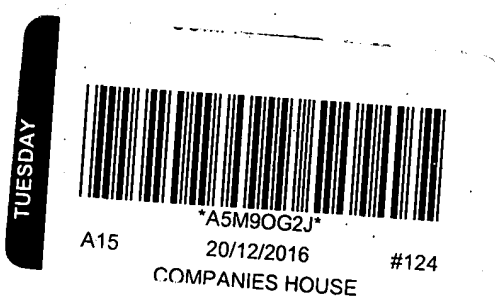


Company Registration No. 06438050 (England and Wales)

**REPL GROUP WORLDWIDE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**



# REPL GROUP WORLDWIDE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	T Quinton C Love M Callender B Black P Jones C Johnson L Nichols	(Appointed 22 December 2015) (Appointed 22 December 2015)
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<b>Company number</b>	06438050
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<b>Registered office</b>	Brook House Birmingham Road Henley In Arden B95 5QR
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<b>Auditor</b>	Spencer Gardner Dickins Audit LLP 3 Coventry Innovation Village Cheetah Road Coventry CV1 2TL
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# REPL GROUP WORLDWIDE LIMITED

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# **REPL GROUP WORLDWIDE LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2016**

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

### **Review of the business**

The Group has once again delivered remarkable performance this year, resulting in strong revenue, and margin growth across all areas of the business. Our strategy continues to focus on the provision of technological and management solutions to transform our customers' business operations and process to create a modern business advantage.

### **Financial performance**

Group revenue has impressively improved by 33% during this financial year to £12.442m (2015: £9.331m) driven by growth in Consulting and Digital business areas. Group gross margin has fallen from 42.1% in 2015 to 36.2% in 2016, reflecting the Group's focus on continued investment in its core Digital product portfolio. However, overall Group revenue growth has delivered an additional gross profit of £564k year on year. Investment in Group infrastructure and support services to underpin the Group's strategic growth plans have resulted in increased administrative expenses (2016: £2.872m and 2015: £2.219m). Operating profit has fallen slightly year on year to £1.620m (2015: £1.715m).

During the year the Company has paid dividends of £1,157k (2015: £771k).

Cash balances in hand and at bank at the year end were £223k (2014: £1,007k) along with the use of £170k of the Group UK overdraft facility (2015: £Nil). Group operating cash inflow has weakened to £888k (2015: £1,322k) before taxation and capital expenditure outflows of £333k and £353k respectively (2015: £183k and £99k) and dividends of £1,152k (2015: £771k). Net cash outflows of £955k (2015 : £268k net cash inflow) combined with increasing trade receivables continues to put pressure on operating cashflow as the Group continues to grow.

### **Business area performance**

The Group has delivered impressive revenue growth during this financial year having maximised the potential from the strong sales pipeline going into 2015/16.

Consulting revenue has increased 33% year on year to over £10m, reflecting the continued consolidation of our services and cross selling of additional services to current customers and acquisition of several new prestigious customers during the year. Growth in international sales in primarily North American and European markets, alongside increased sales in the domestic market for consulting and implementation services, provides the Group with a consistently robust contribution to operating profit.

Digital revenue has significantly increased by 86% on 2015 to £1.642m as REPL Digital establishes itself as a key provider of bespoke development services. This has supported increased investment in our core product portfolio development as this continues to remain of long term strategic importance to the Group, with the aim of advancing the future of Digital innovation in the market place.

Technology revenue from the sale of time and attendance hardware has fallen in the financial year from £482k in 2015 to £221k in 2016 however there is a strong sales pipeline going forward into 2016/17. This business area continues to be of strategic importance to the Group and provides complementary products to offer independently and alongside our other products and services in Digital and Consulting.

# **REPL GROUP WORLDWIDE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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### **Principal risks and uncertainties**

Each of REPL's principal business areas are exposed to different operational and financial risks due to the structure, location and timing of revenue and costs determined by individual contracts within each business area. If contracts are denominated in foreign currency, appraisals are performed on a contract by contract basis to minimise the Groups exposure to currency fluctuation risks. The Board regularly reviews the Groups short term funding requirements and full account of individually significant contract terms and their impact on this are considered. The adequacy and appropriate level of debt finance is actively managed to ensure it is sufficient to support day to day operational funding requirements but also to support the Groups long term plans.

Whilst REPL Group operates predominantly in the Retail and Logistics market sectors by expanding into different geographic regions mitigates the risk around fluctuations arising from economic changes in each region. The Board are strategically positioning the business to move into other market verticals and thus diversify the Groups operating risk further.

### **Customers, markets and services**

The REPL brand continues to gain momentum as a key player in Retail and Logistics market sectors in the UK, European and North American geographic markets and increasingly on a global scale. Recognition of our success in overseas markets came in the form the prestigious The Sunday Times SME Export Track 100 2016 awards where REPL Group was ranked in the annual league table of Britain's SMEs with the fastest growing international sales. We continue to concentrate on our existing major blue chip customer relationships whilst strategically looking to further expansion within retail, manufacturing and logistic sectors. Within REPL Digital, the Group has continued to position itself for growth by reinvestment in building the REPL Digital product portfolio. The growth of bespoke software development services continues to provide new opportunities and builds on the REPL Digital brand in the Digital market place in the UK and overseas.

Our investment in sales, marketing and people in the USA has seen revenue generated from sales in North America increase to £4.2m in 2015/16 (£2.1m: 2014/15). Sales in all business areas – Consulting, Digital and Technology – demonstrates the ability of the Group to replicate its success in this key geographic market. The US remains a profitable market with enormous growth potential and is of long term strategic importance. We will continue to invest in sales, marketing and people whilst focusing on building on the strong US sales pipeline during 2016/17.

### **Group infrastructure and services**

Fundamental to the continued success of the Group, and to support our ambitious growth strategy in future years, has been the investment in Group infrastructure, people and processes. In the UK, the Head Office relocation in May 2015 to accommodate expansion of the Digital and Central teams and to provide a hub for the Delivery service teams has successfully provided the more cohesive working environment and allows improved collaboration between teams. At the start of 2016, REPL opened a London office to improve our servicing of London based clients and provide a base for our various project teams.

Central and support teams expanded during the year in all main functions – Finance, Recruitment and HR, Legal and IT services increasing from a headcount of 16 at the start of the year to 23 at 31st March 2016. This investment in people and process is considered essential as the business continues to grow and as the Group realises its strategic vision in future years.

### **People**

Fundamental to the success and growth of the business is the recruitment and retention of remarkable people. Headcount during the year increased to 182 at 31st March 2016 from 129 at the beginning of the year. This increase provided the requisite additional consulting services and development capacity to deliver this year's growth and position the Group for continued growth into the next financial year.

Recruitment of specialist skill sets remain a challenge for the business so the retention of our remarkable people is fundamental to the future success of the Group. The positive contribution to both the individual and to the business derived from the ongoing investment in career development planning, coaching and encouraging individuals' leadership skills will continue to underpin this success.

# **REPL GROUP WORLDWIDE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

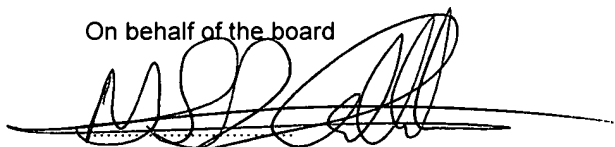
**FOR THE YEAR ENDED 31 MARCH 2016**

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### **Summary**

2015/16 has demonstrated once again that our focus on delivering remarkable services and product to our customers continues to deliver remarkable year on year performance and results. The robustness of our underlying business will support the Group's key strategic plans going forward as we look to expand our services and operating markets in 2016/17 and beyond.

On behalf of the board

A large, stylized handwritten signature in black ink, appearing to be 'M Callender', written over a horizontal line.

M Callender

**Director**

2/12/16.....

# REPL GROUP WORLDWIDE LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2016**

---

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

### Principal activities

The principal activity of the company continued to be that of the provision of change management consultancy services and to act as the holding company of the group. The principal activities of the rest of the group comprise management consultancy services, the supply of hardware products and software development services.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T Quinton  
C Love  
M Callender  
B Black  
P Jones  
C Johnson  
L Nichols

(Appointed 22 December 2015)

(Appointed 22 December 2015)

### Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £1,157,337. The directors do not recommend payment of a further dividend.

### Research and development

REPL Digital is the only subsidiary of the group to engage in research and development activities and these are described in further detail in the strategic report under the Business area performance heading.

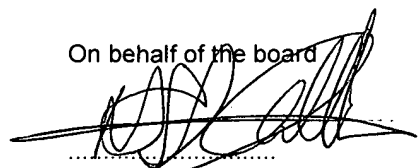
### Auditor

The auditor, Spencer Gardner Dickins LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



M Callender

Director

21/12/16

# **REPL GROUP WORLDWIDE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2016***

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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 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **REPL GROUP WORLDWIDE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF REPL GROUP WORLDWIDE LIMITED**

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We have audited the financial statements of REPL Group Worldwide Limited for the year ended 31 March 2016 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement Of Financial Position, the Company Statement Of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **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 group's and the parent 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 annual 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 group's and the parent company's affairs as at 31 March 2016 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.

#### **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.

# REPL GROUP WORLDWIDE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF REPL GROUP WORLDWIDE 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Spencer Gardner Dickins Audit LLP

Susan Walls BSc FCA (Senior Statutory Auditor)  
for and on behalf of Spencer Gardner Dickins Audit LLP

.....2/12/16.....

Chartered Accountants  
Statutory Auditor

3 Coventry Innovation Village  
Cheetah Road  
Coventry  
CV1 2TL

# REPL GROUP WORLDWIDE LIMITED

## GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Revenue	3	12,433,731	9,331,060
Cost of sales		(7,941,635)	(5,396,308)
<b>Gross profit</b>		<b>4,492,096</b>	<b>3,934,752</b>
Administrative expenses		(2,871,968)	(2,218,915)
<b>Operating profit</b>	4	<b>1,620,128</b>	<b>1,715,837</b>
Investment income	8	93	122
Finance costs	9	(7,707)	(568)
<b>Profit before taxation</b>		<b>1,612,514</b>	<b>1,715,391</b>
Taxation	10	(231,057)	(325,874)
<b>Profit for the financial year</b>		<b>1,381,457</b>	<b>1,389,517</b>

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

# REPL GROUP WORLDWIDE LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

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	2016 £	2015 £
Profit for the year	1,381,457	1,389,517
Other comprehensive income		
Currency translation differences	(7,550)	3,082
Total comprehensive income for the year	<u>1,373,907</u>	<u>1,392,599</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

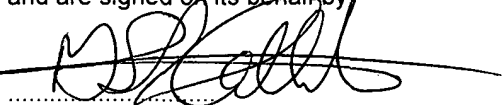
# REPL GROUP WORLDWIDE LIMITED

## GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	12		104,886		918
Property, plant and equipment	13		514,537		144,328
			<u>619,423</u>		<u>145,246</u>
<b>Current assets</b>					
Inventories	17	22,607		4,429	
Trade and other receivables	18	5,264,172		2,386,233	
Cash at bank and in hand		222,655		1,007,225	
		<u>5,509,434</u>		<u>3,397,887</u>	
<b>Current liabilities</b>	19	(4,555,473)		(2,454,869)	
<b>Net current assets</b>			<u>953,961</u>		<u>943,018</u>
<b>Total assets less current liabilities</b>			<u>1,573,384</u>		<u>1,088,264</u>
<b>Non-current liabilities</b>	20		(218,910)		-
<b>Provisions for liabilities</b>	23		(74,445)		(31,083)
<b>Net assets</b>			<u>1,280,029</u>		<u>1,057,181</u>
<b>Equity</b>					
Called up share capital	26		1,331		150
Share premium account			6,248		-
Retained earnings			1,272,450		1,057,031
<b>Total equity</b>			<u>1,280,029</u>		<u>1,057,181</u>

The financial statements were approved by the board of directors and authorised for issue on 21/2/16 and are signed on its behalf by



M Callender  
Director

# REPL GROUP WORLDWIDE LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	12		104,886		918
Property, plant and equipment	13		495,184		109,926
Investments	14		24		24
			<u>600,094</u>		<u>110,868</u>
<b>Current assets</b>					
Inventories	17	-		1,097	
Trade and other receivables	18	2,550,409		1,637,512	
Cash at bank and in hand		93,108		568,194	
		<u>2,643,517</u>		<u>2,206,803</u>	
<b>Current liabilities</b>	19	<u>(2,314,178)</u>		<u>(2,283,709)</u>	
<b>Net current assets/(liabilities)</b>			<u>329,339</u>		<u>(76,906)</u>
<b>Total assets less current liabilities</b>			<u>929,433</u>		<u>33,962</u>
<b>Non-current liabilities</b>	20		(218,910)		-
<b>Provisions for liabilities</b>	23		(72,541)		(24,326)
<b>Net assets</b>			<u>637,982</u>		<u>9,636</u>
<b>Equity</b>					
Called up share capital	26		1,331		150
Share premium account			6,248		-
Retained earnings			630,403		9,486
<b>Total equity</b>			<u>637,982</u>		<u>9,636</u>

The financial statements were approved by the board of directors and authorised for issue on 2/12/16 and are signed on its behalf by:



M Callender  
Director

Company Registration No. 06438050

# REPL GROUP WORLDWIDE LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
<b>Balance at 1 April 2014</b>		150	-	435,899	436,049
<b>Year ended 31 March 2015:</b>					
Profit for the year		-	-	1,389,516	1,389,516
Other comprehensive income:					
Currency translation differences		-	-	3,082	3,082
Total comprehensive income for the year		-	-	1,392,598	1,392,598
Dividends	11	-	-	(771,467)	(771,467)
<b>Balance at 31 March 2015</b>		150	-	1,057,030	1,057,180
<b>Year ended 31 March 2016:</b>					
Profit for the year		-	-	1,381,457	1,381,457
Other comprehensive income:					
Currency translation differences		-	-	(7,550)	(7,550)
Total comprehensive income for the year		-	-	1,373,907	1,373,907
Issue of share capital	26	31	6,248	-	6,279
Bonus issue of shares	26	1,150	-	(1,150)	-
Dividends	11	-	-	(1,157,337)	(1,157,337)
<b>Balance at 31 March 2016</b>		1,331	6,248	1,272,450	1,280,029

# REPL GROUP WORLDWIDE LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
<b>Balance at 1 April 2014</b>		150	-	20,691	20,841
<b>Year ended 31 March 2015:</b>					
Profit and total comprehensive income for the year		-	-	760,262	760,262
Dividends	11	-	-	(771,467)	(771,467)
<b>Balance at 31 March 2015</b>		150	-	9,486	9,636
<b>Year ended 31 March 2016:</b>					
Profit and total comprehensive income for the year		-	-	1,779,404	1,779,404
Issue of share capital	26	31	6,248	-	6,279
Bonus issue of shares	26	1,150	-	(1,150)	-
Dividends	11	-	-	(1,157,337)	(1,157,337)
<b>Balance at 31 March 2016</b>		1,331	6,248	630,403	637,982



# REPL GROUP WORLDWIDE LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	887,751		1,321,901	
Interest paid		(7,707)		(568)	
Income taxes paid		(331,449)		(183,247)	
<b>Net cash inflow from operating activities</b>		<u>548,595</u>		<u>1,138,086</u>	
<b>Investing activities</b>					
Purchase of intangible assets		(116,467)		-	
Purchase of property, plant and equipment		(236,149)		(99,182)	
Proceeds on disposal of property, plant and equipment		-		672	
Interest received		93		122	
<b>Net cash used in investing activities</b>		<u>(352,523)</u>		<u>(98,388)</u>	
<b>Financing activities</b>					
Proceeds from issue of shares		6,279		-	
Repayment of bank loans		(7)		-	
Dividends paid to equity shareholders		(1,157,337)		(771,467)	
<b>Net cash used in financing activities</b>		<u>(1,151,065)</u>		<u>(771,467)</u>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(954,993)</u>		<u>268,231</u>	
Cash and cash equivalents at beginning of year		1,007,225		738,994	
<b>Cash and cash equivalents at end of year</b>		<u>52,232</u>		<u>1,007,225</u>	
<b>Relating to:</b>					
Cash at bank and in hand		222,655		1,007,225	
Bank overdrafts included in creditors payable within one year		<u>(170,423)</u>		<u>-</u>	

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2016**

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### **1 Accounting policies**

#### **Company information**

REPL Group Worldwide Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is Brook House, Birmingham Road, Henley In Arden, B95 5QR.

The group consists of REPL Group Worldwide Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

These group and company financial statements for the year ended 31 March 2016 are the first financial statements of REPL Group Worldwide Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 30.

The company has taken advantage of the exemption from the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 on the basis that it is a qualifying entity and that the results of the company are included in the group statement of cash flows.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £1,779,404 (2015 - £760,262 profit).

The consolidated financial statements incorporate those of REPL Group Worldwide Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **1.2 Revenue**

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

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

Software	50% straight line
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#### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Fixtures, fittings & equipment	20% straight line
Computer equipment	50% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### Fixed Asset Investments

Equity instruments which are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

#### 1.5 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

#### 1.6 Inventories

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

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

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

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

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

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

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances and loans to fellow group companies, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

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

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

#### ***Classification of financial liabilities***

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

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

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

### 1.10 Taxation

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

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

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

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

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

#### **1.12 Retirement benefits**

Certain of the companies within the group operate a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the income statement in the year they are payable.

#### **1.13 Share-based payments**

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

#### **1.14 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

(Continued)

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

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the reporting end date. Assets and liabilities of overseas subsidiaries are translated at the rate ruling at the reporting end date. Income and expenses of overseas subsidiaries are translated at the average rate for the period, as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

All translation differences are taken to the income statement, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Operating lease commitments

As a lessee, the Group obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Useful economic life of non current assets

Management estimate the useful economic life of non current assets based on the period over which the asset is expected to be used and provide for depreciation accordingly. Based on the nature of the industry in which the Group is involved, computer equipment is written off over a 2 year period rather the standard 3 years used by many companies.

#### Deferred tax

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

#### Share based payments

The level of bonuses accrued under the cash settled share participation scheme is based upon a valuation per share which is estimated by management on an earnings basis.

### 3 Revenue

The revenue and profit before taxation are attributable to the principal activities of the group.

#### Revenue analysed by geographical market

	2016 £	2015 £
United Kingdom	7,323,073	6,765,900
North America	4,167,490	2,076,647
Asia Pacific	22,188	233,867
Europe	914,461	92,792
Rest of World	6,519	161,854
	<u>12,433,731</u>	<u>9,331,060</u>

### 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(18,755)	(45,682)
Depreciation of owned property, plant and equipment	141,252	152,576
Profit on disposal of property, plant and equipment	-	329
Amortisation of intangible assets	12,499	-
Cost of inventories recognised as an expense	35,085	1,029,672
Share-based payments	31,926	59,320
Operating lease charges	142,002	52,669
	<u></u>	<u></u>



# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	13,000	13,100
Audit of the company's subsidiaries	26,800	25,250
	<u>39,800</u>	<u>38,350</u>
<b>For other services</b>		
Taxation compliance services	3,500	3,500
All other non-audit services	500	500
	<u>4,000</u>	<u>4,000</u>

### 6 Employees

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

	2016 Number	2015 Number
Delivery	91	75
Digital	31	25
Central	27	23
	<u>149</u>	<u>123</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	6,895,106	4,770,150
Social security costs	691,120	460,052
Pension costs	130,103	88,966
	<u>7,716,329</u>	<u>5,319,168</u>

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	230,736	89,267
Amounts receivable under long term incentive schemes	7,668	-
Company pension contributions to defined contribution schemes	3,950	-
	<u>242,354</u>	<u>89,267</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 0).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>100,742</u>	<u>49,320</u>
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The highest paid director exercised share options valued at £209,302 during the year.

### 8 Investment income

	2016 £	2015 £
<b>Interest income</b>		
Interest on bank deposits	<u>93</u>	<u>122</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>93</u>	<u>122</u>
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### 9 Finance costs

	2016 £	2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	146	458
<b>Other finance costs:</b>		
Interest on overdue tax	<u>7,561</u>	<u>110</u>
Total finance costs	<u>7,707</u>	<u>568</u>

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 10 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	192,722	327,679
Adjustments in respect of prior periods	146	(3,933)
Total UK current tax	192,868	323,746
Foreign current tax on profits for the current period	(5,173)	11,940
Total current tax	187,695	335,686
<b>Deferred tax</b>		
Origination and reversal of timing differences	43,362	(9,812)
Total tax charge	231,057	325,874

The charge for the year can be reconciled to the loss per the income statement as follows:

	2016 £	2015 £
Profit before taxation	1,612,514	1,715,391
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	322,503	360,232
Tax effect of expenses that are not deductible in determining taxable profit	(5,063)	51,999
Losses on discontinued operations not recognised	(5,986)	5,002
Permanent capital allowances in excess of depreciation	-	(20,840)
Research and development tax credit	(58,710)	(56,837)
Effect of overseas tax rates	(4,760)	(3,870)
Under/(over) provided in the year	816	-
Foreign tax not provided	(17,743)	(9,812)
Tax expense for the year	231,057	325,874

### 11 Dividends

	2016 £	2015 £
Interim paid - Ordinary	1,142,337	771,467
Interim paid - B Ordinary	15,000	-
	1,157,337	771,467

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 12 Intangible fixed assets

<b>Group</b>	<b>Software £</b>
<b>Cost</b>	
At 1 April 2015	17,864
Additions - separately acquired	116,467
At 31 March 2016	134,331
<b>Amortisation and impairment</b>	
At 1 April 2015	16,946
Amortisation charged for the year	12,499
At 31 March 2016	29,445
<b>Carrying amount</b>	
At 31 March 2016	104,886
At 31 March 2015	918
<b>Company</b>	<b>Software £</b>
<b>Cost</b>	
At 1 April 2015	17,864
Additions - separately acquired	116,467
At 31 March 2016	134,331
<b>Amortisation and impairment</b>	
At 1 April 2015	16,946
Amortisation charged for the year	12,499
At 31 March 2016	29,445
<b>Carrying amount</b>	
At 31 March 2016	104,886
At 31 March 2015	918

Included within intangible assets is NAV Accounts Software with a Net Book Value £102,868 which is material to the financial statements. This has a remaining amortisation period of 2 years.

During the year ended 30 March 2016 REPL Digital Limited, a subsidiary company included in these consolidated financial statements, recognised £225,809 (2015: £216,520) relating to Research and Development expenditure. This amount has been not been capitalised but instead expensed to profit and loss.

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 13 Property, plant and equipment

Group	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2015	36,346	430,860	-	467,206
Additions	8,797	173,524	329,140	511,461
At 31 March 2016	45,143	604,384	329,140	978,667
<b>Depreciation and impairment</b>				
At 1 April 2015	9,480	313,398	-	322,878
Depreciation charged in the year	7,925	133,327	-	141,252
At 31 March 2016	17,405	446,725	-	464,130
<b>Carrying amount</b>				
At 31 March 2016	27,738	157,659	329,140	514,537
At 31 March 2015	26,864	117,464	-	144,328
<b>Company</b>				
	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2015	30,064	272,893	-	302,957
Additions	6,085	156,120	329,140	491,345
At 31 March 2016	36,149	429,013	329,140	794,302
<b>Depreciation and impairment</b>				
At 1 April 2015	6,493	186,538	-	193,031
Depreciation charged in the year	6,701	99,386	-	106,087
At 31 March 2016	13,194	285,924	-	299,118
<b>Carrying amount</b>				
At 31 March 2016	22,955	143,089	329,140	495,184
At 31 March 2015	23,571	86,355	-	109,926

The net book value of tangible fixed assets includes £329,140 in respect of motor vehicles held under finance leases. There has been no depreciation charge in respect of these assets due to the timing of acquisition. The finance lease liability is secured on the assets and therefore the company is not allowed to pledge them as security for other borrowings or to sell them to another entity.

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 14 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	15	-	-	24	24

### 15 Subsidiaries

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

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
REPL Trading Limited	UK	Consultancy services	Ordinary	100.00	
REPL Consulting Limited	UK	Consultancy services	Ordinary	100.00	
REPL Technology Limited	UK	Hardware sales	Ordinary	100.00	
REPL Digital Limited	UK	Software development	Ordinary	100.00	
One Recruiting Limited	UK	Dormant	Ordinary	100.00	
IT Translate Limited	UK	Dormant	Ordinary	100.00	
REPL Group Inc	Canada	Dormant	Ordinary	100.00	
REPL Consulting Inc	USA	Consultancy services	Ordinary	100.00	
REPL Pte Limited	Singapore	Consultancy services	Ordinary	100.00	
REPL Group Pty Limited	Australia	Dormant	Ordinary	100.00	
Blue Light Professionals Limited	UK	Dormant	Ordinary		100.00
REPL Consulting SDN BHD	Malaysia	Dormant	Ordinary		100.00
Tinderstone Limited	UK	Dormant	Ordinary	100.00	
Two Tone Games Limited	UK	Dormant	Ordinary		100.00

The shareholding in REPL SDN BHD is indirect via the shareholding in REPL Pte Ltd.

The shareholding in Two Tone Games Limited is indirect via the shareholding in REPL Digital Limited.

The shareholding in Blue Light Professionals is indirect via the shareholding in One Recruiting Limited.

### 16 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	4,831,747	2,179,665	2,273,361	1,504,381
Equity instruments measured at cost less impairment	-	-	24	24
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	3,724,064	1,579,368	2,316,692	2,112,096

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 17 Inventories

	Group 2016 £	2015 £	Company 2016 £	2015 £
Finished goods and goods for resale	22,607	4,429	-	1,097

### 18 Trade and other receivables

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Amounts falling due within one year:</b>				
Trade receivables	4,810,055	2,159,106	706,975	697,284
Amounts due from fellow group undertakings	-	-	1,544,694	786,538
Other receivables	109,460	47,970	109,460	47,970
Prepayments and accrued income	344,657	179,157	189,280	105,720
	5,264,172	2,386,233	2,550,409	1,637,512

### 19 Current liabilities

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	21	170,416	-	170,403	-
Obligations under finance leases	22	56,402	-	56,402	-
Trade payables		459,032	300,170	394,931	264,395
Amounts due to group undertakings		-	-	406,030	993,749
Corporation tax payable		195,865	339,619	-	-
Other taxation and social security		854,454	535,882	216,396	171,613
Other payables		735,665	467,920	605,269	430,679
Accruals and deferred income		2,083,639	811,278	464,747	423,273
		4,555,473	2,454,869	2,314,178	2,283,709

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 20 Non-current liabilities

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Obligations under finance leases	22	218,910	-	218,910	-

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 21 Borrowings

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank overdrafts	170,416	-	170,403	-
Payable within one year	170,416	-	170,403	-

The bank overdrafts are secured by fixed and floating charges over the assets of the group.

### 22 Finance lease obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under finance leases:				
Within one year	63,376	-	63,376	-
In two to five years	232,857	-	232,857	-
	296,233	-	296,233	-
Less: future finance charges	(20,921)	-	(20,921)	-
	275,312	-	275,312	-

Finance lease payments represent rentals payable by the group and company for motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The lease terms are for 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Obligations under finance leases are secured by the lessors' charges over the leased assets.

### 23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2016 £	Liabilities 2015 £
Accelerated capital allowances	121,377	31,083
Retirement benefit obligations	(13,796)	-
Share based payments	(33,136)	-
	74,445	31,083



# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 23 Deferred taxation

(Continued)

	Liabilities 2016 £	Liabilities 2015 £
<b>Company</b>		
Accelerated capital allowances	119,473	24,326
Retirement benefit obligations	(13,796)	-
Share based payments	(33,136)	-
	<u>72,541</u>	<u>24,326</u>
	<b>Group 2016 £</b>	<b>Company 2016 £</b>
<b>Movements in the year:</b>		
Liability at 1 April 2015	31,083	24,326
Charge to profit or loss	43,362	48,215
	<u>74,445</u>	<u>72,541</u>

### 24 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit and loss in respect of defined contribution schemes	<u>130,103</u>	<u>88,966</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end the outstanding unpaid pension creditor was £68,980 (2015: £14,638).

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 25 Share-based payment transactions

Senior employees of the group participate in the REPL Group Worldwide Enterprise Management Incentive Plan. Options are granted over shares in the company with a fixed exercise price. There is no vesting period but specific performance criteria are attached to the options.

Group and company	Number of share options		Weighted average exercise price	
	2016 Number	2015 Number	2016 £	2015 £
Outstanding at 1 April 2015	-	-	-	-
Granted	1,255,814	-	0.02	-
Exercised	(313,953)	-	0.02	-
Outstanding at 31 March 2016	941,861	-	-	-
Exercisable at 31 March 2016	-	-	-	-

The weighted average share price at the date of exercise for share options exercised during the year was £0.02

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 26 Share capital

	Group and company	
	2016	2015
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
3,999,999 Ordinary shares of £0.0001 each	400	-
1,500 Ordinary shares of £0.1 each	-	150
9,000,000 A Ordinary shares of £0.0001 each	900	-
313,953 B Ordinary shares of £0.0001 each	31	-
	<u>1,331</u>	<u>150</u>

#### Issue and re-designation of shares

On 26 February 2016 the following transactions occurred:

Each of the £0.10 Ordinary shares in REPL Group Worldwide Limited were subdivided into 1,000 Ordinary shares of £0.0001 each.

A bonus issue of 11,499,999 new Ordinary shares of £0.0001 each took place resulting in an increase of share capital from £150 to £1,300 with £1,150 debited to the income statement during the period.

9,000,000 Ordinary shares were reclassified as A Ordinary shares.

313,953 B Ordinary shares were issued at £0.0001 each for which £6,279 was received in consideration resulting in a share premium reserve of £6,248.

#### Share rights

The company's "A" and "B" Ordinary shares, which carry no right to fixed income, carry the right to one vote at general meetings of the company and in the event of a winding up give the right to participate in the distribution of any assets of the company.

The company's "Ordinary" shares carry no right to fixed income, no voting rights and are not entitled to participate in the distribution of any assets in the event of a winding up of the company.

#### Reserves

The share premium reserve represents the excess of consideration received for B Ordinary shares over and above their nominal value. The profit and loss reserve represents the retained profit of the group since its inception.

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 26 Share capital

(Continued)

#### Reconciliation of movements during the year:

	Ordinary Number	A ordinary Number	B ordinary Number
At 1 April 2015	1,500	-	-
Issue of fully paid shares	-	-	313,953
Division of Ordinary shares	1,498,500	-	-
Bonus issue of Ordinary shares	11,499,999	-	-
Reclassification of Ordinary shares	(9,000,000)	9,000,000	-
At 31 March 2016	3,999,999	9,000,000	313,953

### 27 Financial commitments, guarantees and contingent liabilities

The company is part of a group VAT registration scheme administered by REPL Group Worldwide Limited. At the year end the contingent liability was £635,489 (2015: £334,318)

### 28 Operating lease commitments

#### Lessee

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

	Group 2016 £	2015 £	Company 2016 £	2015 £
Within one year	123,974	86,026	123,974	86,026
Between two and five years	237,583	313,417	237,583	313,417
	361,557	399,443	361,557	399,443

### 29 Directors' transactions

Dividends totalling £1,157,337 (2015 - £771,467) were paid in the year in respect of shares held by the company's directors.

# REPL GROUP WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 30 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	1,381,457	1,389,517
Adjustments for:		
Taxation charged	231,057	325,874
Finance costs	7,707	568
Investment income	(93)	(122)
(Gain)/loss on disposal of property, plant and equipment	-	329
Amortisation and impairment of intangible assets	12,499	-
Depreciation and impairment of property, plant and equipment	141,252	152,576
Movements in working capital:		
(Increase)/decrease in inventories	(18,178)	63
(Increase) in trade and other receivables	(2,905,350)	(1,095,836)
Increase in trade and other payables	2,037,400	548,932
<b>Cash generated from operations</b>	<b>887,751</b>	<b>1,321,901</b>

### 31 Reconciliations on adoption of FRS 102

On transition to FRS102 software was reclassified from tangible fixed assets to intangible fixed assets. This has resulted in an increase in the net book value of intangible fixed assets at 1 April 2015 of £918 (1 April 2014: £5,976) and an equivalent reduction in tangible fixed assets of the same amount. The net book value is made up of software with a cost of £17,864 and amortisation of £16,946 at 1 April 2015 (1 April 2014: £17,864 and £11,888 respectively).