

Registered number: 06154167

## **ITRADENETWORK LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

THURSDAY



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**ITRADENETWORK LIMITED**

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**ITRADENETWORK LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	P J Soni (resigned 17 April 2017) J R Humphrey (resigned 17 April 2017) J Stipancich J P Conley (appointed 17 April 2017) R C Crisci (appointed 17 April 2017)
<b>COMPANY SECRETARY</b>	Squire Patton Boggs Secretarial Services Limited
<b>REGISTERED NUMBER</b>	06154167
<b>REGISTERED OFFICE</b>	Squire Patton Boggs (UK) LLP Rutland House 148 Edmund Street Birmingham B3 2JR
<b>INDEPENDENT AUDITOR</b>	BDO LLP 55 Baker Street London United Kingdom W1U 7EU
<b>BANKERS</b>	HSBC Bank PLC Floor 6 Metropolitan House 321 Avebury Boulevard Milton Keynes MK9 2NW

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**ITRADENETWORK LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the Company during the year was the provision of e-procurement services to the food and hospitality industry.

**BASIS OF PREPARATION**

The financial statements have been prepared on a basis other than going concern as the Company has ceased to trade on 31 August 2017 and the directors intend to liquidate the Company. No adjustments were made to these financial statements as a result of preparing them on a basis other than that of a going concern.

**RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £971,151 (2016 - loss £1,894,631).

The directors do not propose the payment of a dividend (2016: £nil).

**DIRECTORS**

The directors who served during the year were:

P J Soni (resigned 17 April 2017)  
J R Humphrey (resigned 17 April 2017)  
J Stipancich  
J P Conley (appointed 17 April 2017)  
R C Crisci (appointed 17 April 2017)

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the board on 15 April 2019

and signed on its behalf.



J P Conley  
Director

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## **ITRADENETWORK LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland", 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 judgments 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. As explained in note 3.1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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 to 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.

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.

The directors 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 AUDITOR'S REPORT TO THE MEMBERS OF ITRADENETWORK LIMITED**

### **Qualified opinion**

We have audited the financial statements of Itradenetwork Limited (the "Company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of matters described in the Basis of qualified opinion section, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss 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.

### **Basis of qualified opinion**

The audit evidence available to us was limited in relation to:

- Administrative expenses reported in the Profit and Loss Account for the year being stated at £1,148,297;
- Cost of sales reported in the Profit and Loss Account for the year being stated at £1,495,547; and
- Supporting documentation for the VAT position at 31 December 2017.

Due to these limitations, we did not receive supporting evidence in order to conclude our sample testing satisfactorily for the year ended 31 December 2017. Owing to the nature of the Company's records, we were unable to obtain sufficient appropriate audit evidence regarding the administrative expenditure, cost of sales incurred and the year-end VAT position by using other audit procedures. Since these items effect the determination of the loss for the year, we are unable to determine whether adjustments to the loss for the year, VAT debtor and retained earnings might be necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Emphasis of matter - basis of preparation**

We draw attention to Note 3.1 to the financial statements which explains that the Company ceased to trade during 2017 and the directors intend to liquidate the Company and therefore do not consider the Company to be a going concern. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 3.1. Our opinion is not modified in this respect of this matter.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ITRADENETWORK LIMITED**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the document titled Directors' Report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report the fact. As described in the Basis for qualified opinion section above, we were unable to obtain sufficient appropriate audit evidence regarding the administrative expenditure, cost of sales and the VAT position by using other audit procedures and consequently we are unable to determine whether adjustments to the loss for the year, the VAT debtor or retained earnings might be necessary. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- we are unable to conclude whether or not the Directors' Report has been prepared in accordance with applicable legal requirements in respect of the matter set out in the Basis of qualified opinion section above.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are unable to conclude whether or not the Directors' report is materially misstated in respect of the matter set out in the Basis of qualified opinion section above.

In respect solely of the limitation on our work relating to administrative expenses, cost of sales and VAT described above:

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ITRADENETWORK LIMITED**

### **Responsibilities of directors**

As explained more fully 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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.



Joseph Aswani (Senior statutory auditor)

for and on behalf of

**BDO LLP**  
55 Baker Street  
London  
United Kingdom  
W1U 7EU  
Date 18<sup>th</sup> April 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



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ITRADENETWORK LIMITED

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Note	2017 £	2016 £
Turnover	4	1,672,693	3,567,894
Cost of sales		(1,495,547)	(3,498,902)
<b>GROSS PROFIT</b>		<b>177,146</b>	<b>68,992</b>
Administrative expenses		(1,148,297)	(1,820,005)
<b>OPERATING LOSS</b>	6	<b>(971,151)</b>	<b>(1,751,013)</b>
Interest receivable and similar income		-	1,367
<b>LOSS BEFORE TAX</b>		<b>(971,151)</b>	<b>(1,749,646)</b>
Tax on loss	8	-	(144,985)
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(971,151)</b>	<b>(1,894,631)</b>

All results relate to discontinued operations.

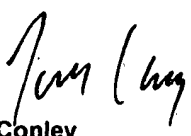
The notes on pages 11 to 20 form part of these financial statements.

**ITRADENETWORK LIMITED**  
**REGISTERED NUMBER: 06154167**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	10	-	930
		<u>-</u>	<u>930</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	11	195,184	1,017,609
Cash at bank and in hand		317,448	134,618
		<u>512,632</u>	<u>1,152,227</u>
Creditors: amounts falling due within one year	12	(3,552,305)	(3,221,679)
<b>NET CURRENT LIABILITIES</b>		<u>(3,039,673)</u>	<u>(2,069,452)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(3,039,673)</u>	<u>(2,068,522)</u>
<b>NET LIABILITIES</b>		<u>(3,039,673)</u>	<u>(2,068,522)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Profit and loss account		(3,039,773)	(2,068,622)
		<u>(3,039,673)</u>	<u>(2,068,522)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

  
**J P Conley**  
 Director 15 April 2019

The notes on pages 11 to 20 form part of these financial statements.

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ITRADENETWORK LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	100	(2,068,622)	(2,068,522)
<b>Comprehensive expense for the year</b>			
Loss for the financial year	-	(971,151)	(971,151)
<b>At 31 December 2017</b>	<b>100</b>	<b>(3,039,773)</b>	<b>(3,039,673)</b>

The notes on pages 11 to 20 form part of these financial statements.

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ITRADENETWORK LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	100	(173,991)	(173,891)
<b>Comprehensive expense for the year</b>			
Loss for the financial year	-	(1,894,631)	(1,894,631)
<b>At 31 December 2016</b>	<b>100</b>	<b>(2,068,622)</b>	<b>(2,068,522)</b>

The notes on pages 11 to 20 form part of these financial statements.

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## ITRADENETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. GENERAL INFORMATION

The principal activity of iTradeNetwork Limited ("the Company") continued to be the provision of e-procurement services to the food and hospitality industry.

The Company is a private company limited by share capital and is incorporated and domiciled in England and Wales. The address of its registered office is Rutland House, 148 Edmund Street, Birmingham, Warwickshire B3 2JR.

#### 2. STATEMENT OF COMPLIANCE

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### 3. ACCOUNTING POLICIES

##### 3.1 Basis of preparation of financial statements

The financial statements have been prepared on a basis other than going concern as the Company has ceased to trade during 2017 and the directors intend to liquidate the Company. No adjustments were made to these financial statements as a result of preparing them on a basis other than that of a going concern.

##### 3.2 Turnover

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 3.3 Intangible fixed assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	3	years
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## ITRADENETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 3. ACCOUNTING POLICIES (CONTINUED)

##### 3.4 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to the Profit and Loss Account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	- 10 years
Computer equipment	- 5 years
Fixtures, fittings and office equipment	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

##### 3.5 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 3.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

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## ITRADENETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 3. ACCOUNTING POLICIES (CONTINUED)

##### 3.7 Current and deferred taxation

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is not discounted and is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 3.8 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income and costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'administrative expenses'.

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## ITRADENETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 3. ACCOUNTING POLICIES (CONTINUED)

##### 3.9 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 3.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 3.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 3.12 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

#### CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

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. The key accounting judgement that impacts on these financial statements relates to the adjustments made to reduce assets to their realisable values, and to reclassify fixed assets as current assets as a result of the basis of preparation being one other than going concern as discussed in Note 3.1.



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**ITRADENETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**4. TURNOVER**

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	1,625,895	3,441,007
Rest of Europe	46,798	126,887
	<u>1,672,693</u>	<u>3,567,894</u>

The Company's entire turnover is earned in the United Kingdom and is derived from the principal activity.

**5. EXCEPTIONAL COSTS**

Contained within administrative expenses are exceptional costs totalling £735,544 (2016: £347,706) include redundancy costs of £405,617 (2016: £306,671) arising from the winding down of the business.

**6. OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	-	42,490
Amortisation of intangible fixed assets, including goodwill	-	4,494
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,250	24,450
Exchange differences	(6,024)	10,570
Bad debts charge/(credit)	1,950	(11,132)
Other operating lease rentals	<u>81,829</u>	<u>120,219</u>

During the year, no director received any emoluments (2016: £nil).

No director exercised share options or received benefits under long term incentive schemes or accrued post-employment benefits under defined benefit plans or as a member of a defined contribution pension scheme (2016: £Nil).

**ITRADENETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**7. EMPLOYEES**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	570,585	2,329,217
Social security costs	76,982	279,284
Cost of defined contribution scheme	51,209	226,242
	<u>698,776</u>	<u>2,834,743</u>

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

	2017 No.	2016 No.
Software development and client support	7	38
Sales and administration	4	7
	<u>11</u>	<u>45</u>

**8. TAX ON LOSS**

a) Tax charge included in the Profit and Loss Account

	2017 £	2016 £
<b>TOTAL CURRENT TAX</b>	<u>-</u>	<u>-</u>
<b>DEFERRED TAX</b>		
Write off of deferred tax asset	-	144,985
<b>TOTAL DEFERRED TAX</b>	<u>-</u>	<u>144,985</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>-</u>	<u>144,985</u>

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**ITRADENETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**8. TAX ON LOSS (CONTINUED)**

**Reconciliation of tax charge/(credit)**

The tax assessed for the year is different from (2016 - different from) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(971,151)</u>	<u>(1,749,646)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	<u>(186,947)</u>	<u>(349,929)</u>
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	9,666	1,223
Adjustment due to change in tax rates	(45,529)	22,787
Deferred tax not recognised	(344,520)	149,622
Losses eliminated	204,658	-
Group relief	351,003	320,383
Other differences	1,718	-
Fixed asset differences	9,951	899
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u>-</u>	<u>144,985</u>

**c) Factors that may affect future charges**

A reduction in the UK corporation tax rate from 20% to 19%, effective from 1 April 2017, and a further reduction to 18%, effective 1 April 2020, were substantively enacted on 26 October 2015. An additional reduction to 17%, effective 1 April 2020, was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

The Company has taxable losses available to carry forward of £Nil (2016: £1,064,675). The deferred tax asset of £Nil (2016: £180,995) relating to these losses has not been recognised in the financial statements, in accordance with accounting policy 3.7 - Current and deferred Taxation.

**ITRADENETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**9. INTANGIBLE FIXED ASSETS**

	Computer software £	Total £
At 1 January 2017	308,569	308,569
Disposals	(308,569)	(308,569)
At 31 December 2017	-	-
At 1 January 2017	308,569	308,569
On disposals	(308,569)	(308,569)
At 31 December 2017	-	-
<b>NET BOOK VALUE</b>		
At 31 December 2017	-	-
At 31 December 2016	-	-

**10. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Computer equipment £	Fixtures, fittings and office equipment £	Total £
At 1 January 2017	147,805	684,017	32,258	864,080
Disposals	(147,805)	(684,017)	(32,258)	(864,080)
At 31 December 2017	-	-	-	-
At 1 January 2017	147,805	683,087	32,258	863,150
Disposals	(147,805)	(683,087)	(32,258)	(863,150)
At 31 December 2017	-	-	-	-
<b>NET BOOK VALUE</b>				
At 31 December 2017	-	-	-	-
At 31 December 2016	-	930	-	930

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ITRADENETWORK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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**11. DEBTORS**

	2017 £	2016 £
Trade debtors	75,133	735,147
Other debtors	73,103	31,263
Prepayments and accrued income	46,948	251,199
	<u>195,184</u>	<u>1,017,609</u>

Trade debtors are disclosed net of a provision for bad and doubtful debts of £1,950 (2016: £438,620).

The directors carried out a review of all debtor balances at the year-end to identify the need for an impairment charge arising from their decision to prepare the financial statements on a basis other than going concern. This review indicated that no impairment was necessary.

**12. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	23,799	258,300
Amounts owed to group undertakings	3,436,821	2,563,068
Other taxation and social security	-	76,496
Other creditors	-	30,766
Accruals and deferred income	91,685	293,049
	<u>3,552,305</u>	<u>3,221,679</u>

The amounts owed to group undertakings are interest free, unsecured and are repayable upon demand.

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13. SHARE CAPITAL

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
100 (2016 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

All terms in this statement of capital, unless otherwise defined, are as defined in the Company's articles of association ("Articles").

Subject to the Act and these Articles, the Board may pay dividends if justified by the Available Profits in respect of the relevant period among the holders of the Ordinary shares.

The holders of Ordinary shares shall have the right to vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

The Profit and Loss Account in Capital and Reserves represents accumulated retained earnings.

14. PENSION COMMITMENTS

The Company made contributions to defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £51,209 (2016: £226,242).

At 31 December 2017 pension contributions of £Nil (2016: £17,092) had not been paid to the scheme.

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	-	152,221
	<u>-</u>	<u>152,221</u>

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company and controlling party is Roper Technologies Inc., a company registered in the United States of America. The immediate parent company is Amphire Solutions, Inc. The largest and smallest group of undertakings for which group financial statements have been drawn up is headed by Roper Technologies Inc. Copies of the group financial statements can be obtained from 6901 Professional Parkway East, Suite 200 Sarasota, FL 34240, USA.