

DEFAQTO GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

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DEFAQTO GROUP LIMITED

COMPANY INFORMATION

Directors	S Z H Bilgrami R P Bijtjes A C G Brown
Company number	5442706
Registered office	Financial Research Centre Haddenham Business Park Pegasus Way Haddenham Buckinghamshire HP17 8LJ
Registered auditor	RSM UK Audit LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes Buckinghamshire MK9 1BP
Bankers	HSBC Bank Plc 26 Broad Street Reading Berkshire RG1 2BU
Solicitors	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW

DEFAQTO GROUP LIMITED

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FOR THE YEAR ENDED 31 JULY 2016

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DEFAQTO GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2016

The directors present the strategic report and financial statements for the year ended 31 July 2016.

Review of the business

The Company operates as a holding company for a number of subsidiaries.

The Company provides executive and management services to other companies within the wider group of entities, the ultimate parent of which is Regulus Topco Limited. In addition, it has provided financing to such other companies, generating interest income thereon.

Future developments

The Company will continue to act as a holding company and to provide the executive, management and financing services to other companies in the group to aid their growth.

Environmental Impact

The Company works to reduce its carbon footprint by promoting paperless processes and recycling.

Principal risks

The principal risks facing the business are regulatory and economic in nature. The Company relies on the success of other members of the group of companies of which it is a member, the principal trade of which is in the financial services sector in the United Kingdom and that sector continues to face continuing regulatory and economic changes.

Key Performance Indicators

The performance of the group of companies of which the Company is a member is monitored on a group basis rather than at an individual company level. The key performance indicators monitored at that level are turnover and adjusted operating profit and these are discussed in the report and financial statements of Regulus Topco Limited.

On behalf of the board

.....
A C G Brown

Director

29 November 2016

DEFAQTO GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2016

The directors present their report and financial statements for the year ended 31 July 2016.

Principal activities

The principal activity of the company continued to be that of acting as a holding company. Until 30 March 2015, the Company continued to be the holding company of the financial research and software business Defaqto Limited and the web-portal business DefaqtoMedia Limited. As of 30 March 2015, the company is the holding company of DefaqtoMedia Limited and two dormant subsidiaries, Defaqto Europe Limited and Find Limited.

Directors

The directors who served throughout the year and up to the date of approval of these financial statements, except as noted, were as follows:

S Z H Bilgrami

R P Bijtjes

A C G Brown

The Company maintains Directors' and Officers' Liability Insurance in respect of legal action that might be brought against directors of the Company and of its affiliates.

Risk Management

The Company works to mitigate the risks faced regarding the recoverability of balances due to it. There are significant balances outstanding from group undertakings and the group of which the Company is a member has outstanding bank loan balances and shareholder loan balances. Repayment and servicing of these balances will principally be financed through the continued profitability of the affiliate company Defaqto Limited. The directors monitor the recoverability of the intercompany balances and the overall group performance on a monthly basis.

Results and dividends

The results for the period are set out on page 6.

Auditors

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Matters of Strategic Importance

The company has chosen in accordance with Companies Act 2006, s414c(11) to set out in the company's Strategic Report information required by Large and Medium Sized Companies and Group (Accounts and Reports) Regulations 2008, sch 7 to be contained in the Directors' report. It has been done so in respect of future developments.

DEFAQTO GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2016

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Practice 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:

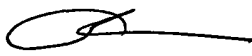
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Statement of disclosure to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board



A C G Brown
Director

29 November 2016

DEFAQTO GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 JULY 2016

We have audited the financial statements on pages 6 to 20. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://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 July 2016 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

DEFAQTO GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

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.

RSM UK Audit LLP

GRAHAM RICKETTS (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Bucks
MK9 1BP

Date *29 November 2016*

DEFAQTO GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2016

		Year ended 31 July 2016	16 month period ended 31 July 2015
	Note	£	£
Turnover	3	722,290	848,840
Staff costs	8	(655,522)	(815,385)
Other operating charges		(42,639)	(418,559)
Impairment of fixed asset investment in subsidiary undertaking		-	(1,001)
Operating profit/(loss)	4	24,129	(386,105)
Interest receivable and similar income	6	130	432
Interest receivable from group undertakings	6	1,921,972	650,302
Interest payable and similar charges	7	-	(934,785)
Dividend income		-	4,319,752
Profit on ordinary activities before taxation		1,946,231	3,649,596
Tax on profit on ordinary activities	10	(162,157)	85,927
Profit for the financial year/period		1,784,074	3,735,523
Other comprehensive income			
Gain on disposal of subsidiary undertaking		-	18,531,753
Total comprehensive income		1,784,074	22,267,276

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

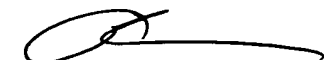
DEFAQTO GROUP LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2016

	Notes	31 July 2016 £	31 July 2016 £	31 July 2015 £	31 July 2015 £
Fixed assets					
Investments	11		798,489		798,489
Current assets					
Debtors: amounts falling due within one year	12	51,980		171,089	
Debtors: amounts falling due after one year	12	26,572,274		24,650,302	
Cash at bank and in hand		2,400		72,184	
		26,626,654		24,893,575	
Creditors: amounts falling due within one year	13	(2,468,978)		(2,519,973)	
Net current assets			24,157,676		22,373,602
Total assets less current liabilities			24,956,165		23,172,091
Net assets			24,956,165		23,172,091
Capital and reserves					
Called up share capital	15		1,398,912		1,398,912
Share premium account	15		173,173		173,173
Capital contribution reserve	15		13,615,790		13,615,790
Other reserve	15		18,531,753		18,531,753
Retained earnings	15		(8,763,463)		(10,547,537)
Total equity			24,956,165		23,172,091

The financial statements on pages 6 to 20 were approved by the Board of directors and authorised for issue on 29 November 2016 and signed on its behalf by



A C G Brown

Director

Company Registration No. 5442706

DEFAQTO GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2016

	Share capital £	Share premium account £	Capital contribution reserve £	Other reserve £	Retained earnings £	Total £
Balance at 1 April 2014	1,398,162	172,798	-	-	(14,423,183)	(12,852,223)
Profit for the period	-	-	-	-	3,735,523	3,735,523
Other comprehensive income: Gain on disposal of subsidiary undertaking	-	-	-	18,531,753	-	18,531,753
Total comprehensive income for the period	-	-	-	18,531,753	3,735,523	22,267,276
Share based payments	-	-	-	-	140,123	140,123
Capital contribution	-	-	13,615,790	-	-	13,615,790
Share capital issued	750	375	-	-	-	1,125
Total transactions with owners in the period	750	375	13,615,790	-	140,123	13,757,038
Balance at 1 August 2015	1,398,912	173,173	13,615,790	18,531,753	(10,547,537)	23,172,091
Profit for the year	-	-	-	-	1,784,074	1,784,074
Total comprehensive income for the year	-	-	-	-	1,784,074	1,784,074
Balance at 31 July 2016	1,398,912	173,173	13,615,790	18,531,753	(8,763,463)	24,956,165

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

Company Information

Defaqto Group Limited is a private limited company domiciled and incorporated in England. The registered office is Financial Research Centre, Haddenham Business Park, Pegasus Way, Haddenham, Buckinghamshire, HP17 8LJ.

The Company's principal activities and the nature of the Company's operations are described in the Directors' Report.

1.1 Accounting convention

These financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest £1 except where otherwise indicated.

The prior period presented in these financial statements is the 16 months to 31 July 2015. A long period was presented to align the year end of all companies within the group of companies including the ultimate parent company Regulus Topco Limited and all of its subsidiaries.

The Company has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity and are therefore its separate financial statements.

Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation of key management personnel

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies (continued)

1.1 Accounting convention (continued)

- Section 11- 'Basic Financial Instruments' and section 12- 'Other Financial Instrument Issues'- carrying amounts, interest income/ expense and net gains/ losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

The financial statements of the Company are consolidated in the financial statements of Regulus Midco Limited and Regulus Topco Limited.

The consolidated financial statements of both these companies are available from the registered office address shown in company information.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

1.2 Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company projections prepared by the directors demonstrate that the Company will generate sufficient cash to enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment and as such the going concern basis of preparation is appropriate. In making this assessment, the directors have considered a period of at least 12 months from the date of authorising these financial statements. The directors acknowledge that there can be no certainty over future events, although at the date of approval of these financial statements, they have no reason to believe that the Company will not perform as expected.

1.3 Related party disclosures

As the Company is a wholly owned subsidiary within the group headed by Regulus Topco Limited, the Company has taken advantage of the exemption contained under section 33 of FRS 102 and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group. The consolidated financial statements of Regulus Topco Limited, within which this Company is included, can be obtained from the registered address shown in the company information.

1.4 Investments in subsidiaries

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies (continued)

1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs.

1.6 Financial liabilities and equity

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.

Equity instruments

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

Trade creditors

Trade creditors are initially measured at the transaction price and subsequently measured at amortised costs, being the transaction price less any amounts settled.

Other creditors

Other creditors are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Borrowings

Borrowings including loan notes and bank loans are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

1.7 Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies (continued)

1.8 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Turnover

Turnover relates to management charges to group companies, is recognised at the time of such services being provided and is stated net of Value Added Tax.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. Employees are entitled to carry forward any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

1.12 Retirement benefits

The company operates a defined contribution pension scheme. The amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

2 Critical accounting estimates and areas of judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

The key area of estimation that affects these accounts is the assessment of the recoverability of amounts due from group undertakings where the Company makes an estimate of the recoverable amount, predominantly through considering the viability of the group entities from which monies are owed.

3 Turnover

The Company's entire turnover is derived from its activities in the United Kingdom and relates to the provision of management services to group companies.

4 Operating profit/(loss)

	Year ended 31 July 2016	16 month period ended 31 July 2015
	£	£
Profit/(loss) for the year/period is stated after charging:		
Impairment of fixed asset investment in subsidiary undertaking	-	1,001
Share based payment expense	-	140,123
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DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

5 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	Year ended 31 July 2016	16 month period ended 31 July 2015
	£	£
Audit of these financial statements	2,000	4,000

Amounts receivable by the Company's auditors in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is disclosed on a consolidated basis in the consolidated financial statements of the intermediate parent undertaking, Regulus Midco Limited, and the ultimate parent undertaking, Regulus Topco Limited.

6 Interest receivable and similar income

	Year ended 31 July 2016	16 month period ended 31 July 2015
	£	£
Bank deposit interest	130	432
Loans due from group undertaking	1,921,972	650,302
	1,922,102	650,734

7 Interest payable and similar charges

	Year ended 31 July 2016	16 month period ended 31 July 2015
	£	£
Bank loans and overdrafts	-	14
Other loans	-	934,771
	-	934,785

8 Employees

The average monthly number of employees were:

	Year ended 31 July 2016 Number	16 month period ended 31 July 2015 Number
Administration	2	3
Sales and marketing	1	1
	3	4

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

8 Employees (continued)

The aggregate payroll costs of these persons were as follows:

	Year ended 31 July 2016	16 month period ended 31 July 2015
	£	£
Wages and salaries	543,882	645,873
Social security costs	40,738	78,019
Pension	70,902	91,493
	<u>655,522</u>	<u>815,385</u>

9 Directors' remuneration

Directors' remuneration represents the following:

	Year ended 31 July 2016	16 month period ended 31 July 2015
	£	£
Directors' remuneration	543,882	674,630
Company contributions to money purchase pension schemes	70,902	91,493
Amounts paid to third parties for directors services	-	62,971
	<u>614,784</u>	<u>829,197</u>

The highest paid director earned total remuneration of £241,738 in the year to 31 July 2016, including £21,056 in pension contributions (2015: £287,965 and £27,557 respectively). As at 31 July 2016, retirement benefits were accruing under the Defaqto Group Personal Pension Plan in respect of three directors (2015: three).

The above directors' remuneration includes £nil (2015: £28,757) in respect of certain benefits paid by Defaqto Limited, a group undertaking, that were not recharged to the Company.

10 Taxation

	Year ended 31 July 2016	16 month period ended 31 July 2015
	£	£
Current tax		
Current tax on income in the period	-	-
	-	-
Deferred tax		
Origination and reversal of timing differences	131,690	(85,927)
Adjustment in respect of previous periods	30,567	-
	<u>162,157</u>	<u>(85,927)</u>

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

10 Taxation (continued)

The charge for the year/period can be reconciled to the profit per the statement of comprehensive income as follows:

	Year ended 31 July 2016 £	16 month period ended 31 July 2015 £
Profit before taxation on continued operations	1,946,231	3,649,596
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2015 – 20.25%)	389,246	739,043
Tax effect of income not taxable in determining taxable profit/(loss)	-	(874,750)
Tax effect of expenses not deductible in determining taxable profit/(loss)	535	76,959
Previously unrecognised losses recognised in year/period	-	(90,677)
Previously unrecognised losses utilised in year/period	-	(316,717)
Adjustments in respect of prior periods	30,567	-
Effect of change in tax rate	-	4,750
Group relief	(258,191)	375,465
Tax charge/(credit) for the period/year	162,157	(85,927)

The credit for the period to 31 July 2015 was calculated at 20.25% to reflect the 16 month period during which the tax rate was 21% for the initial 12 months and 20% for the final 4 months.

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

11 Fixed asset investments

	31 July 2016 £	31 July 2015 £
Investments in subsidiaries	<u>798,489</u>	<u>798,489</u>

The following information relates to the Company's subsidiary undertakings:

Name	Country of incorporation	Class of share held	Percentage held	Nature of business
DefaqtoMedia Limited	United Kingdom	Ordinary	100%	Website administration
Defaqto Europe Limited	United Kingdom	Ordinary	100%	Dormant
Find Limited	United Kingdom	Ordinary	100%	Dormant

Movements in fixed asset investments

	Shares £
Cost	
At 31 July 2016 and 1 August 2015	<u>7,481,554</u>
Impairment	
At 31 July 2016 and 1 August 2015	<u>6,683,065</u>
Carrying amount	
At 31 July 2016 and 31 July 2015	<u>798,489</u>

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

12 Debtors

	31 July 2016	31 July 2015
	£	£
Other debtors	-	4,389
Amounts due from group undertakings	48,768	-
Prepayments and accrued income	3,212	4,543
Deferred tax asset	-	162,157
Amounts falling due within one year	51,980	171,089
Amounts falling due after one year from group undertakings	26,572,274	24,650,302
	<u>26,624,254</u>	<u>24,821,391</u>

The amounts due after one year from group undertakings represents a £24,000,000 loan and interest accrued thereon due from Regulus Bidco Limited. The loan carries an interest rate of 8% and all interest is payable on maturity of the loan on 30 March 2022.

13 Creditors

	Due within one year	
	31 July 2016	31 July 2015
	£	£
Trade creditors	3,600	-
Other creditors	786	17,742
Amounts due to group undertakings	2,233,744	2,286,094
Accruals	230,848	216,137
	<u>2,468,978</u>	<u>2,519,973</u>

14 Deferred tax asset

	£
At 1 August 2015	162,157
Charge to profit or loss	(162,157)

At 31 July 2016

The elements of these balances are as follows:

	31 July 2016	31 July 2015
	£	£
Tax losses	-	162,157
	<u>-</u>	<u>162,157</u>

There are no unrecognised deferred tax assets or liabilities (2015: £nil).

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

15 Share capital and reserves

	31 July 2016 £	31 July 2015 £
Ordinary share capital		
Issued and fully paid		
180,761 (2015: 180,761) Ordinary shares of £1 each	180,761	180,761
1,217,151 (2015: 1,217,151) A Ordinary shares of £1 each	1,217,151	1,217,151
1,000 (2015: 1,000) B Ordinary shares of £1 each	1,000	1,000
	<u>1,398,912</u>	<u>1,398,912</u>

Ordinary share rights

The Company's Ordinary shares, A Ordinary shares and B Ordinary shares, none of which carry any rights to fixed income, each carry the right to one vote at general meetings of the Company.

Shares issued

On 30 March 2015, the Company issued 750 Ordinary shares for £1,125, thereby increasing share capital by £750 and share premium by £375.

Reserves

Reserves of the Company represent the following:

Share premium

Cash consideration received for shares issued above their nominal value net of transaction costs.

Capital contribution reserve

Contributions to the equity capital of the Company.

Retained earnings

Cumulative profit and loss net of distributions to owners.

Other reserve

Unrealised gain on disposal of subsidiary undertaking as part of group restructuring.

DEFAQTO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

16 Controlling party

The directors consider the ultimate parent undertaking to be Regulus Topco Limited, a company incorporated in the United Kingdom. The immediate parent company is Regulus Bidco Limited, a company incorporated in the United Kingdom.

The directors consider that the controlling party is Synova Capital LLP.

Regulus Midco Limited is the parent company of the smallest group for which consolidated accounts including Defaqto Group Limited are prepared. Regulus Topco Limited is the parent undertaking of the largest group for which consolidated accounts including Defaqto Group Limited are prepared. The consolidated accounts of both of these companies are available to the public and may be obtained from:

Defaqto Group Limited
Financial Research Centre
Haddenham Business Park
Pegasus Way
Haddenham
Buckinghamshire
HP17 8LJ

17 Contingent liabilities

The Company is registered with HMRC as a member of a group for VAT purposes, and as a result is jointly and severally liable on a continuing basis for amounts owing by any other members of that group in respect of unpaid VAT. At the balance sheet date, the outstanding VAT balance of the other group companies in the VAT group, of which the Company is a member, was a payable amount of £105,790, (2015: £156,080 payable).

The Company has provided a charge over its assets to HSBC Bank Plc in relation to a loan provided by HSBC Bank Plc to Regulus Bidco Limited, a fellow subsidiary undertaking of Regulus Topco Limited and Regulus Midco Limited.

18 Related party transactions

On 1 August 2014, £1,000,000 was paid in partial settlement of loans and interest outstanding to the then shareholders. On 30 March 2015, the remaining outstanding loans and interest thereon, totalling £16,987,842 were also settled. As such, the following prior shareholders had the following loan notes, including accrued interest, outstanding from the Company and interest accruing thereon.

	Loan notes outstanding		Interest charge in period to	
	31 July 2016	31 July 2015	31 July 2016	31 July 2015
	£	£	£	£
Rose Nominees Limited (A/C # 20642)	-	-	-	188,808
Rose Nominees Limited (A/C # 20819)	-	-	-	163,706
Rose Nominees Limited (A/C # 21623)	-	-	-	208,347
Foresight 4 VCT plc	-	-	-	373,910

The total amount settled to each of these through the 1 August 2014 and 30 March 2015 settlements was as follows:

	£
Rose Nominees Limited (A/C # 20642)	3,561,216
Rose Nominees Limited (A/C # 20819)	3,097,664
Rose Nominees Limited (A/C # 21623)	4,133,825
Foresight 4 VCT plc	7,195,137