periods beginning on or after</i>
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019

At this stage, the directors anticipate that the adoption of these standards and interpretations in future periods will not have a material impact on the financial statements of the Company when these relevant standards and interpretations come into effect. IFRS 15 has been considered as not having a material impact given the transaction nature of the business

1.15 Accounting estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires the exercise of judgement both in the application of accounting policies and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are continually reviewed and evaluated based on historical experience and other factors. However, actual results may differ from these estimates. Areas of significant judgment in these financial statements include:

- Impairment (note 1.7);
- Income tax (note 6); and
- Deferred tax (note 12).

Notes (continued)

2. Expenses and auditors remuneration:

	<i>Year ended 31 March 2017</i>	<i>Year ended 31 March 2016</i>
	£	£
Depreciation of property, plant and equipment	–	–
Audit & Accountancy Fees:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	3,520	4,750

The auditors' remuneration for the audit of the Company for the year ended 31 March 2017 has been borne by the parent undertaking, Contis Group Limited and is disclosed in those financial statements.

3. Staff numbers and costs

The entity does not have any employees.

4. Directors' emoluments

The Directors did not receive any remuneration from the Company during the year. The Directors remuneration was borne by Contis Technologies Limited its sister company, and a wholly owned subsidiary of Contis Group Limited.

5. Finance income and expense

There was no interest receivable/payable or similar income/charge during the year (2016: Nil).

6. Income tax expense

	<i>Year ended 31 March 2017</i>	<i>Year ended 31 March 2016</i>
	£	£
Current income tax	–	–
Deferred tax	–	–
Total tax expense	<u>–</u>	<u>–</u>

Notes (continued)

6. Income tax expense (continued)

A reconciliation of the tax expense on the loss before tax at the standard UK corporation tax rate to the actual expense is as follows:

	<i>Year ended</i> <i>31 March</i> <i>2017</i>	<i>Year ended</i> <i>31 March</i> <i>2016</i>
	<i>£</i>	<i>£</i>
Loss before tax	<u>(816,899)</u>	<u>(360,720)</u>
Tax calculated at standard rate of corporation tax in the UK of 20% (2016: 20%)	(163,380)	(72,144)
Group relief surrendered	163,380	–
Unrecognised losses carried forward	<u>–</u>	<u>72,144</u>
Total tax expense	<u>–</u>	<u>–</u>

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and from 19% to 17% (effective from 1 April 2020) were substantively enacted during 2016. This will reduce the Company's future tax charge accordingly.

7. Intangible assets

Goodwill and other intangibles arising on previous acquisitions have been fully written down.

Notes (continued)

8. Property, plant and equipment

	<i>Computer equipment</i> £	<i>Total</i> £
Cost		
Balance at 1 April 2015	13,678	13,678
Balance at 31 March 2016	<u>13,678</u>	<u>13,678</u>
Balance at 1 April 2016	13,678	13,678
Balance at 31 March 2017	<u>13,678</u>	<u>13,678</u>
Depreciation		
Balance at 1 April 2015	13,678	13,678
Balance at 31 March 2016	<u>13,678</u>	<u>13,678</u>
Balance at 1 April 2016	13,678	13,678
Balance at 31 March 2017	<u>13,678</u>	<u>13,678</u>
Net book value		
At 1 April 2015	—	—
At 31 March 2016 and 1 April 2016	—	—
At 31 March 2017	<u>—</u>	<u>—</u>

9. Trade and other receivables

	<i>31 March 2017</i> £	<i>31 March 2016</i> £
Trade receivables	63,397	55,600
Less: Provision for impairment of receivables	(5,865)	—
Trade receivables - net	<u>57,532</u>	<u>55,600</u>
VAT receivable	—	—
Intragroup receivables	<u>773,480</u>	<u>598,482</u>
	<u>831,012</u>	<u>654,082</u>

Notes (continued)

10. Trade and Other Payables: amounts falling due within one year

	<i>31 March 2017</i>	<i>31 March 2016</i>
	<i>£</i>	<i>£</i>
Trade payables	15,192	4,347
Taxation and Social security taxes	6,156	5,825
	<u>21,348</u>	<u>10,172</u>

11. Other Payables

	<i>31 March 2017</i>	<i>31 March 2016</i>
	<i>£</i>	<i>£</i>
Intragroup payables:		
Current	2,779,899	–
Non-current	–	1,841,345
	<u>2,779,899</u>	<u>1,841,345</u>

The intragroup payables relate to cash movements between subsidiary companies and intragroup recharges for processing, services and management based on a transfer pricing model. The amount due non-interest bearing and is repayable on demand.

12. Deferred tax

The amount of unutilised tax losses in relation to which a deferred tax asset has not been recognised, is as follows:

	<i>31 March 2016</i>	<i>Movement not recognised during the year</i>	<i>31 March 2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At the period end	1,033,387	–	1,033,387
Deferred tax at 19%	<u>196,344</u>	<u>–</u>	<u>196,344</u>

The Company has not recognised deferred tax assets or liabilities to date as there is insufficient certainty over the ability to use the amounts in the future.

Notes (continued)

13. Capital and Reserves

Share Capital

	<i>31 March</i> <i>2017</i>	<i>31 March</i> <i>2016</i>
<i>Authorised share capital:</i> Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i> Ordinary shares of £1 each	<u>2</u>	<u>2</u>

14. Capital and other financial commitments

The Company had no material capital commitments at the end of any of the financial periods.

15. Related party transactions

Identity of related parties with which the Company has transacted

During the year the Company is controlled by Peter Cox as chairman and majority shareholder of the Company.

The Company had transactions in the year with fellow subsidiary companies wholly owned by Contis Group Limited. The details of these transactions are disclosed below.

Group Companies

All the employees within the company are employed by Contis Technologies Limited and all central services are procured by the Contis Technologies Limited. During the year the Contis Technologies Limited provided wages marketing and central services to the Company totalling £766,129 (2016: £345,665).

At 31 March 2017 the balance amount outstanding with Contis Technologies was £1,147,794 (2016: £381,665).

Transactions with key management personnel

There were no material related transactions with Directors or key managers during the accounting period.

Other related party transactions

There were no material transactions with any other related parties during the accounting period.

Notes (continued)

16. Financial Instruments

The exposure to credit risk as at 31 March 2017 was as follows:

a) Fair values of financial instruments

The carrying values of the Company's financial instruments are reasonable approximations of their fair value.

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its financing activities primarily in relation to its cash and cash equivalents, deposits and trade receivables.

Credit risk from balances with banks and financial institutions is managed by depositing with reputable financial institutions, from which management believes loss to be remote. The Company's maximum exposure to credit risk for the components of the statement of financial position, other than intragroup balances, is the carrying amounts of cash at bank and in hand.

Credit evaluations are performed for all customers. Management has a policy in place and the exposure to credit risk is monitored on an on-going basis. At the year end there were no significant concentrations of risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

<i>Credit risk – 31 March 2017</i>	<i>On demand</i>	<i>Less than one year</i>	<i>Between one and five years</i>	<i>More than five years</i>	<i>Total</i>
	£	£	£	£	£
Trade and other receivables	–	831,012	–	–	831,012
Cash and cash equivalents	35,571	–	–	–	35,571
	35,571	831,012	–	–	866,583

<i>Credit risk – 31 March 2016</i>	<i>On demand</i>	<i>Less than one year</i>	<i>Between one and five years</i>	<i>More than five years</i>	<i>Total</i>
	£	£	£	£	£
Trade and other receivables	–	654,082	–	–	654,082
Cash and cash equivalents	79,670	–	–	–	79,670
	79,670	654,082	–	–	733,752

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other prices risk, such as equity price risk.

The Company has no exposure to interest rate risk due to having no interest bearing loans or borrowings.

Notes (continued)

16. Financial Instruments (continued)

c) Market risk (continued)

Foreign currency risk

The following tables consider the impact of several changes to the spot £/other foreign currencies exchange rates of +/- 10%. If these changes were to occur the tables below reflect the impact on loss before tax. The values are based on the server hosting costs to reflect the sensitivity of the US Dollar.

Change in GBP vs. FX	Effect on loss before tax	
	Year ended 31 March 2017	Year ended 31 March 2016
	£	£
USD	249	202

Liquidity risk

Cash flow is regularly monitored and the relevant subsidiaries are aware of their working capital commitments. The Company reviews its long-term funding requirements in parallel with its long-term strategy, with an objective of aligning both in a timely manner.

The table below summarises the maturity profile of the Company's contractual undiscounted financial liabilities at 31 March 2016 and 31 March 2017.

Liquidity risk – 31 March 2017	On demand	Between one and five years			Total
		Less than one year	More than five years	More than five years	
	£	£	£	£	£
Trade and other payables	–	2,801,247	–	–	2,801,247
	–	2,801,247	–	–	2,801,247

Liquidity risk – 31 March 2016	On demand	Between one and five years			Total
		Less than one year	More than five years	More than five years	
	£	£	£	£	£
Trade and other payables	–	10,172	1,841,345	–	1,851,517
	–	10,172	1,841,345	–	1,851,517

Notes (continued)

17. Ultimate Parent Company

The Company is a subsidiary undertaking of Contis Group Limited which is the immediate and ultimate parent company, incorporated in England.

The largest group in which the results of the Company are consolidated is that headed by Contis Group Limited. The consolidated financial statements are available from Navigation House, Belmont Wharf, Skipton, BD23 1RL.

18. Post Balance Sheet events

No material subsequent events have been noted.