

I-COMPLY LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**Company Registration No. 04316461 (England and Wales)
PAGES FOR FILING WITH REGISTRAR**

I-COMPLY LIMITED

COMPANY INFORMATION

Directors	Mr David Corson B.Acc.,CA	(Appointed 6 December 2016)
	Mr Alastair McLeod BSc (Hons)	(Appointed 6 December 2016)
Secretary	Mr David Corson B.Acc.,CA	
Company number	04316461	
Registered office	1st Floor Offices Dragon Bridge House 253 Whitehall Road Leeds West Yorkshire LS12 6ER	
Accountants	William Duncan + Co 30 Miller Road Ayr Ayrshire KA7 2AY	
Business address	1st Floor Offices Dragon Bridge House 253 Whitehall Road Leeds West Yorkshire LS12 6ER	
Bankers	HSBC 7 West Nile Street Glasgow G1 2RQ	
Solicitors	Wright Johnston & Mackenzie 302 St Vincent Street Glasgow G2 5RZ	

I-COMPLY LIMITED

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I-COMPLY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

		December 2016		March 2016	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		15,406		22,054
Investments	5		999		1,080
			<u>16,405</u>		<u>23,134</u>
Current assets					
Stocks		6,763		4,321	
Debtors	7	144,392		376,083	
Cash at bank and in hand		45,902		41,180	
		<u>197,057</u>		<u>421,584</u>	
Creditors: amounts falling due within one year	8	(180,931)		(507,613)	
Net current assets/(liabilities)			<u>16,126</u>		<u>(86,029)</u>
Total assets less current liabilities			<u>32,531</u>		<u>(62,895)</u>
Creditors: amounts falling due after more than one year	9		-		(90,925)
Provisions for liabilities			-		(4,181)
Net assets/(liabilities)			<u><u>32,531</u></u>		<u><u>(158,001)</u></u>
Capital and reserves					
Called up share capital	11		356,900		2,000
Share premium account			-		49,900
Profit and loss reserves			<u>(324,369)</u>		<u>(209,901)</u>
Total equity			<u><u>32,531</u></u>		<u><u>(158,001)</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

I-COMPLY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

For the financial period ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 28 April 2017 and are signed on its behalf by:

Mr David Corson B.Acc.,CA
Director

Mr Alastair McLeod BSc (Hons)
Director

Company Registration No. 04316461

I-COMPLY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2015		2,000	49,900	(103,193)	(51,293)
Period ended 31 March 2016:					
Loss and total comprehensive income for the period		-	-	(106,708)	(106,708)
Balance at 31 March 2016		2,000	49,900	(209,901)	(158,001)
Period ended 31 December 2016:					
Loss and total comprehensive income for the period		-	-	(114,468)	(114,468)
Issue of share capital	11	356,900	-	-	356,900
Redemption of shares	11	(2,000)	-	-	(2,000)
Other		-	(49,900)	-	(49,900)
Balance at 31 December 2016		356,900	-	(324,369)	32,531

I-COMPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

i-Comply Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor Offices, Dragon Bridge House, 253 Whitehall Road, Leeds, West Yorkshire, LS12 6ER.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the period ended 31 December 2016 are the first financial statements of i-Comply Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied and licence income for access to software and hosted hardware, exclusive of Value Added Tax. Licence income is recognised over the contractual period access and help desk support is provided.

Revenue on the sale of hardware and third party software, where no significant vendor obligations exist, is recognised on despatch. Revenue on non-standard software or where significant vendor obligations exists is recognised on customer acceptance.

Revenue from the sale of software is recognised at the time the software licence is granted, in accordance with agreed contract milestones such as installation at customer location. Revenues for support and maintenance services are recognised proportionately over the period that the services are provided. Payments received in advance of services are recorded in the balance sheet as deferred income.

Revenue from professional services (project management, consultancy and training) is recognised as the service provided.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

I-COMPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	33% straight line
Fixtures, fittings & equipment	33% reducing balance
Computer equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of 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 to which the asset belongs.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

I-COMPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade debtors and other receivables and cash and bank balances, are measured at transaction price including transaction costs. There are no arrangements that constitutes a financing transaction, where the transaction would be measured at amortised cost.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors and other payables are initially recognised at transaction price unless the arrangement constitutes a financing transaction. There are no arrangements that constitute a financing transaction where they would be carried at amortised cost.

I-COMPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items 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 by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

I-COMPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 9 (2016 - 10).

3 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2016 and 31 December 2016	8,000
Amortisation and impairment	
At 1 April 2016 and 31 December 2016	8,000
Carrying amount	
At 31 December 2016	-
At 31 March 2016	-

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2016	117,313
Additions	903
At 31 December 2016	118,216
Depreciation and impairment	
At 1 April 2016	95,259
Depreciation charged in the period	7,551
At 31 December 2016	102,810
Carrying amount	
At 31 December 2016	15,406
At 31 March 2016	22,054

5 Fixed asset investments

	2016	2016
	£	£
Investments	999	1,080

I-COMPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

5 Fixed asset investments (Continued)

Movements in fixed asset investments

Shares in group undertakings

£

Cost or valuation

At 1 April 2016	1,080
Exchange movements	(81)

At 31 December 2016	999
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Carrying amount

At 31 December 2016	999
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At 31 March 2016	1,080
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6 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
i-Comply India Private Limited India	Software development	Ordinary	100.00	

7 Debtors

	2016 £	2016 £
Amounts falling due within one year:		
Trade debtors	126,592	282,311
Corporation tax recoverable	-	76,250
Amounts due from group undertakings	5,034	-
Other debtors	12,766	17,522
	144,392	376,083

8 Creditors: amounts falling due within one year

	2016 £	2016 £
Trade creditors	11,373	92,232
Other taxation and social security	29,802	106,937
Other creditors	139,756	308,444
	180,931	507,613

I-COMPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

9 Creditors: amounts falling due after more than one year

	2016 £	2016 £
Other creditors	-	90,925
	<u> </u>	<u> </u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	12,698
	<u> </u>	<u> </u>

10 Provisions for liabilities

	2016 £	2016 £
Deferred tax liabilities	-	4,181
	<u> </u>	<u> </u>
	-	4,181
	<u> </u>	<u> </u>

11 Called up share capital

	2016 £	2016 £
Ordinary share capital		
Issued and fully paid		
356,900 Ordinary A Shares of £1 each	356,900	-
194,000 Ordinary A Shares of 1p each	-	1,940
6,000 Ordinary B Shares of 1p each	-	60
	<u> </u>	<u> </u>
	356,900	2,000
	<u> </u>	<u> </u>

Reconciliation of movements during the period:

	Ordinary A Shares Number	Ordinary B Shares Number
At 1 April 2016	194,000	6,000
Conversion to A Shares	6,000	(6,000)
Issue in year	35,490,000	-
Conversion from £0.01 to £1 per share	(35,333,100)	-
	<u> </u>	<u> </u>
At 31 December 2016	356,900	-
	<u> </u>	<u> </u>

During December the 35,690,000 Ordinary A Shares of £0.01 each was converted into 356,900 Ordinary A Shares of £1 each following the acquisition of i-Comply by Veracity UK Limited.

I-COMPLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2016 £
Within one year	16,300	36,600
Between two and five years	-	7,150
	<u>16,300</u>	<u>43,750</u>

13 Related party transactions

The following amounts were outstanding at the reporting end date:

	2016 Balance £
Amounts owed by related parties	
i-Comply India Private Limited	5,034
	<u>5,034</u>

There were no amounts owed in the previous period.

14 Parent company

The ultimate parent company of i-Comply Limited is Veracity UK Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.