Love Energy Savings.com Limited

Registered number: 06322305

Directors' report and financial statements

For the year ended 31 December 2017

COMPANY INFORMATION

Directors	P Foster A Ford (resigned 9 May 2018) J King C Todd
Registered number	06322305
Registered office	Unit 2 Springfield Court Summerfield Road Bolton BL3 2NT
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor One St Peter's Square Manchester M2 3DE

LOVE ENERGY SAVINGS.COM LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction
The Directors have pleasure in presenting their report and the financial statements for the year ended 31 December 2017.

Business review
Love Energy Savings.com Limited operates an energy comparison and procurement service for UK businesses to help them make smarter choices around their energy bills.

Love Energy continues to be recognised as one of the most trusted comparison businesses and has significantly grown its customer base as a result whilst maintaining a low overhead cost base.

Operating profit increased to £796,112 (2016: £701,065) by increasing contract volumes and revenues, utilising its inhouse tech capability to improve operating efficiencies, growing its talent pool, maintaining its five-star review score on Trustpilot and capitalising on its online position. Included within this were one off exceptional administrative expenses of £227,703. Gross margins have remained static as the Company has invested in its staff base during the year to deliver the business growth.

Other achievements in the year were:

1. Improving its place in the Sunday Times Top 100 Tech Track league table
2. Successful launch of its corporate energy offering
3. Successfully launching its water retail product to customers
4. Winner of the TELCA super consultancy award
5. Consolidation of its exceptional employee brand

At the end of the financial year the Company had net assets of £1,499,169 (2016: £783,474) with the growth reflective of the result for the year. The composition of the balance sheet remains consistent. There has been a one off reduction in intangible assets and a growth in the size of accrued income and expenditure which has been driven by increased trade during the year.

Principal risks and uncertainties
The key inherent industry risks that the Company faces are competition, market operating change and staff retention. The Company actively monitors such risks through regular business performance reviews. The Company strives to provide exceptional service to its customers and staff which continual focus on communication and an easy to do business with mentality. Changes in the market operating environment are monitored closely by internal compliance teams and tight relationships with its supplier panel. The Company has strong relationships with staff and provides ongoing training, development and support.

Financial key performance indicators
The Company continually reviews its main KPIs in real time via an internal management information dashboard. More formal reviews take place on a weekly basis and management consider the following as the key drivers:

- EBITDA
- Revenue
- Revenue per customer
- Customer numbers
- Supplier live rates
- Customer trust score
- Cashflow headroom
- Staff productivity

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

P Foster
Director

Date: 11/7/18

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £715,695 (2016 - £640,340).

The directors have not proposed a dividend (2016: Nil).

Research and Development
The company is engaged in research and development activities as part of its trade.

Directors

The directors who served during the year were:

P Foster
A Ford (resigned 9 May 2018)
J King
C Todd

Future developments

The Company is set for significant growth over the coming years by continuing to offer a competitive pricing strategy to new and existing customers. There will also be a focus on the larger user market where the Company will look to offer a suite of comprehensive service related products to customers whilst maintaining a fair price for their energy.

Disclosure of information to auditor

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Mazars 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.

C Todd

C Todd
Director

Date: 11|7|18

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOVE ENERGY SAVINGS.COM LIMITED

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the directors' Report.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOVE ENERGY SAVINGS.COM LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of the audit report

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

Neil Barton (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square

Manchester
M2 3DE

Date: 11 July 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017	2016 £
Turnover	4	17,360,938	13,207,071
Cost of sales		(12,636,868)	(9,617,480)
Gross profit		4,724,070	3,589,591
Administrative expenses		(3,700,255)	(2,888,526)
Exceptional administrative expenses	11	(227,703)	-
Operating profit	5	796,112	701,065
Interest payable and similar charges	9	(12,719)	-
Profit before tax		783,393	701,065
Tax on profit	10	(67,698)	(60,725)
Profit for the financial year		715,695	640,340

There was no other comprehensive income for 2017 (2016:NIL).

The notes on pages 11 to 25 form part of these financial statements.

LOVE ENERGY SAVINGS.COM LIMITED
REGISTERED NUMBER: 06322305

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	12		-		509,880
Tangible assets	13		71,165		58,334
			71,165		568,214
Current assets					
Debtors: amounts falling due after more than one year	14	5,901,279		3,652,277	
Debtors: amounts falling due within one year	14	6,199,249		4,276,822	
Cash at bank and in hand	15	244,461		863,770	
		12,344,989		8,792,869	
Creditors: amounts falling due within one year	16	(7,471,336)		(6,768,872)	
Net current assets			4,873,653		2,023,997
Total assets less current liabilities			4,944,818		2,592,211
Creditors: amounts falling due after more than one year	17		(3,437,864)		(1,803,777)
Provisions for liabilities					
Deferred tax	19	(7,785)		(4,960)	
			(7,785)		(4,960)
Net assets			1,499,169		783,474
Capital and reserves					
Called up share capital	20		95		95
Profit and loss account	21		1,499,074		783,379
			1,499,169		783,474

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

C Todd

C Todd
Director

Date: 11/7/18
The notes on pages 10 to 24 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	95	143,039	143,134
Comprehensive income for the year			
Profit for the year	-	640,340	640,340
At 1 January 2017	95	783,379	783,474
Comprehensive income for the year			
Profit for the year	-	715,695	715,695
At 31 December 2017	95	1,499,074	1,499,169

1. General information

Love Energy Savings.com Limited ('the Company') is a limited company incorporated in the United Kingdom and registered in England. The address of its registered office and principal place of business is:

Unit 2 Springfield Court
Summerfield Road
Bolton
BL3 2NT

The principal activity of the Company is that of a commercial utilities intermediary.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements have been presented in pound sterling which is the functional currency of the Company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Love Savings Group Limited as at 31 December 2017 and these financial statements may be obtained from Unit 2 Springfield Court, Summerfield Road, Bolton, BL3 2NT.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

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

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

2.4 Intangible assets

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

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

The estimated useful lives range as follows:

CED Database	-	1-3 years

2.5 Tangible fixed assets

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

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Fixtures & fittings	-	33% on cost
Office equipment	-	33% on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Debtors

Trade debtors that are receivable within one year and do not contstitue a financing transaction are measured at transaction price, less any impairment.

2.7 Impairment of fixed assets and goodwill

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

2.8 Cash and cash equivalents

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

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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 lease term.

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

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

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

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2. Accounting policies (continued)

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimating the value of services delivered

The Company recognises a provision against revenue for signed customer contracts that are ultimately not delivered due to the energy provider being unable to complete the switching process. This estimate is reviewed and updated monthly.

The Company also estimates the proportion of sales which may be clawed back at the end of the contract, reflecting amounts not entitled to be invoiced and this estimate is reviewed at least annually against actual.

(ii) Determining residual values and useful economic lives of tangible and intangible assets

The Company depreciates tangible and intangible assets over their estimated useful lives. The estimation of the useful lives is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The estimation is based on any contractual or legal rights associated with the asset, or the period in which the Company expects to use the asset if shorter. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is also applied, when determining the residual values for fixed assets. When determining the residual value, the directors have assessed the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

4. Turnover

All turnover arose within the United Kingdom and is attributable to the Company's principal activity.

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	38,809	21,959
Amortisation of intangible assets	282,177	187,542
Impairment of intangible assets	227,703	-
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,600	13,300
Operating lease rentals (note 23)	123,642	98,934
Defined contribution pension cost	22,522	14,864

6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	13,600	13,300

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	4,614,166	2,935,393
Social security costs	406,115	262,151
Cost of defined contribution scheme	22,522	14,864
	5,042,803	3,212,408

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

	2017 No.	2016 No.
Office and admin staff	183	114

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	258,709	234,500
Company contributions to defined contribution pension schemes	840	834
	259,549	235,334

During the year retirement benefits were accruing to 3 directors (2016 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £154,996 (2016 - £142,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £374 (2016 - £370).

9. Interest payable and similar charges

	2017 £	2016 £
Bank interest and similar charges	12,719	-
	12,719	-

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	63,153	51,334
Adjustments in respect of previous periods	-	2,711
Total current tax	63,153	54,045
Deferred tax		
Origination and reversal of timing differences	2,825	7,686
Changes to tax rates	-	321
Adjustments in respect of prior periods	1,720	(1,327)
Total deferred tax	4,545	6,680
Taxation on profit on ordinary activities	67,698	60,725

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	783,393	701,065
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	150,776	140,213
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	472	286
Adjustments to tax charge in respect of prior periods	-	1,384
Short term timing difference leading to an decrease in taxation	-	(1,036)
Group relief	(83,550)	(80,122)
Total tax charge for the year	67,698	60,725

Factors that may affect future tax charges

A reduction in the UK corporation tax from 20% to 19% takes effect from 1 April 2017. A further reduction from 19% to 17% was substantively enacted on 6 September 2016 and takes effect from 1 April 2020.

11. *Exceptional items*

	2017 £	2016 £
Impairment of Intangible asset (note 12)	227,703	-
	227,703	-

12. Intangible assets

	CED Database £
Cost	
At 1 January 2017	697,422
At 31 December 2017	697,422
Amortisation	
At 1 January 2017	187,542
Charge for the year	282,177
Impairment charge	227,703
At 31 December 2017	697,422
Net book value	
At 31 December 2017	-
At 31 December 2016	509,880

During the year, the company has recognised an exceptional impairment charge of £227,703 (2016:nil) within administrative expenditure. The impairment has been recognised as in the opinion of the directors, no future economic benefit will arise from the asset.

13. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost			
At 1 January 2017	13,869	111,106	124,975
Additions	11,840	40,160	52,000
Disposals	(9,896)	(33,865)	(43,761)
At 31 December 2017	15,813	117,401	133,214
Depreciation			
At 1 January 2017	11,064	55,577	66,641
Charge for the period on owned assets	4,466	34,343	38,809
Disposals	(9,773)	(33,628)	(43,401)
At 31 December 2017	5,757	56,292	62,049
Net book value			
At 31 December 2017	10,056	61,109	71,165
At 31 December 2016	2,805	55,529	58,334

14. Debtors

	2017 £	2016 £
Due after more than one year		
Prepayments and accrued income	5,901,279	3,652,277

	2017 £	2016 £
Due within one year		
Trade debtors	396,525	161,204
Other debtors	8,021	3,713
Prepayments and accrued income	5,794,703	4,111,905
	6,199,249	4,276,822

15. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	244,461	863,770

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	721,928	444,224
Amounts owed to group undertakings	2,736,463	2,842,512
Corporation tax	63,130	49,591
Other taxation and social security	559,530	366,226
Other creditors	18,761	69,387
Accruals	3,371,524	2,996,932
	7,471,336	6,768,872

17. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Accruals	3,437,864	1,803,777

18. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	12,017,329	7,801,493
Financial liabilities		
Financial liabilities measured at amortised cost	(10,286,542)	(8,156,832)

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

19. Deferred taxation

	2017 £	2016 £
At beginning of year	(4,960)	1,720
Charged to the profit or loss	(2,825)	(6,680)
At end of year	(7,785)	(4,960)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(7,785)	(4,960)

20. Share capital

	2017	2016
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
9,500 ordinary shares of £0.01 each	95	95

The Company has one class of ordinary shares which carry the right to vote and receive dividends.

21. Reserves

Profit & loss account

This reserve represents cumulative profits and losses.

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 £22,522 (2016: £14,864). Contributions totalling £4,085 (2016: £2,561) were payable to the fund at the balance sheet date.

23. Commitments under operating leases

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

	2017 £	2016 £
Not later than 1 year	137,294	99,000
Later than 1 year and not later than 5 years	377,689	437,250
	514,983	536,250

24. Related party transactions

During the year the Company incurred costs of £30,000 (2016: £30,000) relating to monitoring fees from a related party by virtue of being a shareholder in the ultimate controlling party. The balance outstanding at the year end was nil (2016: nil).

During the year the Company paid £37,500 (2016: £37,500) for consultancy fees to a related party by virtue of a common director. At the year end, the company owed £8,102 (2016: nil) to the related party.

During the year the Company incurred costs of £113,150 (2016: £24,953) relating to the rent of their office space from a related party by virtue of a common director. At the year-end a balance of £nil (2016: £nil) was outstanding.

The Company has taken advantage of the exemption conferred by FRS 102 Section 33 not to disclose transactions with members of the group headed by Love Saving Group Limited on the grounds that 100% of the voting rights in the Company are controlled within that group and the Company's results are included in consolidated financial statements.

25. Controlling party

The Company's immediate parent undertaking, and immediate controlling party by virtue of their ownership of the Company's issued shares is Sandown Holdings Limited, a Company registered in England and Wales.

The Company's ultimate parent undertaking and ultimate controlling party is Love Saving Group Limited, a Company registered in England and Wales. The consolidated accounts of Love Saving Group Limited may be obtained from The Registrar of Companies, Crown Way, Cardiff, CF14 3UZ.