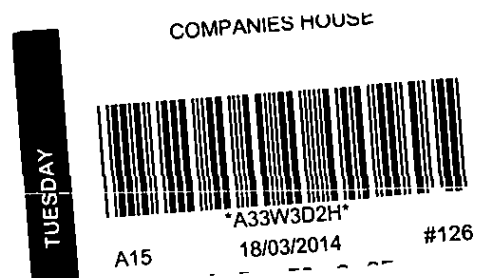


Registered Number 4274181

The Nostrum Group Limited
Directors' report and financial statements
for the year ended 31 December 2013



The Nostrum Group Limited

Directors' report and financial statements for the year ended 31 December 2013

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The Nostrum Group Limited

Directors' report for the year ended 31 December 2013

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2013. The directors' report has been prepared in accordance with the small companies regime of part 15 of the Companies Act 2006.

Principal activities and financial and business review

Principal Activities

The Company's principal activity is as a holding company and supplier of solutions to the financial services sector. Our Consumer Credit Act compliant technology and services support the whole lifecycle of lenders operations from front-end lead generation and application processing through customer servicing to delinquency management, across a number of different consumer and commercial financial products.

Financial Business Review

This year has seen a return to profitability and significant revenue growth as we continue our strategy to develop technology, making lending cheaper, faster and safer, delivering significant benefits to our clients. We have successfully transitioned away from the short term high cost credit market and have attracted major retail financial services clients. Our objective to target larger clients on longer term contracts has succeeded with a number of major contract wins in the year and we have a healthy sales pipeline in place to continue this trend into 2014 and beyond.

Turnover has increased by 83% from £3,819,657 to £7,000,512 with the majority of this growth coming from the new contracts won in the year. Further significant growth is anticipated in future years as the portfolios of these clients continue to grow and further new contracts are secured.

A comparison of the Company's turnover for the last four years shows the following growth over this period:

Year	2010	2011	2012	2013
Turnover	£1,926,852	£2,514,020	£3,819,657	£7,000,512

On a statutory basis, profit on ordinary activities before interest and taxation ("PBIT") increased from a reported loss of £779,080 to a profit of £835,605.

A comparison of the Company's PBIT for the last four years is shown below:

Year	2010	2011	2012	2013
PBIT	£50,197	£1,324,270	(£779,080)	£835,605

The increase in PBIT is predominantly driven by a number of factors. We have continued to develop our pricing capabilities and are able to offer our clients a range of alternative charging structures. A focus this year on new clients adopting transactional based charging will see our revenue continue to build in line with

The Nostrum Group Limited

Directors' report for the year ended 31 December 2013

Financial Business Review (continued)

our new client's growing portfolios. Our strategy is to continue to focus on and build a high proportion of recurring revenue to provide a stable platform for future growth.

The aforementioned major client wins presented a recruitment challenge with a consistent shortfall throughout the year in the number of permanent IT Developers, Consultants and Project Managers. This excess of demand over supply was met by the use of external consultants, resulting in a flexible workforce able to cope with the peaks in workload as new client development was required. This flexible resourcing enabled the Company to grow revenue but had an associated impact on profitability. The Company has an ongoing recruitment programme to back fill the use of external consultants. We have also developed a dynamic capacity plan to aid our recruitment programme and decision-making, thus ensuring we are able to respond quickly to client demands without carrying excess overhead.

Whilst the growth in turnover has been exceptionally strong, we have managed this growth within the confines of firm financial control. Our balance sheet remains strong, finishing the year with cash of £1,484,624, minimal debt via a lease facility and a continued ability to self finance our growth aspirations and operations. The return to profitability following our change in strategic direction in 2012 has been key to us achieving this position of stability.

The functionality and flexibility of our IT platform is key to retaining our competitive edge in the market, and 2013 has seen significant investment in research and development, which is set to continue into 2014. Additionally our 'Data Centre Migration' project has seen us move the key components of our IT infrastructure from InTechnology to Rackspace. We believe that these strategic IT developments have helped significantly in securing the major contract wins in 2013, and leave us well placed to exploit further commercial opportunities in the coming years.

Our rapid growth has seen us gain recognition from a number of external parties. The Company has been ranked in the Deloitte Technology Fast 50, an index ranking the 50 fastest-growing technology companies in the UK. The Company was also ranked within Deloitte's Fastest 500 within Europe, Middle East and Africa.

Additionally the Company won the Acquisition International Award 'Loan Management Software of the Year 2013', and in February 2013 passed the significant milestone of one million eSigned applications being processed by its platform as consumers continue to embrace digital channels.

Risks and uncertainties

With the OFT handing over the reins to the FCA in April 2014, a change in regulatory focus is coming, and where the OFT have previously given guidance to lenders, the FCA is going to enforce compliance and regulation with the creation of a much stricter regime.

The Company remains committed to engaging only with reputable lending organisations which operate in line with all appropriate guidance and regulation. Ongoing monitoring of relationships is paramount to the

The Nostrum Group Limited

Directors' report for the year ended 31 December 2013

Risks and uncertainties (continued)

Company to ensure we are not exposed to unnecessary risks which may affect our reputation or ability to trade

Many of the requirements set out by the FCA have been adopted in part by the Company already. However in order for it to maintain its position as a market leading provider of compliant services this has presented a significant undertaking to assess the impact of any changes and ensure that where additional controls are required, these are implemented in an organised and timely manner.

Ultimately the transfer of consumer credit regulation is perceived by the Company to be of great benefit to the financial services industry and consumers alike by assisting in the removal and sanction of rogue operators.

The Company is constantly looking to strengthen its existing controls in relation to the services it provides and working towards the FCA standards through continued investment in its compliance function to further benefit our evolution and provide confidence to current and future clients.

Corporate Responsibilities

Integrated into the Company's business model is a conscious effort to ensure that it is self regulated in terms of active compliance and ethical standards.

The Company has a fundamental responsibility to protect the interests of both itself and its clients. To fulfil this obligation, appropriate policies and governance structures are embedded, ensuring the confidentiality, integrity and availability of our data assets.

The Company is constantly evolving and enhancing its controls in relation to information security, in line with appropriate regulatory standards and guidelines. When engaging with any third parties used to support the Company's service provision, appropriate levels of due diligence are applied to ensure that we undertake necessary risk mitigation. We continue to invest heavily in improving our infrastructure and IT security and consider this to be an ongoing programme of investment.

Employees

The Company prides itself on a sustainable, healthy and well-educated workforce which enables the business to achieve its strategic vision.

Despite our growth and continued recruitment drive, the average number of employees decreased in the year. This is largely as a result of the reduction in operational employees servicing the short term high cost credit sector and increased automation throughout of core processes. The decrease in staff numbers has been partially offset by an increase in technical IT resource and we expect staff numbers to grow over the course of 2014 as we service our growing client base. We welcome our new employees and thank them and our longer serving staff for their continued professional commitment to delivering our business objectives.

The Nostrum Group Limited

Directors' report for the year ended 31 December 2013

The Company is committed to ensuring that all employees are fully informed with business, market and regulatory developments, accomplished through a clear managerial structure and consistent communication across all levels of the business

Charitable Donations

The Company has continued its patronage of St Michael's Hospice, a local hospice, which provides care to people with terminal illnesses. Along with this support, employees of the Company dedicate time in arranging and participating in charitable events, further increasing the amount of money donated to St Michael's Hospice and other charities

Charitable donations made during the year were £6,379 (2012 £5,554)

Financial Risk Management

Due to the nature of the financial instruments used by the Company comprising of bank balances, trade creditors, trade debtors and finance lease arrangements, there is no exposure to price risk. The liquidity risk on the above areas is managed by regular monitoring of these areas by the Directors

Results and Dividends

The Company's results are set out in the profit and loss account on page 8

During the year the directors paid an interim dividend of 62p per ordinary share that is a total of £494,813

Directors

The Directors who held office during the year and up to the date of signing the financial statements were as follows

R W Carter

A M Stephen

N Warman

A Iversen [Non-executive]

Statement of directors' responsibilities

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the

The Nostrum Group Limited

Directors' report for the year ended 31 December 2013

Statement of directors' responsibilities (continued)

directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of disclosure of information

In so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



N Warman
Director
7 February 2014

The Nostrum Group Limited

Independent auditors' report to the members of The Nostrum Group Limited

We have audited the financial statements of The Nostrum Group Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

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

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 2013 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditors' report to the members of The Nostrum Group Limited (continued)

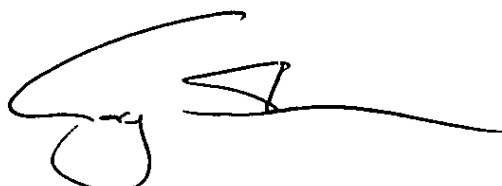
Opinion on other matter prescribed by the Companies Act 2006

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

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



Gary Shaw (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Leeds

11 February 2014

The Nostrum Group Limited

Profit and loss account for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	1	7,000,512	3,819,657
Cost of sales		(2,452,850)	(721,435)
Gross Profit		4,547,662	3,098,222
Administrative expenses		(3,542,362)	(3,682,080)
Amortisation	8	(86,870)	(86,871)
Depreciation	9	(71,963)	(76,199)
Loss on disposal of assets		(1,358)	(3,634)
Icenet costs		(9,505)	(28,518)
Total Administrative expenses		(3,712,058)	(3,877,302)
Earnings before interest, taxation, depreciation and amortisation		1,005,300	(583,858)
Profit/(loss) on ordinary activities before interest and taxation	4	835,604	(779,080)
Net interest payable	5	(22,645)	(23,174)
Profit/(loss) on ordinary activities before taxation		812,959	(802,254)
Tax Profit/(loss) on ordinary activities	6	(70,051)	147,855
Profit/(loss) after taxation for the financial year	16	742,908	(654,399)

The Company's results in the current and preceding financial years are from continuing operations

The Company has no recognised gains and losses other than the results above and therefore no separate Statement of Total Recognised Gains and Losses has been presented

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year, stated above and their historic cost equivalents

The Nostrum Group Limited

Reconciliation of movements in shareholders' funds

	Note	2013 £	2012 £
Opening shareholders' funds		1,553,803	2,426,466
Profit/(loss) for the financial year		742,908	(654,399)
Dividends paid	15	(494,813)	(218,264)
Closing shareholders' funds		1,801,898	1,553,803

The Nostrum Group Limited

Balance sheet as at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	7	4,170	4,170
Intangible assets	8	1,563,665	1,650,535
Tangible assets	9	60,019	124,196
		1,627,854	1,778,901
Current assets			
Debtors	10	712,729	594,277
Cash at bank and in hand		1,484,624	313,889
		2,197,353	908,166
Creditors amounts falling due within one year	11	(1,902,733)	(1,103,450)
Net Current assets/(liabilities)		294,620	(195,284)
Total assets less current liabilities		1,922,474	1,583,617
Creditors amounts falling due after more than one year	12	(120,576)	(29,814)
Net assets		1,801,898	1,553,803
Capital and reserves			
Called up share capital	13	802,045	802,045
Profit and loss account	16	999,853	751,758
Total shareholders' funds		1,801,898	1,553,803

The financial statements on pages 8 to 22 were approved by the board of directors 7 February 2014 and signed on its behalf by



N Warman
Director

Registered Company Number 4274181

The Nostrum Group Limited

Cash flow statement for the year ended 31 December 2013

	Notes	2013 £	2012 £
Net cash inflow/(outflow) from operating activities	17	1,686,835	(391,950)
Returns on investments and servicing of finance			
Bank interest and charges paid	5	(5,123)	(11,369)
Interest element of finance lease repayments	5	(17,522)	(11,805)
		(22,645)	(23,174)
Capital expenditure			
Purchase of tangible fixed assets	9	-	(49,878)
Loss on disposal		1,358	3,634
		1,358	(46,244)
Net cash inflow/(outflow) before equity dividends		1,665,548	(461,368)
Equity dividend paid to shareholders			
Dividend paid	15	(494,813)	(218,264)
		(494,813)	(218,264)
Net cash inflow/(outflow) before financing		1,170,735	(461,368)
Financing			
		-	-
Net cash outflow/(inflow) from financing		-	-
Increase/(decrease) in cash in the year		1,170,735	(679,632)

The Nostrum Group Limited

Statement of accounting policies

Principal accounting policies

The financial statements have been prepared on a going concern basis, under the historic cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. Principal accounting policies, which have been applied on a consistent basis throughout the year, are set out below.

Basis of accounting

The Company's business activities and its likely future developments are set out in the Directors' report. The Company has demonstrated significant growth in both turnover and profits, and has generated cash during the year.

As a result, the directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements on the grounds that it is a small group as defined by the Companies Act 2006.

Turnover

This figure represents amounts earned or invoiced net of value added tax and sales discounts or accrued for services provided in the year. For large projects, invoices are raised on completion of agreed milestones and deliverables within the project.

Earnings Before Interest, Taxation, Depreciation and Amortisation

This figure represents profits earned in the year before interest, taxation, depreciation, amortisation and profit/loss on sale or disposal of tangible assets and other related costs.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the period. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items of income or expense that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as at the balance sheet date.

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in future, or a right to pay less tax in future. Deferred tax assets and liabilities are recognised on all timing differences that have originated but not reversed at the balance sheet date, and have not been discounted. Policy for recognising asset.

Investments in subsidiaries

Investments in subsidiaries are stated at cost. When the directors believe that an impairment in investment has occurred, a provision is made.

The Nostrum Group Limited

Intangible assets

Intangible assets comprise goodwill on the transfer of business from icenet Limited (the Company's subsidiary undertaking) which is being amortised over 20 years

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Costs that are directly attributable to the development of new business application software and which are incurred during the period prior to the date that the software is placed into operational use are capitalised.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for the purpose are

	%
Computer Equipment and other	33
Leasehold improvement and furniture	25

Tangible fixed asset lives are reviewed and adjusted, if appropriate, at each balance sheet date. The need for an impairment write-down is assessed by comparison of the carrying value of the asset against the higher of its net realisable value or value in use.

During the year, management performed an assessment of the accounting policy around the depreciation of computers and given the frequency with which such assets are replaced or renewed, it was deemed more appropriate for the assets to be expensed to the profit and loss account rather than capitalised and depreciated.

Leases

Leases are classified as finance leases if the terms of the lease involve the transfer of substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the lower of their estimated fair value or the present value of the minimum lease payments at the date of inception or each lease or contract. Leases consist of capital and interest elements. The capital element is shown as an obligation under finance leases and reduced to reflect the outstanding obligation. The interest element is allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to the profit and loss as incurred. Benefits received and receivable as an incentive to enter into an operating lease are spread on a straight line basis over the lease term.

Pension scheme arrangements

The cost of the money purchase scheme is charged to the profit and loss account as the contributions fall due.

The Nostrum Group Limited

Notes to the financial statements for the year ended 31 December 2013

1 Turnover

The turnover of the Company for the year has been derived from its principal activities of supplying technology solutions and services to the financial services sector, and is fully attributable to the UK market

2 Directors' emoluments

	2013 £	2012 £
Aggregate emoluments	366,150	125,409
Company pension contributions to money purchase schemes	43,755	35,021

The aggregate of emoluments of the highest paid director were £352,320 (2012 £111,579) and company pension contributions of £12,207 (2012 £6,420) were made to money purchase pension plan on his behalf

3 Employee information

The average monthly number of persons (including executive directors) employed by the Company during the year was

	2013 Number	2012 Number
Software and outsourcing services	57	73

Staff costs (for the above persons)	2013 £	2012 £
Wages and salaries	2,161,390	2,304,532
Social security costs	240,467	250,341
Staff Pension and other costs	233,611	205,257
	2,635,468	2,760,130

The above employees' contracts of service are with the Company. They are paid by and work full-time for the Company.

The Company pension plan is a defined contribution plan. The contributions made to the plan in 2013 were £233,611 (2012 £152,768). At the end of the year contributions of £20,584 (2012 £29,064), representing the unpaid contributions for December 2013, were outstanding.

The Nostrum Group Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

4 Profit/(loss) on ordinary activities before interest and taxation

	2013 £	2012 £
Profit/(loss) on ordinary activities before interest and taxation is stated after charging		
Auditors' remuneration for statutory audit	15,000	10,500
Staff Costs (note 3)	2,635,468	2,760,130
Operating lease charges - buildings	62,513	170,421
Depreciation of tangible fixed assets		
- Owned assets	27,540	32,002
- Leased assets	44,423	44,197
Amortisation	86,870	86,871

Included in administrative expenses is £nil (2012 £nil) in respect of bad debt write-offs

5 Net interest payable

	2013 £	2012 £
Bank interest payable	5,123	11,369
Finance lease interest	17,522	11,805
	22,645	23,174

The Nostrum Group Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

6 Tax on profit/(loss) on ordinary activities

	2013 £	2012 £
Current tax		
UK corporation tax on profit for the year	-	-
Deferred tax		
Origination and reversal of timing differences (note 14)	91,849	147,855
Adjustments in respect of previous periods (note 14)	(21,798)	-
Tax on profit/(loss) on ordinary activities	70,051	147,855

The differences between total current tax assessed and the standard rate of corporation tax in the UK are explained below

	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	812,959	(802,254)
Profit/(loss) on ordinary activities multiplied by standard rate in the UK of 23.25% (2012: 24.5%)	188,985	(196,530)
Effects of		
Expenses not deductible for tax purposes	17,177	24,362
Accelerated capital allowances and other timing differences	(542)	(5,082)
(Utilisation of losses)/losses not utilised	(109,987)	200,522
R&D tax credits	(95,633)	(23,272)
Current tax charge for the year	-	-

During the year, changes to the UK corporation tax rate have been substantially enacted. On 26 March 2013 the rate was reduced to 23% effective from 1 April 2013. In July 2013, the rate was reduced to 21% from 1 April 2014 and 20% from 1 April 2015. The relevant deferred tax balances have been re-measured based on the period in which they are expected to reverse.

The Nostrum Group Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Investments

	Investment in subsidiaries
Cost and Net Book Value	£
At 1 January 2013 and 31 December 2013	4,170

At 31 December 2013 the Company directly held more than 20% of the allotted share capital of the following principal subsidiary undertakings

The directors consider the value of investments to be supported by their underlying assets

	Country of incorporation	Class of share capital	Proportion held by parent Company	Nature of business
icenet Limited	England	Ordinary	100%	IT facilities management

8 Intangible assets

	Total £
Cost	
At 1 January 2013 and 31 December 2013	1,737,406
Accumulated Depreciation	
At 1 January 2013	(86,871)
Charge for year	(86,870)
At 31 December 2013	(173,741)
Net book value	
At 31 December 2013	1,563,665
At 31 December 2012	1,650,535

On 31 December 2011 the trade and assets of icenet Limited, the Company's subsidiary undertaking were transferred to the Company at their net book value (the 'Hive-Up'). Following the Hive-Up a dividend in specie to the value of £1,292,266 was paid by icenet Limited to the Company reflecting the balance on the intercompany amount. The goodwill has arisen following the transfer of the trade and assets and represents the balance of the Company's investment in icenet Limited in excess of the post Hive-Up net assets.

The Nostrum Group Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

9 Tangible assets

	Leasehold improvements and furniture £	Computer equipment and other £	Total £
Cost			
At 1 January 2013	20,018	725,121	745,139
Lease charges deferred 1 January 2013	-	9,144	9,144
Disposals	-	(11,410)	(11,410)
At 31 December 2013	20,018	722,855	742,873
Accumulated depreciation			
At 1 January 2013	(15,389)	(605,554)	(620,943)
Charge for year	(3,163)	(68,800)	(71,963)
Depreciation on disposals	-	10,052	10,052
At 31 December 2013	(18,552)	(664,302)	(682,854)
Net book value			
At 31 December 2013	1,466	58,553	60,019
At 31 December 2012	4,629	119,567	124,196

The Nostrum Group Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

10 Debtors

	2013 £	2012 £
Amounts falling due within one year		
Trade debtors	516,330	369,332
Prepayments and accrued income	60,066	18,561
Deferred taxation (note 14)	136,333	206,384
	712,729	594,277

11 Creditors / amounts falling due within one year

	2013 £	2012 £
Amounts falling due within one year		
Trade creditors	256,933	118,998
Other creditors	540,706	161,306
Finance lease creditor	85,319	57,604
Other taxation and social security	140,948	153,290
Accruals	644,609	311,110
Deferred income	234,218	301,142
	1,902,733	1,103,450

12 Creditors / amounts falling due after more than one year

	2013 £	2012 £
Amounts falling due after one year		
Finance lease creditor	120,576	29,814

The Nostrum Group Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

13 Called up share capital

	2013 £	2012 £
Allotted and fully paid		
802,045 (2012 802,045) ordinary shares of £1 each	802,045	802,045

14 Deferred taxation

	2013 £	2012 £
Asset at start of year	206,384	58,529
Charge for the year (note 6)	(70,051)	-
Created in the year (note 6)	-	147,855
Asset at end of year (note 10)	136,333	206,384

The deferred tax asset has been reduced through a charge for the year of £70,051 (2012 Credit £147,855). This is made up of adjustments in respect of previous periods of (£21,798) (2012 £Nil), timing differences connected to capital allowances in excess of depreciation of £2,042 (2012 £13,360), other short term timing differences of (£2,087) (2012 £2,122) and carried forward tax losses of £91,894 (2012 £163,336).

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future to enable them to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

Deferred tax recognised in the financial statements is as follows

	2013 £	2012 £
Capital allowances	39,313	41,355
Losses	93,272	165,029
Other timing differences	3,748	-
	136,333	206,384

The Nostrum Group Limited

Notes to the financial statements for the ended 31 December 2013 (continued)

15 Dividend

	2013 £	2012 £
Interim dividend paid of 62p per share	494,813	218,264

During the year the Company paid an interim dividend of 62p per ordinary share that is a total of £494,813 (2012 £218,264)

16 Profit and loss account

	2013 £	2012 £
At 1 January	751,758	1,624,421
Dividends paid	(494,813)	(218,264)
Profit/(Loss) for the financial year	742,908	(654,399)
At 31 December	999,853	751,758

17a Cash-flow statement

Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2013 £	2012 £
Operating profit/(loss)	835,605	(779,080)
Depreciation of tangible assets	71,963	76,199
Amortisation of goodwill	86,870	86,871
(Increase)/decrease in debtors	(118,452)	292,614
Increase/(decrease) in creditors	890,045	(69,960)
Other non-cash changes	(79,196)	1,406
Net cash inflow/(outflow) from operating activities	1,686,835	(391,950)

The Nostrum Group Limited

Notes to the financial statements for the ended 31 December 2013 (continued)

17b Analysis of net debt

	As at 1 January 2013 £	Cash flow £	Finance Lease movement in the year £	As at 31 December 2013 £
Cash in hand	313,889	1,170,735	-	1,484,624
Finance lease due after one year	(29,814)	-	(90,762)	(120,576)
	284,075	1,170,735	(90,762)	1,364,048

18 Related party disclosures

The Company has taken advantage of the exemption under FRS8, Related Party Disclosures and not disclosed transactions with its subsidiary Company, icenet Limited

19 Ultimate controlling party

The Directors regard the Company as being ultimately owned and controlled by the Director Richard W Carter by virtue of his shareholding

20 Operating lease commitments

The Company had an annual commitment under buildings

	2013 £	2012 £
Leases expiring within one year	25,158	58,738
Leases expiring later than one year but no later than five years	157,500	26,837
	182,658	85,575