

Company Number
04240184



Road Angel Group Limited

FINANCIAL STATEMENTS

for the 13 months ended 31 December 2015

Table of contents

Table of contents	2
Officers and Professional Advisors.....	3
Strategic Report	4
Directors' Report	5
Independent Auditor's Report to the members of Road Angel Group Limited	7
Financial Statements.....	9
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity.....	11
Cash Flow Statement	11
Notes to the Financial Statements.....	12

Officers and Professional Advisors

Directors

Mr M Williams

Secretary

Mr E Walker

Registered Office

Clark House
Silverstone Circuit
Northampton
Northamptonshire
NN12 8GX

Bankers

Lloyds Bank Plc
1st Floor
3 Town Quay
Southampton
SO14 2AQ

Auditor

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Solicitor

Dorsey & Whitney
199 Bishopsgate
London
EC2M 3UT

Strategic Report

Business Review

The company's principal activity during the year continued to be that of building and distributing databases and the development of applications. The performance for the year ended 31 December 2015 has diminished, as indicated by the Key Performance Indicators below.

As of the 3 October 2016 the decision was made to wind down the consumer side of the business and enter into two separate agreements for the sale of the brand and assets of the Road Angel Business. The Road Angel Brand and the associated Gem and Halo products and database were sold under one agreement. The Bike Trac brand, associated stock and database information was sold under a second agreement.

Key performance indicators

Throughout 2015 the Board used a number of measures to determine the performance of the Company. The principal such key performance indicators are:

• Revenue:	£2.38 million	(2014: £3.91 million)
• Adjusted EBITDA (note 5):	(£1.22 million)	(2014: £0.56 million)
• Adjusted (Loss)/Profit Before Taxation (note 5):	(£1.24 million)	(2014: £0.45 million)

Principal risks and uncertainties

There are no principal risks and uncertainties to report.

By order of the Board



Mark P Williams
Director
20 December 2016

Directors' Report

The Directors present their report and the audited Financial Statements for the 13 months ended 31 December 2015.

Dividends

The Directors do not recommend the payment of a final dividend (2014: £nil).

Directors and Company Secretary

The names of the current Directors are shown on page 3. The Directors who served during the period is as follows:

Mr H Sadiq (resigned 17 November 2015)

Mr I Essack (resigned 31 May 2016)

Mr M Williams (appointed 31 May 2016)

Mr E Walker was appointed as Company Secretary on 31 May 2016 and Mr I Essack resigned on that date.

Political donations

The Company did not make any political donations in the period (2014: £nil).

Post Balance Sheet Events

With the disposal of the main product and services of the Road Angel Group the company will be wound down leaving the company operationally dormant.

Going concern

Due to the decision to cease trading, the Directors have not prepared the Financial Statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these Financial Statements.

Statement of Directors' responsibilities

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. (As explained in note 2, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditor

Taylor's resigned as auditor in February 2016 and KPMG LLP was appointed by the Board. Pursuant to Section 487 of the Companies Act 2006, the auditor will be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to the auditors

The director who held office at the date of approval of this director's report confirms that:

- a) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) he 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 auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

By order of the Board



Mark P Williams
Director
20 December 2016

Independent Auditor's Report to the members of Road Angel Group Limited

We have audited the financial statements of Road Angel Group Limited for the period ended 31 December 2015 set out on pages 9 to 25. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) 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 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 Directors' Responsibilities Statement set out on page 5, 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 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 December 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - non-going concern basis of preparation

In forming our opinion on the financial statements, which is not further modified in this respect, we have considered the adequacy of the disclosure made in note 2 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Independent Auditor's Report to the members of Road Angel group 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.



Neil Hughes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT
21 December 2016

Financial Statements

Statement of Comprehensive Income

for the 13 months ended 31 December 2015

		2015 13 months £000	2014 18 months £000
Revenue	Note 5	2,376	3,910
Cost of sales		(1,778)	(1,814)
Gross Profit		598	2,096
Administrative expenses			
- Normal		(1,841)	(1,807)
- Exceptional costs	7	(3,041)	-
Administrative expenses		(4,882)	(1,807)
Operating (loss)/profit	6	(4,284)	289
Finance expense	9	(1)	(2)
(Loss)/profit before taxation		(4,285)	287
Taxation	10	-	-
(Loss)/profit for the period		(4,285)	287
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Comprehensive (expense)/income for the period		(4,285)	287

The results relate entirely to discontinued operations.

The notes on pages 12 to 25 form an integral part of these Financial Statements.

Statement of Financial Position

as at 31 December 2015

	Note	31 December 2015 £000	30 November 2014 £000	1 June 2013 £000
Non-current assets				
Intangible assets	11	9	-	149
Property, plant and equipment	12	48	38	99
Investments	13	-	2,167	2,167
		57	2,205	2,415
Current assets				
Inventories	14	280	239	141
Trade and other receivables	15	795	2,240	2,277
Cash and cash equivalents	16	525	150	68
		1,600	2,629	2,486
Total assets		1,657	4,834	4,901
Current liabilities				
Trade and other payables	17	(4,355)	(3,255)	(3,607)
Obligations under finance leases	19	(5)	(5)	-
		(4,360)	(3,260)	(3,607)
Non-current liabilities				
Other payables	17	(300)	(287)	(299)
Obligations under finance leases	19	-	(5)	-
		(300)	(292)	(299)
Total liabilities		(4,660)	(3,552)	(3,906)
Net (liabilities)/assets		(3,003)	1,282	995
Equity				
Share capital	22	-	-	-
Retained earnings		(3,003)	1,282	995
Total equity		(3,003)	1,282	995

The notes on pages 12 to 25 form an integral part of these Financial Statements.

The Financial Statements of Road Angel Group Limited, registered number 04240184, on pages 9 to 25 were approved and authorised for issue by the Directors on 20 December 2016 and signed on its behalf by:



Mark P Williams
Director

Statement of Changes in Equity

for the period ended 31 December 2015

	Share capital £000	Retained earnings £000
At 1 December 2014	-	1,282
Loss for the period	-	(4,285)
At 31 December 2015	-	(3,003)
At 1 June 2013	-	995
Profit for the period	-	287
At 30 November 2014	-	1,282

The notes on pages 12 to 25 form an integral part of these Financial Statements.

Cash Flow Statement

for the 13 months ended 31 December 2015

	Note	2015 13 months £000	2014 18 months £000
Cash flows from operating activities			
Cash generated from operations before tax	24	418	130
Corporation tax paid		-	-
Cash generated from operating activities		418	130
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(28)	(35)
Purchase of intangible fixed assets	11	(9)	(11)
Net cash used in investing activities		(37)	(46)
Cash flow from financing activities			
Finance expense paid		(1)	(2)
Finance lease repayments		(5)	-
Net cash used in financing activities		(6)	(2)
Net increase in cash and cash equivalents		375	82
Cash and cash equivalents at the beginning of the period		150	68
Cash and cash equivalents at the end of the period	16	525	150

The notes on pages 12 to 25 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. General information

Road Angel Group Limited is a company registered and domiciled in the United Kingdom. The Financial Statements are presented in pounds sterling, to the nearest thousand, as this is the currency of the primary economic environment in which the Company operates. The address of the registered office is Clark House, Silverstone Circuit, Northampton, NN12 8GX. The nature of the Company's operations and its principal activities are set out on page 4.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, excepted as described in note 3.

Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations adopted by the European Union ("EU"). The Financial Statements have been prepared under the historical cost convention. A summary of the significant Company accounting policies, which have been applied consistently across the Company, is set out below. The Company has reviewed its accounting policies in accordance with IAS 8 and determined that they are appropriate for the Company and have been consistently applied.

The Company is not required to prepare consolidated IFRS Financial Statements under section 401 of the Companies Act 2006 and IAS 27 "Presentation of consolidated financial statements" as it is a subsidiary of another entity that prepares consolidated financial statements which are drawn up in a manner equivalent to those drawn up in accordance with the provisions of the EC 7th Directive. As such the results presented here are for the Company as an individual undertaking and not of its group.

Going Concern

In October 2016 the Directors took a decision to sell the assets of Road Angel Group and cease trading. As they do not intend to acquire a replacement, the Directors have not prepared the accounts on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these Financial Statements.

Revenue recognition

Revenue is generated from the sale of devices and related subscription services. Where a device is sold as a stand-alone product revenue is recognised on delivery. If a subscription service is subsequently sold for that device, revenue is recognised over the period of the subscription. The device and subscription service can be sold as a bundled item, in such circumstances the revenue relating to both the device and subscription service is recognised over the period of the subscription.

Marketing expenses

Marketing expenses are expensed in the period in which they are incurred.

Operating profit

Operating profit is profit stated before finance income, finance expense and tax.

Foreign currency translation

The functional and presentational currency of the Company is pounds sterling. Transactions denominated in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date, with any gains or losses being included in net profit or loss for the year.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write off the cost less estimated residual values over their estimated useful lives as follows:

- Plant and equipment: 25% per annum reducing balance

Estimated residual values and useful economic lives are reviewed annually and adjusted where necessary.

Trade receivables

Trade receivables are held at amortised cost less any impairment provisions and this equates to their recoverable value. Movements in the impairment provision relating to credit risk are recognised within administrative expenses as bad debt expenses.

Trade payables

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

Cash and cash equivalents

Cash in the Statement of Financial Position comprises cash at banks and in hand. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation in respect of a past event and it is probable that settlement will be required of an amount that can be reliably estimated.

Taxation including deferred tax

The tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised in equity in which case it is recognised in equity. The current tax is based on taxable profit for the year calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is provided using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Share capital

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. Adoption of new and revised Standards

The Financial Statements have been prepared in accordance with EU Adopted International Financial Reporting Standards (IFRS) for the first time. IFRS 1 "First-time Adoption of International Financial Reporting Standards" has been applied. The Company's transition date for the adoption of IFRS 1 is 1 June 2013. IFRS 1

permits companies adopting IFRS for the first time to take certain exemptions from full retrospective application of IFRS accounting policies. In accordance with IFRS 1 the company has not revised estimates required under IFRS 1 that were also required under UK GAAP as at 1 June 2013 and 1 December 2014, and, in addition where estimates were required under UK GAAP, they have been based on information known at that time, and not on subsequent events.

On adoption of IFRS, there were no accounting standards which affected the reported position, financial performance or cash flows of the company.

Under UK GAAP the Company was exempt from preparing a cash flow state. Under adopted IFRS a Statement of Cash Flows has been presented in accordance with IAS1.

4. Critical accounting judgements and key sources of estimation uncertainty

As set out in the basis of preparation note, in the preparation of these Financial Statements the Board has taken into account all available information in the application of its accounting policies and in forming judgments. In the process of applying the Company's accounting policies, management has made a number of judgements, and the preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The key management judgements together with assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recognition of revenue

Revenues are recognised in-line with the delivery and receipt of products or services to and for our customers. Each revenue type is considered separately and revenue is recognised when the customer has received the product or service, the amount of revenue can be reliably measured and conversion of the revenue in to cash or other economic benefit can be assured. These considerations are applied to both ongoing core service activities and one off contracts that are entered into.

5. Key performance indicators

	Note	2015 13 months £000	2014 18 months £000
Revenue			
Sale of goods and services	2	2,376	3,910
Total revenue		2,376	3,910
Adjusted EBITDA:			
(Loss)/profit before taxation		(4,285)	287
Depreciation		18	102
Amortisation		1	160
Exceptional costs		3,041	-
Net finance expense		1	2
Adjusted EBITDA		(1,224)	551
Adjusted (loss)/profit before taxation			
(Loss)/profit before taxation		(4,285)	287
Amortisation		1	160
Exceptional costs		3,041	-
Adjusted (loss)/profit before taxation		(1,243)	447

6. Operating (loss)/profit

The operating (loss)/profit for the period is stated after charging/(crediting):

	2015 13 months £000	2014 18 months £000
Depreciation of property, plant and equipment	18	102
Amortisation of intangibles assets	1	160
Operating lease rentals	146	203
Finished goods inventories expensed	1,075	1,017
Staff costs (note 8)	920	803

The analysis of Auditor's remuneration is as follows:

	2015 13 months £000	2014 18 months £000
Fees payable to the company's auditor for the audit of the company's annual accounts	-	9
Fees payable to the company's auditor for other services:		
Tax compliance services	-	1
	-	10

Audit fees of £18,155 in the current year were borne by its parent, Watchstone Group Plc (formerly Quindell Plc) (2014: £nil).

7. Exceptional costs

	2015 13 months £'000	2014 18 months £'000
Impairment of investments (note 13)	2,167	-
Provision against irrecoverable related party balances (note 15)	874	-
	3,041	-

Costs are classified as exceptional where they are not incurred in the ordinary course of business and are expected to be non-recurring.

8. Employee and staff costs

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

	2015 13 months Number	2014 18 months Number
Directors	2	3
Other employees	25	25
	27	28

The remuneration of the directors was as follows:

	2015 13 months £000	2014 18 months £000
Emoluments	72	168
Compensation for loss of office	-	67
	72	235

The cost of certain directors was borne by other group companies. No remuneration is disclosed for two (2014: one) directors as their services to the company are insignificant compared to their services to other group companies. The emoluments of the highest paid Director were £72,000 (2014: £106,000). No retirement benefits were accruing under any schemes in respect of any of the Directors (2014: none). None of the Directors received any remuneration in connection with contributions to pension schemes.

Total employee costs were as follows:

	2015 13 months £000	2014 18 months £000
Wages and salaries	829	729
Social security costs	85	74
Pension costs	6	-
	920	803

9. Finance expense

	2015 13 months £000	2014 18 months £000
Interest on obligations under finance leases	1	2
Total interest payable	1	2
Net Finance expense	1	2

10. Taxation

	Note	2015 13 months £000	2014 18 months £000
The taxation charge/(credit) comprises:			
Current tax:			
- Current year		-	-
Total current Tax		-	-
Deferred tax:			
Origination and reversal of temporary differences		5	-
Adjustments in respect of prior year		(5)	-
Total deferred tax		-	-
Taxation		-	-

Income tax for the UK is calculated at the standard rate of UK corporation tax of 20.25% (2014: 21.50%) on the estimated assessable loss for the year. The total charge for the year can be reconciled to the accounting profit as follows:

	2015 13 months £000	2014 18 months £000
(Loss)/profit on ordinary activities before tax:	(4,285)	287
Tax at 20.25% (2014: 21.50%) thereon	(868)	60
Effect of:		
Expenses not deductible for tax purposes	178	-
Utilisation of tax losses	-	(60)
Unrecognised deferred tax on losses	256	-
Investment impairments	439	-
Adjustments to tax charge in respect of prior periods	(5)	-
Total tax charge/(credit) for the year	-	-

Factors affecting future tax charges

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will be reduced to 21% from 1 April 2014 and to 20% from 1 April 2015. The Finance (No. 2) Bill 2015 provided that the UK corporation tax rate will be further reduced to 19% from 1 April 2017 and 18% from 1 April 2020. These rates were substantively enacted on 26 October 2015. A rate of 18% has been used for deferred tax liabilities.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

11. Intangible fixed assets

	IPR, software and licences £000
Cost	
At 1 June 2013	2,526
Additions	11
Disposals	(1,588)
At 1 December 2014	949
Additions	10
At 31 December 2015	959
Amortisation	
At 1 June 2013	2,377
Charge for the period	160
Disposals	(1,588)
At 1 December 2014	949
Charge for the period	1
At 31 December 2015	950
Net book value	
31 December 2015	9
30 November 2014	-

During the period ended 31 December 2015, £nil of research and development was taken to profit and loss (2014: £12,000).

12. Tangible fixed assets

	Leasehold, land and buildings £000	Plant and equipment £000	Total £000
Cost			
At 1 June 2013	182	892	1,074
Additions	11	35	46
Disposals	(2)	(482)	(484)
At 1 December 2014	191	445	636
Additions	-	28	28
At 31 December 2015	191	473	664
Depreciation			
At 1 June 2013	182	792	974
Charge for the period	2	100	102
Disposals	(2)	(476)	(478)
At 1 December 2014	182	416	598
Charge for the period	1	17	18
At 31 December 2015	183	433	616
Net book value			
31 December 2015	8	40	48
30 November 2014	9	29	38

There were no material commitments for the acquisition of property, plant or equipment at either 31 December 2015 or 30 November 2014.

Assets with a net book value of £7,000 (2014: £12,000) are held under finance leases, on which depreciation of £5,000 (2014: £3,000) was charged in the year.

13. Investments

Cost	£000
At 1 June 2013, 1 December 2014 and 31 December 2015	2,167
Impairment	
At 1 June 2013 and 1 December 2014	-
Charge for the period	2,167
At 31 December 2015	2,167
Net Book Value	
31 December 2015	-
1 June 2013 and 30 November 2014	2,167

Following a review of the carrying value of investments at the statement of financial position date, all investments have been fully impaired.

The Company has the following investments in subsidiaries. All holdings are at 100% ordinary shares unless otherwise stated.

Name of Investment	Country of incorporation	Nature of holding	Principal activity
Morpheus Holdings Limited	UK	Direct	Dormant
Roadpilot Limited	UK	Indirect	Distribution & development
Blackspot Interactive Limited	UK	Direct	Dormant
Blackspot Limited	UK	Direct	Dormant
Road Angel POGO Limited	UK	Direct	Dormant

14. Inventories

	31 December 2015	30 November 2014
	£000	£000
Finished goods for resale	280	239
	280	239

There is no material difference between the book value and the replacement cost of the inventories shown.

For the finished goods for resale £920,000 (2014: £1,012,000) was expensed for sales. £154,000 (2014: £5,000) was expensed as stock write downs in cost of sales.

15. Trade and other receivables

	31 December 2015	30 November 2014
	£000	£000
Trade receivables (net of impairment provision)	281	133
Amounts due from related parties (note 29)	1,316	2,048
Less: provision against amounts due from related parties	(874)	-
Prepayments	72	59
	795	2,240

The Directors consider that the net carrying amount of Trade receivables approximates to their fair value.

16. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	31 December 2015 £000	30 November 2014 £000
Cash	525	150
	525	150

Cash and cash equivalents comprise cash held by the Company. The carrying amount of these assets approximates to their fair value.

17. Trade and other payables

	31 December 2015 £000	30 November 2014 £000
Current liabilities		
Trade payables	320	386
Amounts due to related parties (note 29)	1,877	1,859
Payroll and other taxes including social security	67	67
Accruals	1,209	208
Deferred income	678	675
Other liabilities	204	60
	4,355	3,255
Non-current liabilities		
Deferred income	300	287
	300	287

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates to their fair value.

18. Borrowings

	31 December 2015 £000	30 November 2014 £000
Current		
Finance leases	5	5
	5	5
Non-current liabilities		
Finance leases	-	5
	-	5
Total	5	10

	31 December 2015 £000	30 November 2014 £000
The borrowings are repayable as follows:		
- On demand or within one year	5	5
- In the second to fifth years inclusive	-	5
	5	10
Less: Amount due for settlement within 12 months (shown under current liabilities)	(5)	(5)
Amount due for settlement after 12 months	-	5

The Directors consider that the net carrying amount of borrowings approximates to their fair value.

19. Obligations under finance leases

	31 December 2015 £000	30 November 2014 £000
Minimum lease payments		
Within one year	6	6
In the second to fifth year inclusive	-	6
	6	12
Less future finance charges	(1)	(2)
Present value of lease obligations	5	10
Present value of minimum lease payments		
Within one year	5	5
In the second to fifth years inclusive	-	5
Present value of lease obligations	5	10
Analysed as:		
Amounts due for settlement within one year	5	5
Amounts due for settlement after more than one year	-	5
	5	10

It is the Company's policy to lease certain of its plant and equipment under finance leases. The average lease term is 3 years (2014: 3 years). For the period ended 31 December 2015, the average effective borrowing rate was 11.0% (2014: 11.0%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All lease obligations are denominated in sterling. The fair value of the Company's lease obligations is approximately equal to their carrying amount. The Company's obligations under finance leases are secured by the lessor's rights over the leased assets disclosed in note 12.

20. Contingent liabilities

The Company routinely enters into a range of contractual arrangements in the ordinary course of events which can give rise to claims or potential litigation against group companies. It is the Company's policy to make specific provisions at the Statement of Financial Position date for all liabilities which, in the opinion of the Directors, are expected to result in a significant loss.

All such matters are periodically assessed with the assistance of external professional advisers, where appropriate, to determine the likelihood of the Company incurring a liability and to evaluate the extent to which a reliable estimate of any liability can be made.

In the opinion of the Directors, the Company does not have any contingent liabilities at the Statement of Financial Position date.

21. Deferred tax

At the Statement of Financial Position date, there are unrecognised deferred tax assets of £423,000 (2014: £219,000).

22. Share capital

	31 December 2015		30 November 2014	
	Number	Nominal value £000	Number	Nominal value £000
100 issued and fully paid shares:	100	-	100	-
At the start and end of the period	100	-	100	-

The Company has one class of Ordinary Shares of one pound each which carry no right to fixed income.

23. Operating lease commitments

At the Statement of Financial Position date the Company had outstanding commitments for minimum lease payments due under non-cancellable operating leases, which expire as follows:

	Land and buildings	
	31 December 2015 £000	30 November 2014 £000
Expiring:		
Within one year	420	420
Between two and five years	1,680	1,680
After five years	735	1,155
	2,835	3,255

24. Cash flow from operating activities

	2015 13 months £000	2014 18 months £000
Operating (loss)/profit	(4,284)	289
Adjustments for:		
Depreciation of property, plant and equipment	18	101
Amortisation of intangible assets	-	160
Impairment of related party balances	874	-
Impairment of investments	2,167	-
Loss on disposal of fixed assets	-	6
Operating cash flows before movements in working capital and provisions	(1,225)	556
Increase in inventories	(41)	(97)
Decrease in trade and other receivables	570	36
Increase/(decrease) in trade and other payables	1,114	(365)
Cash generated from operations before exceptional costs	418	130

25. Reconciliation of net cash flow to movement in net funds

	1 December 2014 £000	Cash flow movements £000	Non-cash movements £000	31 December 2015 £000
2015 Cash	150	375	-	525
Net funds	150	375	-	525

	1 June 2013 £000	Cash flow movements £000	Non-cash movements £000	30 November 2014 £000
2014 Cash	68	82	-	150
Net funds	68	82	-	150

26. Financial instruments

Carrying value and fair value

The accounting classification of each class of the Company's financial assets and liabilities, together with their fair values is as follows:

	Loans and receivables £000	Other liabilities £000	Total carrying value £000	Total fair value £000
At 31 December 2015				
Trade and other receivables	723	-	723	723
Trade and other payables	-	(2,264)	(2,264)	(2,264)
Finance Leases	-	(5)	(5)	(5)
Cash and cash equivalents	525	-	525	525
At 30 November 2014				
Trade and other receivables	2,181	-	2,181	2,181
Trade and other payables	-	(2,312)	(2,312)	(2,312)
Finance leases	-	(10)	(10)	(10)
Cash and cash equivalents	150	-	150	150

The fair values of financial assets and liabilities are determined as follows:

- (a) The fair value of obligations under finance leases and other borrowings is estimated by discounting the future cash flows to net present values.
- (b) The fair value of cash and cash equivalents is equivalent to the carrying value due to the short-term nature of those instruments.
- (c) The fair value of other financial assets and liabilities with standard terms and conditions is determined in relation to estimated discounted cash flows to net present values.

Cash and cash equivalents classified as loans and receivables mainly comprise investments in AAA/AA bank deposits which can be withdrawn without notice.

Financial risk management

The Company's financial instruments comprise borrowings, cash and liquid resources and various items such as trade debtors and trade creditors that arise from its operations. The main purpose of these financial instruments is to manage the Company's operations.

Liquidity risk

The Company generates funds from operations which are managed centrally within its group.

The following are the contractual maturities of financial liabilities:

	Carrying amount £000	Contractual cash flows £000	Less than 1 year £000	Between 1-5 years £000
Non-derivative financial liabilities				
31 December 2015				
Trade and other payables	2,265	(2,265)	(2,265)	-
Finance leases	5	(6)	(6)	-
	2,270	(2,271)	(2,271)	-
30 November 2014				
Trade and other payables	2,312	(2,312)	(2,312)	-
Finance leases	10	(12)	(6)	(6)
	2,322	(2,324)	(2,318)	(6)

Credit risk

The Company is not subject to significant concentration of credit risk with exposure spread over many companies. Policies are maintained to ensure that the Company enters into sales contracts that are tailored to the customers' respective credit risk. The credit quality of the Company's trade receivables is considered by management to be good as the exposure to a concentration of debt from a small number of individual end customers is low.

The average credit period taken on sales of services is 37 days (2014: 37 days). No interest is charged on the receivables balances. The Company does not hold any collateral or other credit enhancements over these balances nor has the legal right of offset with any amounts owed by the Company to the receivables counterparty.

The carrying amount of financial assets represents the maximum credit exposure. At the reporting date the principal financial assets were:

	31 December 2015 £000	30 November 2014 £000
Non-derivative financial assets		
Trade receivables	281	133
Amounts due from related parties (net of impairment provision)	442	2,048
Cash and cash equivalents	525	150
	1,248	2,331

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	31 December 2015 £000	30 November 2014 £000
UK	281	133
	281	133

The carrying amounts of trade receivables are denominated in the following currencies:

	31 December 2015 £000	30 November 2014 £000
Sterling	281	133
	281	133

The ageing of loans and other receivables at 31 December 2015 was as follows:

	31 December 2015 Gross £000	31 December 2015 Impairment £000	31 December 2015 Net £000	30 November 2014 Gross £000	30 November 2014 Impairment £000	30 November 2014 Net £000
Under 1 year	1,597	(874)	723	2,182	(1)	2,181
1-2 years	1	(1)	-	-	-	-
	1,598	(875)	723	2,182	(1)	2,181

Included in the net loans and other receivables balance above is £281,000 (2014: £133,000) which are subject to contractual payment terms, of which an amount of £174,000 (2014: £96,000) represents debts which are past their due date but not impaired. An ageing of this past due but not impaired debt is shown below:

	31 December 2015 £000	30 November 2014 £000
Under 1 year	174	96
	174	96

The movement in the allowance for impairment in respect of loans and other receivables during the period was as follows:

	31 December 2015 £000	30 November 2014 £000
At 1 December 2014	1	1
Provision for receivables impairment	874	-
	875	1

The allowance has been determined by reference to the recoverability of specific due and overdue debts. The creation and reversal of provisions for impaired trade receivables where they arise are included in administrative expenses in the Income Statement. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

27. Dividends

The Directors do not propose the payment of a dividend for the 13 months ended 31 December 2015 (2014: £nil).

28. Ultimate parent company and controlling party

The immediate parent company is Ingleby (1653) Limited. The ultimate controlling party of the Company and the parent company of the smallest group to consolidate these Financial Statements is Watchstone Group Plc (formerly Quindell Plc). Copies of the consolidated accounts of Watchstone Group Plc (formerly Quindell Plc) can be obtained by writing to the Company Secretary at, 21 Tower Street, London, WC2H 9NS.

29. Related party transactions

Transactions with companies within the Watchstone group:

	Sales made to / (Expenses incurred from)		Receivable/(payable)	
	2015 13 months £000	2014 18 months £000	31 December 2015 £000	30 November 2014 £000
Immediate parent	-	-	874	874
Ultimate parent	-	-	(369)	-
Fellow subsidiaries	55	103	442	1,049
Fellow subsidiaries	-	(605)	-	(217)
Owned subsidiaries	-	182	-	125
Owned subsidiaries	-	-	(1,508)	(1,642)