

Pretel Group Limited
Report and Financial Statements

31 December 2015



Directors

Jayesh Patel
Jayten Patel
Keith Scott

Secretary

Stephen Martin

Auditors

Leftley Rowe & Co
The Heights
59-65 Lowlands Road
Harrow
Middlesex
HA1 3AW

Bankers

Royal Bank of Scotland plc
175 – 177 Kensington High Street
Kensington
London
W8 6SH

Registered Office

Maniland House
12 Court Parade
East Lane
Wembley
Middlesex
HA0 3HU

Directors' report

The directors present their report and financial statements for the year ended 31 December 2015.

Strategic report

The group's earnings before interest, tax, depreciation and amortisation (EBITDA) in the year was £162,079 (2014 - £466,328).

The group's operating profit before interest and taxation is £135,421 (2014 - £179,625).

Dividends of £Nil (2014 - £345,469) were paid during the year.

Principal activities and review of the business

The group provides Bedside Entertainment Systems to acute NHS hospitals. In addition the group provides payphones, bedside phone units and bedside phone and TV units.

The majority of the group's business to date is derived from the management of entertainment and communication terminals at patients' bedsides.

The group uses a number of KPI's covering its business performance, key ones being:

EBITDA: Earnings before interest, tax, depreciation and amortisation reflect the ability of the group to generate cash from its ongoing operations.

Revenue: Revenue per terminal per day broken down into type of revenue stream.

Costs: Costs per terminal per day, chiefly covering site staff costs, maintenance costs and direct costs of sales. The group has taken active steps to reduce the costs of staff during the year and to tightly control other costs.

Directors

The directors who served the company during the year were as follows:

Keith Scott
Jayesh Patel
Jayten Patel

Principal risks and uncertainties

The group's activities are largely supplying services to patients within NHS hospitals, their friends and families. The group is therefore affected by government policy in respect of healthcare provision and funding.

In addition, government policy on use of mobile phones and cameras within the ward areas of NHS hospitals affects the usage of the group's equipment within those areas.

The government issued revised guidelines in January 2009 which effectively relaxed many of the restrictions on the use of mobile phones in hospitals which has affected usage of the group's bedside terminals

Directors' report

Outlook

The relaxation of NHS guidelines in 2009 governing the use of mobile phones continues to affect usage of our bedside equipment and therefore the financial performance of the group. Management continue to deal with the declines in revenues and has made some important cost and efficiency savings.

New sources of income continue to be sought including sales of terminals and equipment and promoting the use of the terminals within existing hospitals by the NHS as well as by patients and their friends and relatives. The company and the group continue to discuss the future provision of the Patient Power programme concessions with trusts and looks to develop the provision of additional bedside services with trusts to the benefit of both patients and the overall efficient management of hospitals.

Going concern

The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and details of its exposures to price, credit, liquidity and cash flow risk are described above. On this basis the directors believe that the group is a going concern.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Leftley Rowe and Company are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

By order of the Board



Stephen Martin
Company Secretary

29 September 2016

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper 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.

Independent auditors' report

to the shareholders of Pretel Group Limited

We have audited the financial statements of **Pretel Group Limited** for the year ended 31st December 2015 which comprise the group's Consolidated Statement of Income and Retained Earnings, the group's Consolidated Statement of Financial Position, the Company Statement of Financial Position, the group's Consolidated Statement of Cash flows, Reconciliation of Movement in Equity Shareholders Fund and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Directors' responsibilities to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 Director's Report 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 and those of the group as at 31st December 2015 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report (continued)

to the shareholders of Pretel Group Limited

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.

Christopher Andrews (senior statutory auditor)
For and on behalf of Leftley Rowe and Company
Chartered Accountants and
Statutory Auditors



The Heights
59-65 Lowlands Road
Harrow
Middlesex
HA1 3AW

29 September 2016

Consolidated Statement of Income and retained earnings

for the year ended 31 December 2015

		2015	2014
	Notes	£	£
Turnover		1,318,853	1,555,208
Cost of sales		(124,886)	(161,732)
Gross Profit		1,193,967	1,393,476
Administrative expenses		(1,253,546)	(1,213,851)
Other operating income	3	195,000	-
Operating Profit	4	135,421	179,625
Interest receivable and similar income	7	398	931
Profit on ordinary activities before taxation		135,819	180,556
Tax on profit on ordinary activities	9	-	-
Profit for the financial year	19	135,819	180,556

Retained earnings at the start of the year	(1,690,296)	(1,525,383)
Profit for the year	135,819	180,556
Dividends Paid	-	(345,469)
Retained earnings at the end of the year	<u>(1,554,477)</u>	<u>(1,690,296)</u>

Consolidated Statement of Financial Position

at 31 December 2015

		2015	2014
	Notes	£	£
Fixed assets			
Tangible assets	12	-	26,658
Current assets			
Stocks	14	28,382	26,684
Debtors	15	138,160	195,860
Cash at bank and in hand		423,411	202,405
		589,953	424,949
Creditors: amounts falling due within one year	16	(291,335)	(288,808)
Net current assets		298,618	136,141
Total assets less current liabilities		298,618	162,799
Net assets		298,618	162,799
Capital and reserves			
Called up share capital	18	1,853,095	1,853,095
Profit and loss account	19	(1,554,477)	(1,690,296)
Shareholders' funds		298,618	162,799

The financial statements were approved by the Board on 29 September 2016 and signed on its behalf by



Keith Scott
Director

Company Statement of Financial Position

at 31 December 2015

		2015	2014
	Notes	£	£
Fixed assets			
Investments	13	-	1,002,468
Current assets			
Debtors	15	172,961	1,080,623
Total Assets		172,961	2,083,091
Net Assets		172,961	2,083,091
Capital and reserves			
Called up share capital	18	1,853,095	1,853,095
Profit and loss account	19	(1,680,134)	229,996
Shareholders' funds		172,961	2,083,091

The financial statements were approved by the Board on 29 September 2016 and signed on its behalf by:



Keith Scott
Director

Consolidated statement of cash flows

for the year ended 31 December 2015

		2015	2014
	Notes	£	£
Net cash inflow from operating activities	20	220,608	227,331
Returns on investments and servicing of finance			
Bank interest received		398	931
Net cash inflow from returns on investment and servicing of finance		398	931
Net cash inflow before financing		221,006	228,262
Financing			
Dividends Paid		-	(345,469)
Net cash outflow from financing activities		-	(345,469)
Increase/(decrease) in cash	20	221,006	(117,207)
Cash and cash equivalents at start of year		202,405	319,612
Cash and cash equivalents at end of year		423,411	202,405

Reconciliation of movements in equity shareholders' funds for the year ended 31 December 2015

	<i>Group</i>		<i>Company</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Profit / (loss) for the financial year	135,819	180,556	(1,910,130)	(1,772,640)
Dividends Paid	-	(345,469)	-	(345,469)
Net increase/(decrease)				
in shareholders' funds for the year	135,819	(164,913)	(1,910,130)	(2,118,109)
Shareholders' funds at beginning of year	162,799	327,712	2,083,091	4,201,200
Shareholders' funds at end of year	298,618	162,799	172,961	2,083,091

Notes to the financial statements

at 31 December 2015

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost basis, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance are given in note 22.

Basis of consolidation

The consolidated financial statements include the results of Pretel Group Limited and its subsidiary undertakings drawn up to 31 December 2015. The company's own Statement of Comprehensive Income is not included as permitted by Section 408 of the Companies Act 2006.

Turnover

Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where the contract has only been partially completed at the balance sheet date turnover represents the value of the services provided to date based on a proportion of the total expected consideration at completion. Where payments are received from customers in advance of services provided, the amounts are recorded as payments on account and included as part of Creditors due within one year.

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. This includes the amount of cash collected from payphones during the year, plus an accrual for cash received in payphones but not collected at the year end. Turnover also includes revenue from the sale of payphones, payphone brackets Easitalk and Easiview units.

Turnover relates to the principal activities of the company, which were carried out wholly in the United Kingdom.

Notes to the financial statements

at 31 December 2015

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets on a straight line basis, as follows:

Fixtures and fittings	–	3-8 years
Terminal equipment	–	3-4 years
Plant and machinery	–	5-15 years
Telephone equipment	–	3-4 years

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Notes to the financial statements

at 31 December 2015

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, cost of conversion and other costs incurred in bringing the stocks to their present location and condition.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related services, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

Notes to the financial statements

at 31 December 2015

3. Other operating income

	2015	2014
	£	£
Compensation received	195,000	-

4. Operating Profit

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets	26,658	286,703
Fees payable to the company's auditors:		
Audit of these financial statements	12,250	12,250

5. Directors' remuneration

	2015	2014
	£	£
Emoluments for services as directors	162,800	164,568
Contributions to money purchase schemes	-	10,000
	162,800	174,568

Retirement benefits are accruing to Nil (2014 – 1) directors under money purchase pension schemes.

The aggregate emoluments of the highest paid director amounted to £162,800 (2014 – £164,568). Payments of £Nil (2014 – £10,000) were made to money purchase pension schemes in respect of this director.

6. Staff costs

	2015	2014
	£	£
Wages and salaries	571,411	638,436
Social security costs	48,712	53,746
Other pension costs	9,105	22,268
	629,228	714,450

Notes to the financial statements

at 31 December 2015

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

	2015	2014
	No.	No.
Administrative	3	6
Management	6	9
Engineering and customer service	22	21
	31	36

7. Interest receivable and similar income

	2015	2014
	£	£
Bank interest	398	931
	398	931

8. Pensions

UK defined contribution scheme

The group makes contributions to the money purchase pension schemes of the directors of the company and certain employees as described in note 2. Contributions paid to the scheme in the year amounted to £9,105 (2014 – £22,268).

Notes to the financial statements

at 31 December 2015

9. Tax

(a) Tax on profit on ordinary activities
The tax charge is made up as follows:

	2015	2014
	£	£
<i>Current tax:</i>		
UK corporation tax on the profit for the year	-	-
Total current tax (note 9(b))	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2014 – lower) than the main rate of corporation tax in the UK of 20% (2014 – 21%). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	135,819	180,556
Profit on ordinary activities multiplied by the main rate of corporation tax in the UK of 20% (2014 – 21%)	27,164	37,917
<i>Effects of:</i>		
Losses utilised / carried forward	(27,164)	(58,173)
Capital allowances lower than depreciation	-	20,256
Current tax for the year (note 9(a))	-	-

10. Company result for the financial year

The loss after tax for the company is £1,910,130 (2014 – £1,772,640 loss).

11. Dividends

Dividends paid on equity shares

	2015	2014
	£	£
Paid during the year	-	345,469
Equity dividends on ordinary shares		

Notes to the financial statements

at 31 December 2015

12. Tangible fixed assets

Group				
			<i>Telephone</i>	
		<i>Fixtures</i>	<i>and</i>	
	<i>Plant and</i>	<i>and</i>	<i>terminal</i>	
	<i>machinery</i>	<i>fittings</i>	<i>equipment</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 1 January 2015	6,499,261	1,862,588	4,137,746	12,499,595
At 31 December 2015	6,499,261	1,862,588	4,137,746	12,499,595
Depreciation:				
At 1 January 2015	6,472,603	1,862,588	4,137,746	12,472,937
Charged in year	26,658	-	-	26,658
At 31 December 2015	6,499,261	1,862,588	4,137,746	12,499,595
Net book value:				
At 31 December 2015	-	-	-	-
At 31 December 2014	26,658	-	-	26,658

Notes to the financial statements

at 31 December 2015

13. Fixed asset investments

	<i>Shares in group</i>
	<i>Undertakings</i>
	£
Company	
Cost and net book value	
At beginning of the year	1,002,468
Impairment charge during the year	(1,002,468)
Carrying value as at 31 December 2015	-

The company directly holds 100% of the allotted ordinary share capital of the following company which is registered in England and Wales.

Company	Activity
Premier Telesolutions Limited	Holding company

The company indirectly holds 100% of the allotted ordinary share capital of the following companies:

Company	Activity
Premier Managed Payphones Limited	Operation of payphone, "Easitalk" and "Easiview" business
Premier Managed Services Limited	No longer trading
Premier Entertainment Limited	Management of a hospital bedside terminal business
Premier Telecom Contracts Limited	Operation of a hospital bedside terminal business

14. Stock

Group		
	2015	2014
	£	£
Payphones and payphone spares	24,342	21,913
Consumables	4,040	4,771
	28,382	26,684

Notes to the financial statements

at 31 December 2015

15. Debtors

	2015		2014	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Trade debtors	74,601	-	89,195	-
Amounts owed by subsidiary undertakings	-	172,961	-	1,080,623
Prepayments and accrued income	63,559	-	106,665	-
	<u>138,160</u>	<u>172,961</u>	<u>195,860</u>	<u>1,080,623</u>

16. Creditors: amounts falling due within one year

	2015		2014	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	£	£	£	£
Trade creditors	120,382	-	89,647	-
Other creditors	12,241	-	10,636	-
Other taxation and social security	28,226	-	51,874	-
Accruals and deferred income	130,486	-	136,651	-
	<u>291,335</u>	<u>-</u>	<u>288,808</u>	<u>-</u>

17. Deferred taxation

The net potential deferred taxation assets have not been recognised in the financial statements as, in the opinion of the directors, there is not sufficient evidence that it is more likely than not that suitable taxable profits will be generated to offset these amounts in those parts of the group to which they relate.

Notes to the financial statements

at 31 December 2015

18. Issued share capital

	2015	2014
<i>Allotted, called up and fully paid</i>	£	£
<i>Equity:</i>		
175,309,500 'A' Ordinary shares of 1p	1,753,095	1,753,095
100,000 "B" ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>
Disclosed in the financial statements as:		
Ordinary share capital	1,853,095	1,853,095
	<u> </u>	<u> </u>

The principal rights of the shares are;

Equity shares

Except as specifically stated below as regards the rights of each class of share, each share within each separate class of shares shall rank *pari passu* in all respects. Equity shares that have one vote per share and have no preferential dividend rights, no redemption rights and an unlimited right to share in a surplus remaining on winding up do not require additional disclosure. Accordingly, the details below have been reported by exception.

Dividends

Any profits that the directors determine to distribute amongst the equity shareholders shall be made in the ratio of 75% to the holders of the A shares and 25% to the holders of the B Shares

Rights to vote at meetings of the company

Holders of the A Ordinary Shares shall have 75% of the votes at every meeting of the company at which they are present or have duly elected a representative. Holders of the B Ordinary Shares shall have 25% of the votes at every meeting of the company at which they are present or have duly elected a representative.

Full details of the rights of shareholders are available in the articles of association of Pretel Group Limited, which are available to the public and may be obtained from The Registrar at Companies House.

Winding up

On winding up or other return of capital, assets available for distribution will be applied in the following order:

- payment of any dividend arrears in respect of the ordinary shares;
- 75% of the available assets shall be distributed among the A Ordinary Shareholders, 25% of the available assets shall be distributed among the B Ordinary Shareholders.

Notes to the financial statements

at 31 December 2015

19. Reconciliation of shareholders' funds and movements on reserves

		<i>Profit and loss</i>	
	<i>Share capital</i>	<i>account</i>	<i>Total</i>
	£	£	£
Group			
At beginning of year	1,853,095	(1,690,296)	162,799
Profit for financial year	-	135,819	135,819
At end of year	1,853,095	(1,554,477)	298,618
Company			
At beginning of year	1,853,095	229,996	2,083,091
Loss for the year	-	(1,910,130)	(1,910,130)
At end of year	1,853,095	(1,680,134)	172,961

Notes to the financial statements

at 31 December 2015

20. Notes to the consolidated cash flow statement

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

	2015	2014
	£	£
Operating Profit	135,421	179,625
Depreciation	26,658	286,703
(Increase)/decrease in stocks	(1,698)	8,622
(Increase)/decrease in debtors	57,700	(30,062)
Increase/(decrease) in creditors	2,527	(217,557)
Net cash inflow from operating activities	220,608	227,331

Reconciliation of net cash flow to movement in net funds

	2015	2014
	£	£
Increase/(decrease) in cash in the year	221,006	(117,207)
Change in net funds resulting from cash flows	221,006	(117,207)
Movement in net funds in the year	221,006	(117,207)
Opening net funds	202,405	319,612
Closing net funds	423,411	202,405

Notes to the financial statements

at 31 December 2015

21. Ultimate parent undertaking

The ultimate parent company is Catwise Limited, a company incorporated in England & Wales.

22. Transition to FRS 102

These are the first financial statements of the group and company that comply with FRS 102. The group and company transitioned to FRS 102 on 1 January 2014.

Reconciliation of equity

No transitional adjustments were required.

Reconciliation of profit or loss for the year

No transitional adjustments were required