

Registered number: 05949018

MAKE IT CHEAPER LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013



MAKE IT CHEAPER LIMITED

COMPANY INFORMATION

DIRECTOR	J D Elliott
REGISTERED NUMBER	05949018
REGISTERED OFFICE	Aston House Cornwall Avenue London N3 1LF
TRADING ADDRESS	1st Floor 111 Westminster Bridge Road London SE1 7UE
INDEPENDENT AUDITORS	Adler Shine LLP Chartered Accountants & Statutory auditor Aston House Cornwall Avenue London N3 1LF

MAKE IT CHEAPER LIMITED

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MAKE IT CHEAPER LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2013

The director presents his report and the financial statements for the year ended 31 March 2013

PRINCIPAL ACTIVITIES

The principal activity of the company is that of an independent price comparison and switching service to small and medium sized enterprises in the UK

BUSINESS REVIEW

Make It Cheaper Limited is a wholly owned subsidiary of Make It Cheaper Group Limited. The commercial customers of Make It Cheaper Limited are able to take advantage of the best terms available in the energy market as a result of the company's comparison service.

During the year the company acquired UK Power Limited, to further enhance the services available to the consumer.

The company made a net loss before tax of £102,133 and the net assets of the company were £1,764,939 at the year end.

As part of the process of formulating the company's long term strategic plan, the directors have determined key objectives on which its business activities are focused,

- diversification of its product portfolio to increase the opportunities offered to customers to make savings and to increase the number of products sold to each existing customer,
- development of the company's own brand,
- achieving recognition as Savings Experts for Business, and
- balancing the mix of products offered as between energy and non-energy activities

The company measures and monitors, on a weekly and monthly basis, a number of key performance indicators in identifying the progress being made towards achieving its strategic objectives. These include

- Product sales per customer
- Savings per customer
- Customer NPS
- Yield per product sold
- Live rate
- Employee NPS (including being accredited by Sunday Times Best Company to work for scheme)

RESULTS

The loss for the year, after taxation, amounted to £123,554 (2012 - profit £674,257)

DIRECTOR

The director who served during the year was

J D Elliott

FINANCIAL INSTRUMENTS

The company uses various financial instruments to develop the business. These include instruments such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise cash for the company's operations.

MAKE IT CHEAPER LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2013**

The existence of these financial instruments exposes the company to a number of financial risks

The main risks arising from the company's financial instruments are market risk, liquidity risk, interest rate risk, cash flow and credit risk. The director constantly monitors the risks and uncertainties facing the company and is satisfied that there are no material risks and uncertainties facing the company and is satisfied that there are no material risks and uncertainties which have not been dealt with.

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's report is approved has confirmed that

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he 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 auditors are aware of that information.

AUDITORS

The auditors, Adler Shine LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf



J D Elliott
Director

Date 19.12.2013

MAKE IT CHEAPER LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the director is required to

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MAKE IT CHEAPER LIMITED

We have audited the financial statements of Make It Cheaper Limited for the year ended 31 March 2013, set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' 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 DIRECTOR AND AUDITORS

As explained more fully in the Director's responsibilities statement, the director is 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MAKE IT CHEAPER LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Christopher Taylor (Senior statutory auditor)

for and on behalf of

Adler Shine LLP

Chartered Accountants
Statutory auditor

Aston House
Cornwall Avenue
London
N3 1LF

Date **19.12.2013**

MAKE IT CHEAPER LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
TURNOVER	1	6,452,115	7,883,968
Cost of sales		<u>(1,352,776)</u>	<u>(1,931,855)</u>
GROSS PROFIT		5,099,339	5,952,113
Administrative expenses		(5,005,376)	(5,147,783)
Other operating income	2	-	36,282
Other operating charges		<u>(175,000)</u>	<u>(29,184)</u>
OPERATING (LOSS)/PROFIT	3	(81,037)	811,428
Interest receivable and similar income		424	21
Interest payable and similar charges	6	<u>(21,520)</u>	<u>(7,236)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(102,133)	804,213
Tax on (loss)/profit on ordinary activities	7	<u>(21,421)</u>	<u>(129,956)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(123,554)</u></u>	<u><u>674,257</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 9 to 21 form part of these financial statements

MAKE IT CHEAPER LIMITED
REGISTERED NUMBER: 05949018

BALANCE SHEET
AS AT 31 MARCH 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		177,936		123,075
Investments	9		983,513		-
			<u>1,161,449</u>		<u>123,075</u>
CURRENT ASSETS					
Debtors	10	4,135,325		3,469,540	
Cash at bank and in hand		223,136		629,784	
		<u>4,358,461</u>		<u>4,099,324</u>	
CREDITORS amounts falling due within one year	11	(3,328,888)		(1,958,792)	
NET CURRENT ASSETS			<u>1,029,573</u>		<u>2,140,532</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,191,022</u>		<u>2,263,607</u>
CREDITORS amounts falling due after more than one year	12		(426,083)		-
PROVISIONS FOR LIABILITIES					
Net deferred tax liability	13		-		(1,027)
NET ASSETS			<u><u>1,764,939</u></u>		<u><u>2,262,580</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Other reserves	15		76,223		54,013
Profit and loss account	15		1,688,616		2,208,467
SHAREHOLDERS' FUNDS	16		<u><u>1,764,939</u></u>		<u><u>2,262,580</u></u>

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



J D Elliott
Director

Date 19.12.2013

The notes on pages 9 to 21 form part of these financial statements

MAKE IT CHEAPER LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	18	734,654	289,904
Returns on investments and servicing of finance	19	(16,066)	(7,215)
Taxation	19	54,376	(580,341)
Capital expenditure and financial investment	19	(159,968)	(40,672)
Acquisitions and disposals	19	(983,513)	-
Equity dividends paid		(414,881)	(219,719)
CASH OUTFLOW BEFORE FINANCING		(785,398)	(558,043)
Financing	19	378,750	-
DECREASE IN CASH IN THE YEAR		(406,648)	(558,043)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2013**

	2013 £	2012 £
Decrease in cash in the year	(406,648)	(558,043)
Cash inflow from increase in debt and lease financing	(378,750)	-
MOVEMENT IN NET DEBT IN THE YEAR	(785,398)	(558,043)
Net funds at 1 April 2012	629,784	1,187,827
NET (DEBT)/FUNDS AT 31 MARCH 2013	(155,614)	629,784

The notes on pages 9 to 21 form part of these financial statements

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax.

Turnover is recognised at the point at which a customer applies to switch a service, net of any subsequent failed switches.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	25% Straight line
Fixtures & fittings	-	25% Straight line
Office equipment	-	25% Straight line

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

1. ACCOUNTING POLICIES (continued)**1.6 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.8 Share based payments

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the options granted is recognised as an expense. The total amount to be expensed is determined by the fair value of the options granted, calculated by reference to the Black-Scholes option valuation model. At the end of each reporting period the entity revises its estimates of non-market vesting conditions and the number of options expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account with a corresponding adjustment to equity.

2. OTHER OPERATING INCOME

	2013 £	2012 £
Other operating income	-	36,282

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

3 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	104,232	83,848
Auditors' remuneration	39,506	34,542
Operating lease rentals		
- other operating leases	112,857	93,315
	<u>112,857</u>	<u>93,315</u>

During the year, no director received any emoluments (2012 - £NIL)

4. STAFF COSTS

Staff costs were as follows

	2013 £	2012 £
Wages and salaries	3,112,890	3,098,439
Social security costs	408,789	374,872
Other pension costs	19,024	6,015
	<u>3,540,703</u>	<u>3,479,326</u>

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

	2013 No.	2012 No.
Management	5	3
Sales	62	19
Finance	1	1
Marketing	11	10
Human resources	3	1
Operations	18	4
Information technology	13	5
	<u>113</u>	<u>43</u>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

5. EQUITY SETTLED SHARE-BASED PAYMENTS

The following options over ordinary shares have been granted by the Company,

	Exercise price £	Exercise period (years)	Number of options
Date			
19 May 2011 (a)	£2 83	10	61,676
19 May 2011 (b)	£1 89	10	14,588
19 May 2011 (c)	£0 94	10	5,294
25 March 2013	£14 62	10	19,417

At the date of grant, the options were valued using the Black-Scholes option pricing model. The fair value per options granted and the assumptions used in the calculations were as follows,

	19 May 2011 (a)	19 May 2011 (b)	19 May 2011 (c)	25 March 2013
Expected volatility	50%	50%	50%	50%
Expected life (years)	4	4	4	4
Risk-free interest rate	0.54%	0.54%	0.54%	0.67%
Expected dividend yield	-	-	-	-
Non-market based vesting conditions	20%	20%	20%	20%
Fair value per option (£)	3.31	3.90	2.16	5.72

The charge to the profit and loss for share based payments for the year ended 31 March 2013 was £40,794 (2012 £54,013). The deferred tax asset arising on this for the same period was £10,855 (2012 £9,884).

Movements in the number of options outstanding and their related weighted average exercise prices are as follows

	Number of options 2013	Weighted average exercise price per share 2013	Number of options 2012	Weighted average exercise price per share 2012
At 1 April	96,086	3.00	-	-
Granted	19,417	14.62	96,086	3.00
Forfeited	(19,852)	4.32	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
At 31 March 2013	95,651	5.08	96,086	3.00

The weighted average remaining contractual life of the options is 8.5 years (2012 9.1 years)

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

6. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	16,490	-
Other interest payable	5,030	7,236
	<u>21,520</u>	<u>7,236</u>

7. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	32,276	147,126
Deferred tax		
Origination and reversal of timing differences	(10,855)	(15,770)
Effect of decreased tax rate on opening liability	-	(1,400)
Total deferred tax (see note 13)	<u>(10,855)</u>	<u>(17,170)</u>
Tax on (loss)/profit on ordinary activities	<u>21,421</u>	<u>129,956</u>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

7. TAXATION (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	(102,133)	804,213
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	(24,512)	209,095
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	61,096	15,003
Depreciation for year in excess of capital allowances	-	6,220
Capital allowances in excess of depreciation for the year	(489)	-
Adjustments to tax charge in respect of prior periods	-	(76,142)
Loss on disposal of fixed asset	210	-
Other adjustment	(1,109)	-
Group relief	(2,920)	(7,050)
Current tax charge for the year (see note above)	32,276	147,126

It has been announced that the main UK tax rate will drop to 23% effective from 1 April 2013 and a further 2% to 21% effective from 1 April 2014. The impact of these subsequent corporation tax rate reductions will only be reflected as the relevant legislation is substantively enacted.

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

8. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures & fittings £	Office equipment £	Total £
Cost				
At 1 April 2012	-	56,929	334,288	391,217
Additions	103,919	13,051	42,998	159,968
Disposals	-	(875)	-	(875)
At 31 March 2013	103,919	69,105	377,286	550,310
Depreciation				
At 1 April 2012	-	39,346	228,796	268,142
Charge for the year	37,789	8,918	57,525	104,232
At 31 March 2013	37,789	48,264	286,321	372,374
Net book value				
At 31 March 2013	66,130	20,841	90,965	177,936
At 31 March 2012	-	17,583	105,492	123,075

9 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2012	-
Additions	983,513
At 31 March 2013	983,513
Net book value	
At 31 March 2013	983,513
At 31 March 2012	-

Subsidiary undertakings

The following was a subsidiary undertaking of the company

Name	Class of shares	Holding
UK Power Limited	Ordinary	100%

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

9. FIXED ASSET INVESTMENTS (continued)

Name	Business
UK Power Limited	Online price comparison site of energy suppliers

The aggregate of the share capital and reserves as at 31 March 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
UK Power Limited	597,767	253,915

10. DEBTORS

	2013 £	2012 £
Trade debtors	392,747	448,647
Amounts owed by group undertakings	314,614	203,065
Other debtors and accrued income	195,247	51,350
Prepayments and accrued income	3,222,889	2,766,478
Deferred tax asset (see note 13)	9,828	-
	<u>4,135,325</u>	<u>3,469,540</u>

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

	2013 £	2012 £
Bank loans and overdrafts	336,667	-
Trade creditors	461,163	216,346
Amounts owed to group undertakings	811,107	616,912
Corporation tax	239,130	147,448
Other taxation and social security	492,419	370,469
Other creditors	102,862	5,565
Accruals and deferred income	885,540	602,052
	<u>3,328,888</u>	<u>1,958,792</u>

The bank loans have been guaranteed by a limited guarantee provided by the director J D Elliott and C W Cole, a director of Make It Cheaper Group Limited, together with a guarantee given by the DTI

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

**12. CREDITORS:
Amounts falling due after more than one year**

	2013 £	2012 £
Bank loans	42,083	-
Other creditors	384,000	-
	<u>426,083</u>	<u>-</u>

13. DEFERRED TAXATION

	2013 £	2012 £
At beginning of year	(1,027)	(18,197)
Released during year (P&L)	10,855	17,170
	<u>9,828</u>	<u>(1,027)</u>

The deferred taxation balance is made up as follows

	2013 £	2012 £
Accelerated capital allowances	1,027	10,911
Share based payments	(10,855)	(9,884)
	<u>(9,828)</u>	<u>1,027</u>

14. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each shares of £1 each	<u>100</u>	<u>100</u>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

15. RESERVES

	Other reserves £	Profit and loss account £
At 1 April 2012	54,013	2,208,467
Loss for the financial year		(123,554)
Dividends Non-equity capital		(414,881)
Movement on other reserves	40,794	
Transfer between reserves	(18,584)	18,584
	<hr/>	<hr/>
At 31 March 2013	76,223	1,688,616
	<hr/>	<hr/>

Other reserves

"Other reserves" have arisen from the share based payment charge. The shares over which the options were issued are that of the parent company, Make it Cheaper Group Limited. However, the services provided by the employees are within the subsidiary, Make it Cheaper Limited. Therefore the charge is recognised in the profit and loss account and treated as a capital contribution from the parent entity within equity.

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	2,262,580	1,754,029
(Loss)/profit for the year	(123,554)	674,257
Dividends (Note 17)	(414,881)	(219,719)
Share based payments	40,794	54,013
	<hr/>	<hr/>
Closing shareholders' funds	1,764,939	2,262,580
	<hr/>	<hr/>

17. DIVIDENDS

	2013 £	2012 £
Dividends paid on equity capital	414,881	219,719
	<hr/>	<hr/>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating (loss)/profit	(81,037)	811,428
Depreciation of tangible fixed assets	104,232	83,847
Loss on disposal of tangible fixed assets	875	-
Increase in debtors	(544,407)	(1,324,002)
(Increase)/decrease in amounts owed by group undertakings	(111,549)	52,954
Increase in creditors	1,131,550	507,994
Increase in amounts owed to group undertakings	194,196	103,670
Share based payments	40,794	54,013
Net cash inflow from operating activities	734,654	289,904

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	424	21
Interest paid	(16,490)	(7,236)
Net cash outflow from returns on investments and servicing of finance	(16,066)	(7,215)
Taxation		
Corporation tax repaid/(paid)	54,376	(580,341)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(159,968)	(40,672)
Acquisitions and disposals		
Purchase of fixed asset investments	(983,513)	-

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2013 £	2012 £
Financing		
New secured loans	500,000	-
Repayment of loans	(121,250)	-
Net cash inflow from financing	<u>378,750</u>	<u>-</u>

20. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2012 £	Cash flow £	Other non-cash changes £	31 March 2013 £
Cash at bank and in hand	629,784	(406,648)	-	223,136
Debt				
Debts due within one year	-	(378,750)	42,083	(336,667)
Debts falling due after more than one year	-	-	(42,083)	(42,083)
Net funds	<u>629,784</u>	<u>(785,398)</u>	<u>-</u>	<u>(155,614)</u>

21. CONTINGENT LIABILITIES

The company has entered into an agreement whereby an amount of between £nil and £500,000 will be payable to a third party depending on the value realised on any sale or listing of the group which occurs prior to 1 October 2018

22. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £19,024 (2012 £6,015)

Included within other creditors is an amount of £3,896 (2012 £nil) relating to an outstanding pension liability

23. RELATED PARTY TRANSACTIONS

Included within other debtors at year end is an amount of £166,346 owed by Tecam Limited, a company in which J. Elliott and C. Cole are directors and shareholders

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

24 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Make It Cheaper Group Limited. The ultimate controlling party is the director J D Elliott by virtue of his majority shareholding in Make It Cheaper Group Limited.

The group consolidated accounts can be inspected at the registered office address of Make It Cheaper Group Limited being Aston House, Cornwall Avenue, London N3 1LF.

25. TRANSACTIONS WITH DIRECTORS

Included in other creditors is an amount of £70 (2012 £5,565) due to J D Elliott, the director and shareholder of the company as a result of expenses incurred during the course of business.