

# **OR Productivity Plc**

Report and Financial Statements

Year Ended

31 March 2013

Company Number 7776309

THURSDAY



\*A2N4RD\*

A69

19/12/2013

#220

COMPANIES HOUSE

---

# **OR Productivity Plc**

## **Report and financial statements for the year ended 31 March 2013**

---

### **Contents**

#### **Page:**

1	Report of the directors
3	Independent auditor's report
5	Consolidated profit and loss account
6	Consolidated statement of total recognised gains and losses
7	Consolidated balance sheet
8	Company balance sheet
9	Consolidated cash flow statement
10	Notes forming part of the financial statements

---

### **Directors**

C Breese  
A Taylor  
J Russell  
S Godber

### **Secretary and registered office**

R Bound, Berry Smith LLP, Hayward House, Dumfries, Cardiff, United Kingdom, CF10 3GA

### **Company number**

7776309

### **Auditors**

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

# **OR Productivity Plc**

## **Report of the directors for the year ended 31 March 2013**

---

The directors present their report together with the audited financial statements for the year ended 31 March 2013

### **Results and dividends**

The profit and loss account is set out on page 5 and shows the loss for the year

### **Principal activities, review of business and future developments**

OR Productivity Plc provides services and expertise relating to commercialising innovative technologies to be used in minimally invasive surgery

The group's principal activity during the year has been the development and commercialisation of the FreeHand System, a robotic camera controller for minimally invasive surgery. A new version of the product was successfully developed during the year and launched into the UK market. It has been adopted by surgeons working within the NHS and private hospital sectors and steps were taken to begin to establish distribution in other territories. Initial revenues were achieved during the year as a result of the launch of the new version of the system.

The group will continue to maintain a direct sales channel within the UK and is establishing an international distributor network throughout Europe, Asia and the United States of America. The Group also plans to continue research and development based on the FreeHand System platform to increase the areas of minimally invasive surgery in which it is used. Costs with respect to research are expensed.

The Directors highlight the accounting policies on page 10 of this report. The Directors are seeking additional funding for the business from existing shareholders and new investors. In the period since the end of the year under review, £1m has been subscribed for shares in the Company and the Directors are confident that the further funds will be received to enable them to continue with their future plans through 2014.

The directors are satisfied with the Group's progress during the year having been assessed against the measures of product realisation resulting in the release of the new version FreeHand System to the market and the initial market penetration of this product.

### **Directors**

The directors of the company during the year were

C Breese

A Taylor

J Russell (appointed 14 December 2012)

S Godber (appointed 14 December 2012)

# OR Productivity Plc

## Report of the directors for the year ended 31 March 2013 (*continued*)

---

### Directors' responsibilities

The directors are responsible for preparing 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 group and company 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 company will continue in business.

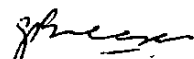
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

### Auditors

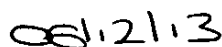
All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### On behalf of the board

  
C Breese

Director



# **OR Productivity Plc**

## **Independent auditor's report**

---

### **To the members of OR Productivity Plc**

We have audited the financial statements of OR Productivity Plc for the year ended 31 March 2013 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses 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).

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 auditors**

As explained more fully in the statement of directors' responsibilities, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2013 and of the group's 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.

### **Emphasis of matter - going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the group's ability to continue as a going concern. The group is reliant upon the completion of further fund raising. The directors are confident this will be received based on the support previously provided by and discussions with existing and new shareholders.

These conditions, disclosed in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## OR Productivity Plc

### Independent auditor's report (*continued*)

---

#### **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



*David Eagle (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick  
United Kingdom*

13.12.13

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

## OR Productivity Plc

### Consolidated profit and loss account for the year ended 31 March 2013

	Note	Year ended 31 March 2013 £	16 months ended 31 March 2012 £
<b>Turnover</b>	2	108,120	239,865
Cost of sales		19,486	25,050
		<hr/>	<hr/>
<b>Gross profit</b>		88,634	214,815
Administrative expenses		985,362	1,694,444
		<hr/>	<hr/>
		(896,728)	(1,479,629)
Other operating income		-	14,353
		<hr/>	<hr/>
<b>Group operating loss</b>	3	(896,728)	(1,465,276)
Other interest receivable and similar income		38	29
Interest payable and similar charges	6	(7,237)	(783)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		(903,927)	(1,466,030)
Taxation on loss on ordinary activities	7	54,163	62,193
		<hr/>	<hr/>
<b>Loss on ordinary activities after taxation</b>		(849,764)	(1,403,837)
		<hr/>	<hr/>
All amounts relate to continuing activities			

The notes on pages 10 to 22 form part of these financial statements

## OR Productivity Plc

### Consolidated statement of total recognised gains and losses for the year ended 31 March 2013

	Note	Year ended 31 March 2013 £	16 months ended 31 March 2012 £
<b>Consolidated statement of total recognised gains and losses</b>			
Loss for the financial year/period		(849,764)	(1,403,837)
Total gains and losses for the year/period before currency adjustments		(849,764)	(1,403,837)
Exchange translation differences on consolidation	17	(7,845)	-
<b>Total recognised gains and losses for the financial year/period</b>		<b>(857,609)</b>	<b>(1,403,837)</b>

The notes on pages 10 to 22 form part of these financial statements



# OR Productivity Plc

## Consolidated balance sheet at 31 March 2013

<i>Company number 7776309</i>	Note	31 March 2013 £	31 March 2013 £	31 March 2012 £	31 March 2012 £
<b>Fixed assets</b>					
Intangible assets	9		290,080		307,864
Tangible assets	10		62,993		19,206
			<u>353,073</u>		<u>327,070</u>
<b>Current assets</b>					
Stocks	12	31,676		11,519	
Debtors	13	153,075		149,995	
Cash at bank and in hand		418,647		205,072	
		<u>603,398</u>		<u>366,586</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>384,357</u>		<u>875,150</u>	
<b>Net current assets/(liabilities)</b>			<u>219,041</u>		<u>(508,564)</u>
<b>Total assets less current liabilities</b>			<u>572,114</u>		<u>(181,494)</u>
<b>Capital and reserves</b>					
Called up share capital	16	25,676		9,360	
Share premium account	17	1,789,321		194,420	
Other reserves	17	1,018,563		1,018,563	
Profit and loss account	17	(2,261,446)		(1,403,837)	
<b>Shareholders' funds/(deficit)</b>	18		<u>572,114</u>		<u>(181,494)</u>

The financial statements were approved by the board of directors and authorised for issue on



C Breese  
Director

08/12/13

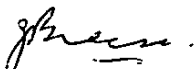
The notes on pages 10 to 22 form part of these financial statements

# OR Productivity Plc

## Company balance sheet at 31 March 2013

<i>Company number 7776309</i>	Note	31 March 2013 £	31 March 2013 £	31 March 2012 £	31 March 2012 £
<b>Fixed assets</b>					
Fixed asset investments	11		7,380		7,380
<b>Current assets</b>					
Debtors	13	1,339,173		628,219	
Cash at bank and in hand		375,212		7,224	
		<u>1,714,385</u>		<u>635,443</u>	
<b>Creditors amounts falling due within one year</b>	14	<u>182,288</u>		<u>521,828</u>	
<b>Net current assets</b>			<u>1,532,097</u>		<u>113,615</u>
<b>Total assets less current liabilities</b>			<u>1,539,477</u>		<u>120,995</u>
<b>Capital and reserves</b>					
Called up share capital	16		25,676		9,360
Share premium account	17		1,789,321		194,420
Profit and loss account	17		(275,520)		(82,785)
<b>Shareholders' funds</b>	18		<u>1,539,477</u>		<u>120,995</u>

The financial statements were approved by the board of directors and authorised for issue on



C Breese  
Director

08/12/13

The notes on pages 10 to 22 form part of these financial statements

## OR Productivity Plc

### Consolidated cashflow statement for the year ended 31 March 2013

	Note	Year ended 31 March 2013 £	Year ended 31 March 2013 £	16 months ended 31 March 2012 £	16 months ended 31 March 2012 £
<b>Net cash outflow from operating activities</b>	22		(1,397,379)		(672,710)
<b>Returns on investments and servicing of finance</b>					
Interest received		38		29	
Interest paid bank loans		(7,237)		(783)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(7,199)		(754)
<b>Taxation</b>					
Corporation tax received			63,745		-
<b>Capital expenditure and financial investment</b>					
Payments to acquire intangible fixed assets		-		(307,864)	
Payments to acquire tangible fixed assets		(56,809)		(35,943)	
<b>Net cash outflow from capital expenditure and financial investment</b>			(56,809)		(343,807)
<b>Cash outflow before use of financing</b>			(1,397,642)		(1,017,271)
<b>Financing</b>					
Share capital issued		16,316		13,050	
Share premium thereon		1,594,901		1,210,893	
Share issue expenses		-		(1,600)	
<b>Net cash inflow from financing</b>			1,611,217		1,222,343
<b>Increase in cash</b>	23		213,575		205,072

The notes on pages 10 to 22 form part of these financial statements

# OR Productivity Plc

## Notes forming part of the financial statements for the year ended 31 March 2013

---

### 1 Accounting policies

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

The following principal accounting policies have been applied

#### *Going concern*

The financial statements have been prepared on the going concern basis

The group made a loss for the year ended 31 March 2013 of £849,764 and had net assets of £572,114 at that date

In addition to the £1.6m raised during the year ended 31 March 2013, during September 2013, the group completed a first close funding round of £1m. The directors have prepared cash flow forecasts that indicate that the group will require additional funding in March 2014, which is less than 12 months from the balance sheet date.

The directors are confident that adequate financing will be secured, given the previous support received from and discussions with existing and new shareholders. However, as this support is not guaranteed, until such time as it is completed, there exists a material uncertainty that may cast doubt on the company's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

No adjustments have been made to the carrying value of assets or liabilities to reflect this uncertainty.

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of OR Productivity Plc and all of its subsidiary undertakings as at 31 March 2013 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

#### *Merger accounting*

On 01 December 2011, OR Productivity Plc and Freehand 2010 Limited entered into a merger agreement, which has been accounted for using the merger accounting principles set out in Financial Reporting Standard 6. Accordingly, the investment is recorded in the company's balance sheet at the nominal value of the shares issued as consideration for the merger.

Any difference between the nominal value of the shares acquired by the company and those issued by the company to acquire them is taken to reserves.

In the group financial statements, merged subsidiary undertakings are treated as if they had always been a member of the group. The results of such a subsidiary are included for the whole period in the year it joins the group.

#### *Turnover*

Turnover represents revenue recognised by the company in respect of goods supplied, exclusive of value added tax. Revenue in respect of parts supplied is recognised on despatch to the customer.

# OR Productivity Plc

## Notes forming part of the financial statements for the year ended 31 March 2013 (*continued*)

### 1 Accounting policies (*continued*)

#### *Intangible fixed asset*

The intangible asset represents the cost of purchasing the IP and processes associated with the FreeHand System from the administrators of Freehand Surgical PLC and Prosurgics

On the launch of the improved system, the intangible asset has been be amortised over 10 years commencing September 2012. This reflects the expectations of a sales lifecycle of at least 3 years and the 7 year life of the individual systems that are supplied which are expected to generate income over their useful lives

Impairment is assessed on an annual basis with regard to the level of income generated and forecast to be generated as a result of the intangible assets

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates

Leasehold improvements	- 20% straight line
Hardware	- 33% straight line
Software	- 50% straight line

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### *Foreign currency*

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

#### *Pension costs*

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

# OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

## 1 Accounting policies (*continued*)

### *Research and development*

Development costs are charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria

- the project is clearly defined and related expenditure is separately identifiable,
- the project is technically feasible and commercially viable,
- current and future costs are expected to be exceeded by future sales, and
- adequate resources exist for the project to be completed

In such circumstances the costs are carried forward and amortised over a period not exceeding ten years commencing in the year the group starts to benefit from the expenditure

### *Leased assets*

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

### *Related party disclosures*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries

## 2 Turnover, profit and net assets

	Year ended 31 March 2013 Turnover £	Year ended 31 March 2013 Profit before tax £	Year ended 31 March 2013 Net assets £	16 months ended 31 March 2012 Turnover £	16 months ended 31 March 2012 Profit before tax £	16 months ended 31 March 2012 Net assets £
Segmental analysis by geographical location						
United Kingdom	102,240	(812,220)	591,308	221,090	(1,259,626)	(175,208)
United States	5,880	(91,707)	(19,194)	18,775	(206,404)	(6,286)
	<u>108,120</u>	<u>(903,927)</u>	<u>572,114</u>	<u>239,865</u>	<u>(1,466,030)</u>	<u>(181,494)</u>

Turnover is wholly attributable to the principal activity of the group

## OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

### 3 Operating loss

	Year ended 31 March 2013 £	16 months ended 31 March 2012 £
This is arrived at after charging		
Research and development - current year's expenditure	233,261	261,519
Depreciation of tangible fixed assets	9,999	16,738
Amortisation of other intangible fixed assets	17,784	-
Hire of other assets - operating leases	27,500	27,500
Fees payable to the group's auditor for the auditing of the group's annual accounts	14,500	12,500
Fees payable to the group's auditor for taxation compliance services	2,350	11,450
Exchange differences	3,896	2,801
	<u>          </u>	<u>          </u>

Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis

### 4 Employees

Staff costs (including directors) consist of

	Group Year ended 31 March 2013 £	Group 16 months ended 31 March 2012 £
Wages and salaries	423,892	932,258
Social security costs	49,911	86,348
Other pension costs	10,687	18,373
	<u>          </u>	<u>          </u>
	484,490	1,036,979
	<u>          </u>	<u>          </u>

The average number of employees (including directors) during the year/period was 12 (2012 - 10)

## OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

### 5 Directors' remuneration

	Year ended 31 March 2013 £	16 months ended 31 March 2012 £
Directors' emoluments	75,446	12,500

### 6 Interest payable and similar charges

	Year ended 31 March 2013 £	16 months ended 31 March 2012 £
Bank loans and overdrafts	7,237	783



# OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

## 7 Taxation on loss on ordinary activities

	Year ended 31 March 2013 £	16 months ended 31 March 2012 £
<i>UK Corporation tax</i>		
Current tax on profits of the year/period	(54,163)	(62,193)

The tax assessed for the year/period is higher than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below

	Year ended 31 March 2013 £	16 months ended 31 March 2012 £
Loss on ordinary activities before tax	(903,927)	(1,466,030)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24% (2012 - 26%)	(216,942)	(381,168)
Effect of		
Expenses not deductible for tax purposes	-	3,812
Depreciation for period in excess of capital allowances	6,668	1,304
Losses carried forward	157,707	311,095
Additional deduction in R&D expenditure	(63,832)	(61,496)
Losses surrendered for R&D tax credit	62,236	64,260
Current tax credit for the year/period	(54,163)	(62,193)

## 8 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group loss for the year includes a loss after tax of £192,735 (2012 - £82,785) which is dealt with in the financial statements of the parent company

## OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

### 9 Intangible fixed assets

#### Group

	Other intangible fixed assets £
<i>Cost or valuation</i>	
At 1 April 2012 and 31 March 2013	307,864
<i>Amortisation</i>	
Provided for the year and at 31 March 2013	17,784
<i>Net book value</i>	
At 31 March 2013	290,080
At 31 March 2012	307,864

### 10 Tangible fixed assets

#### Group

	Leasehold land and buildings £	Plant and machinery £	Other fixed assets £	Total £
<i>Cost or valuation</i>				
At 1 April 2012	14,002	9,952	11,989	35,943
Additions	-	26,809	30,000	56,809
Disposals	-	(13,390)	(1,500)	(14,890)
Exchange adjustments	-	(109)	-	(109)
At 31 March 2013	14,002	23,262	40,489	77,753
<i>Depreciation</i>				
At 1 April 2012	2,907	3,439	10,391	16,737
Provided for the year	2,801	3,573	3,625	9,999
Disposals	-	(11,882)	-	(11,882)
Exchange adjustments	-	(94)	-	(94)
At 31 March 2013	5,708	(4,964)	14,016	14,760

# OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

## 10 Tangible fixed assets (*continued*)

### Group (*continued*)

	Leasehold land and buildings £	Plant and machinery £	Other fixed assets £	Total £
<i>Net book value</i>				
At 31 March 2013	8,294	28,226	26,473	62,993
At 31 March 2012	11,095	6,513	1,598	19,206

## 11 Fixed asset investments

### Company

	Group undertakings £
<i>Cost or valuation</i>	
Additions and at 31 March 2013	7,380

The investment represents the nominal value of the shares issued by OR Productivity Plc as consideration for the whole of the issued share capital of Freehand 2010 Limited

### *Subsidiary undertakings, associated undertakings and other investments*

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business	Last year end
Freehand 2010 Limited	United Kingdom	Ordinary	100%	Development and manufacture of robotic camera manipulator	31/03/2013
Prosurgics Inc (indirectly through Freehand 2010 Limited)	USA	Ordinary	100%	Sale and support of robotic camera manipulator	31/03/2013

## OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 *(continued)*

### 12 Stocks

	Group 31 March 2013 £	Group 31 March 2012 £	Company 31 March 2013 £	Company 31 March 2012 £
Work in progress	19,264	-	-	-
Finished goods and goods for resale	12,412	11,519	-	-
	<u>31,676</u>	<u>11,519</u>	<u>-</u>	<u>-</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

### 13 Debtors

	Group 31 March 2013 £	Group 31 March 2012 £	Company 31 March 2013 £	Company 31 March 2012 £
Trade debtors	22,754	38,394	-	-
Amounts owed by group undertakings	-	-	1,322,669	621,312
Corporation tax recoverable	52,611	62,193	-	-
Other debtors	51,068	38,252	16,504	6,907
Prepayments and accrued income	26,642	11,156	-	-
	<u>153,075</u>	<u>149,995</u>	<u>1,339,173</u>	<u>628,219</u>

All amounts shown under debtors fall due for payment within one year

## OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 *(continued)*

### 14 Creditors, amounts falling due within one year

	Group 31 March 2013 £	Group 31 March 2012 £	Company 31 March 2013 £	Company 31 March 2012 £
Trade creditors	64,929	141,345	7,849	15,584
Taxation and social security	20,881	51,480	3,795	8,844
Other creditors	8,304	463,723	2,535	460,000
Accruals and deferred income	290,243	218,602	168,109	37,400
	<u>384,357</u>	<u>875,150</u>	<u>182,288</u>	<u>521,828</u>

### 15 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £10,687 (2012 - £18,373). Contributions amounting to £2,046 (2012 - £Nil) were payable to the fund and are included in creditors.

### 16 Share capital

	31 March 2013 £	31 March 2012 £
<i>Allotted, called up and fully paid</i>		
2,567,590 ordinary shares of 1 pence each	<u>25,676</u>	<u>9,360</u>

During the year, the company issued 1,631,590 ordinary shares of nominal value £16,316 for a consideration of £1,631,590. Transaction costs amounting to £20,373 have been deducted from share premium.

## OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 *(continued)*

### 17 Reserves

#### Group

	Share premium account £	Other reserves £	Profit and loss account £
At 1 April 2012	194,420	-	(1,403,837)
Premium on shares issued during the year	1,594,901	-	-
Translation differences on foreign currency net investments in subsidiary undertakings	-	-	(7,845)
Loss for the year	-	-	(849,764)
Merger reserve adjustment	-	1,018,563	-
	<u>1,789,321</u>	<u>1,018,563</u>	<u>(2,261,446)</u>
At 31 March 2013	<u>1,789,321</u>	<u>1,018,563</u>	<u>(2,261,446)</u>

#### Company

	Share premium account £	Profit and loss account £
At 1 April 2012	194,420	(82,785)
Premium on shares issued during the year	1,594,901	-
Loss for the year	-	(192,735)
	<u>1,789,321</u>	<u>(275,520)</u>
At 31 March 2013	<u>1,789,321</u>	<u>(275,520)</u>

The Other Reserves consists of the merger reserve of £1,018,563 arising as a result of the merger of OR Productivity Plc and Freehand 2010 Limited on 01 December 2011. The amount represents the difference between the nominal value of the shares issued by way of consideration and the fair value of the shares acquired.

## OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 *(continued)*

### 18 Reconciliation of movements in shareholders' funds/(deficit)

	Group 31 March 2013 £	Group 31 March 2012 £	Company 31 March 2013 £	Company 31 March 2012 £
Loss for the year/period	(849,764)	(1,403,837)	(192,735)	(82,785)
Other net recognised gains and losses relating to the year				
- Exchange translation differences on consolidation	(7,845)	-	-	-
Issue of shares	16,316	9,360	16,316	9,360
Premium on shares issued during the year	1,594,901	194,420	1,594,901	194,420
Merger reserve adjustment	-	1,018,563	-	-
	<u>753,608</u>	<u>(181,494)</u>	<u>1,418,482</u>	<u>120,995</u>
Net additions to/(deductions from) shareholders' funds/(deficit)				
Opening shareholders' (deficit)/funds	(181,494)	-	120,995	-
	<u>572,114</u>	<u>(181,494)</u>	<u>1,539,477</u>	<u>120,995</u>
Closing shareholders' funds/(deficit)				

### 19 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 31 March 2013 £	Land and buildings 31 March 2012 £
Operating leases which expire		
After five years	45,000	27,500

### 20 Related party disclosures

#### *Controlling parties*

There is no ultimate controlling party

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries

During the year, Freehand 2010 Limited incurred research and development expenditure of £40,000 from InMedica and purchased stock for £8,891 from Hyb. The ultimate parent of these 2 entities is Novoline, a shareholder in OR Productivity Plc. There were no outstanding balances at the year end

## OR Productivity Plc

Notes forming part of the financial statements  
for the year ended 31 March 2013 *(continued)*

### 21 Capital commitments

At the year end the Group had no capital commitments

### 22 Reconciliation of operating loss to net cash outflow from operating activities

	Year ended 31 March 2013 £	16 months ended 31 March 2012 £
Operating loss	(896,728)	(1,465,276)
Amortisation of intangible fixed assets	17,784	-
Depreciation of tangible fixed assets	9,999	16,737
Loss on sale of tangible fixed assets	3,008	-
Increase in stocks	(20,157)	(11,519)
Increase in debtors	(12,662)	(87,802)
(Decrease)/increase in creditors	(490,793)	875,150
Exchange adjustments	(7,830)	-
	<hr/>	<hr/>
Net cash outflow from operating activities	(1,397,379)	(672,710)
	<hr/>	<hr/>

### 23 Reconciliation of net cash flow to movement in net funds

	Year ended 31 March 2013 £	16 months ended 31 March 2012 £
Increase in cash	213,575	205,072
Opening net funds	205,072	-
	<hr/>	<hr/>
Closing net funds	418,647	205,072
	<hr/>	<hr/>

### 24 Analysis of net funds

	At 1 April 2012 £	Cash flow £	At 31 March 2013 £
Cash at bank and in hand	205,072	213,575	418,647
	<hr/>	<hr/>	<hr/>
Total	205,072	213,575	418,647
	<hr/>	<hr/>	<hr/>