

Airwave Application Services Limited

Registered number SC230448

Annual Report and Financial Statements

Year ended 30 June 2015

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Airwave Application Services Limited

Registered number SC230448

Annual Report and Financial Statements

Year ended 30 June 2015

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General Information

Directors

Mrs J Berry
Mr C Elliot
Mr D Evans
Mr S Hardy
Mr J Lewis
Mr A McClelland
Dr M Sage

Company secretary

Ms L Bryson

Registered office

Pinsent Masons LLP
Queens House
13 Queens Road
Aberdeen
AB15 4YL

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Reading Central
23 Forbury Road
Reading
RG1 3JH

Bankers

HSBC Bank Plc
8 Canada Square
London
E14 5HQ

Airwave Application Services Limited

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Strategic Report

The Directors present their strategic report for the Company for the year ended 30 June 2015.

On 24 April 2015, the Company was renamed Airwave Application Services Limited (formerly Kelvin Connect Limited).

Review and analysis of the business during the current year

Operating review

Airwave Application Services Limited continues to develop and implement market leading mobile information capture and management solutions within organisations with a large mobile workforce, focusing on the police sector. The solutions are designed to enable process transformation by overcoming the complexities of viewing and capturing information in a mobile environment and of entering information into a variety of disparate IT systems.

The solutions implemented deliver tangible business benefits by streamlining back office through delivering paperless solutions, removing office based working for the front line resource allowing greater visibility and productivity from increasingly limited resources.

The importance of effective and rapid sharing of information within organisations and into other partners or agencies is supported by the solutions the Company is presently delivering, working to support the need for collaboration and inter-operability. The technologies to support the delivery of the solution address the increasing consumer world options provided by mobile devices, from the use of hand-held PDAs or smart phone devices to laptops and tablet devices.

Financial performance for the year

The Company results for the year are set out below and in more detail in the attached financial statements.

	Note	2015 £'000	2014 £'000
Total revenue and other income	2(a)	3,212	950
Earnings before depreciation interest tax and amortisation (EBITDA)	2(b)	(456)	(1,025)
Total loss attributable to owners of the Company		(1,149)	(1,376)

Total revenue for the year was £3,212,000, reflecting the increasing number of police forces who are using the Company's products including a number of significant contracts won in the second half of the financial year.

EBITDA was a loss of £456,000, which has improved by £569,000 from prior year due to increased revenue earned.

The loss for the year was £1,149,000, which was broadly similar to the prior year reflecting the EBITDA position described above and the impact of higher depreciation and amortisation charges.

Net liabilities have increased from £5,082,000 at 30 June 2014 to £6,231,000 at 30 June 2015 as a result of the retained loss for the year.

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Strategic Report (continued)

Key performance indicators

Given the company is still developing its product and customer base, the results for the year in terms of meeting objectives and key performance indicators is encouraging.

	Note	2015 £'000	2014 £'000	Definition, method of calculation and analysis
Total revenue	2(a)	3,212	950	Revenue comprises the fair value of services and equipment provided and excludes VAT. Revenue has increased due to timing of contract implementations and subsequent revenue recognition.
EBITDA ¹	2(b)	(456)	(1,025)	EBITDA is calculated by adding back depreciation and amortisation charges to operating profit. The increase is due to contract wins in the year.
Operating cash flow	19	2,057	(2,636)	Operating cash flow is calculated by deducting working capital and capital expenditure movements from EBITDA. The increase resulted from upfront cash from new sales contracts recorded in the financial year, which is released from deferred income over the contract period.

¹ A reconciliation of operating loss to EBITDA is shown in note 2 to the financial statements.

Principal risks and uncertainties

The management of the Airwave Application Services business and the execution of its strategy are subject to a number of risks and uncertainties. The key risks facing the business are set out below.

Operational risk management, policies and exposure

Product performance risk

The Company's products are critical to customers in the police and health sectors. There is a risk that the non-performance of the products prevents the customers from fulfilling their duties. This risk is managed through rigorous testing, controlled implementation and through the provision of adequate support services.

Price risk

The Company's fixed costs are predominately internal labour costs therefore has limited exposure to price fluctuations.

Financial risk management objectives, policies and exposure

The Company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, foreign exchange risk and capital risk. The Company's overall risk management programme seeks to minimise potential adverse effects as noted below.

Credit risk

The Company's principal credit risks are attributable to cash and cash equivalents and trade receivables. Cash and cash equivalent credit risk is monitored on an overall basis through the application of counterparty credit limits which are dependent on the long-term credit rating of the counterparty. The Company has limited exposure to trade receivable credit risk as the majority of its customers are public safety organisations.

Liquidity risk

The Company is not yet cash generating and is therefore dependent on funding from its parent company. The Company prepares regular cash forecasts and is provided parent company funding where required. The parent has provided and continues to provide its ongoing support. The Company has no external borrowings.

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Strategic Report (continued)

Financial risk management objectives, policies and exposure (continued)

Exchange rate risk

Management monitor exchange rate risk but as yet there is no current significant foreign currency exchange exposure.

Capital risk

The Company is funded through a mix of equity and shareholder debt provided to the Company in order to develop its products and grow the business.

Additional shareholder funds may be drawn in order to satisfy the Company's capital requirements. Whilst shareholder debt is repayable on demand, the Company has received and continues to receive the ongoing support of the shareholder and is not expected to repay the loan within 12 months.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, whilst providing returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Employees

Our people

Our people are important to us and we believe that every person who works at Airwave Application Services has a vital role to play in delivering the highest levels of cost effective service to our customers. Our people are committed, customer focused, take pride in what they do and have a passion for delivering the highest standards, no matter what the situation. We continually work on improving the engagement and motivation of our people as we know this leads to better business performance and higher levels of customer service.

We recognise that the quality of our leadership is critical to our future success and ensure our leaders at all levels understand what is expected of them in leading and developing their teams. We support them in their own development through formal management and leadership development programmes.

Learning and development

We constantly look to improve our customers' experience by actively investing in our people to ensure they have the skills, tools and experience needed to carry out their roles to the best of their ability, through on-the-job experience, secondment opportunities, coaching and mentoring and formal training programmes. Individual development needs are identified as part of twice yearly performance reviews, regular one to ones and personal development planning with their managers.

Engagement and communication

We are committed to keeping our people informed and taking their views into account when we are making decisions that are likely to affect them. Communications and engagement with our people continues to be undertaken using various media including, social media, our in-house magazine, our intranet, town hall meetings, e-zines and monthly teleconferences with our Executives and other business leaders. We value the views of our people and run quarterly surveys where we ask our people to tell us how they feel about their job, their team, their manager, senior leaders in the business and Airwave.

Reward and recognition

Because we value our people, we ensure that rewards are fair in relation to external market comparisons. We participate in a market review of salaries every year. Our managers are rewarded for their contribution to the success of the business.

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Annual Report and Financial Statements

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Strategic Report (continued)

Employees (continued)

Equal opportunities

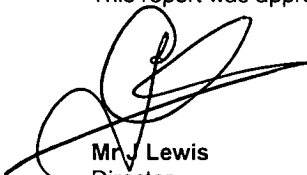
We are an equal opportunities employer and feel strongly that our people should have an equal chance of advancement, access to opportunity, and the training and development needed, irrespective of their gender (including sex, marital status, gender reassignment and pregnancy), race, (including colour, nationality, national origin and ethnic origin), sexual orientation, religion or belief, age, disability or caring responsibilities.

We employ and provide a suitable environment for people with disabilities and all reasonable facilities are provided for people with disabilities to pursue their careers without difficulty or disadvantage. We are committed to eliminating discrimination and encouraging diversity amongst our people, partners, suppliers and customers. We oppose all forms of unlawful and unfair discrimination.

Health and safety

The health and safety of our people remains of paramount importance and we continue to seek improvements by focusing on educating our people and our managers in order to reduce risk and improve health.

This report was approved by the Board on 21 October 2015 and signed on its behalf by:



Mr. Lewis
Director

Airwave Application Services Limited

Registered number SC230448

Annual Report and Financial Statements

Year ended 30 June 2015

Directors' Report

The Directors present their report and the audited financial statements of the Company for the year ended 30 June 2015.

Corporate Structure

Airwave Application Services Limited ("Airwave Application Services" or "the Company") is a private limited company incorporated, domiciled and registered in the United Kingdom under the number SC230448. The registered address is Pinsent Masons LLP, Queens House, 13 Queens Road, Aberdeen, AB15 4YL.

The Company is wholly owned by Airwave Solutions Limited ("Airwave"), a private limited company registered in England. Airwave owns and operates the largest public safety radio communications network in the world, delivering critical voice and data communications to UK's public safety organisations.

Airwave's ultimate parent is Macquarie European Infrastructure Fund II ("MEIFII"), a fund that makes investments in infrastructure and related businesses.

Principal Activities

The principal activities of Airwave Application Services Limited include the provision of process transformation to the police and health sectors through the research, development and sale of computer software and supporting managed service solutions.

Going concern

The Directors, having reviewed the Company's liquid resources, access to borrowings facilities and its future cash flow forecasts have a reasonable expectation that the Company has adequate resources to continue as a going concern.

The Company has net current liabilities at 30 June 2015. The financial statements have been prepared on a going concern basis as the Directors have received written confirmation from the Directors of the parent company, Airwave Solutions Limited, of its intention to provide continuing financial support to the Company for a period of not less than one year from the date of approval of these financial statements. Therefore these financial statements have been prepared on a going concern basis.

Results and proposed dividend

The Company's loss for the year ended 30 June 2015 was £1,149,000 (2014: £1,376,000). The Directors do not recommend the payment of a dividend for the year ended 30 June 2015 (2014: £nil).

Future developments

The Company will continue to develop its products and focus on increasing uptake within the police sector to enable transformation of back office processes and realisation of customer efficiencies and cost savings.

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Annual Report and Financial Statements

Year ended 30 June 2015

Directors' Report (continued)

Directors

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

Mrs J Berry
Mr C Elliot
Mr D Evans
Mr S Hardy
Mr J Lewis
Mr A McClelland
Mr N Rees (resigned 31 January 2015)
Dr M Sage

The Company Secretary who held office during the year and up to the date of signing the financial statements was as follows:

Ms L Bryson

Post balance sheet events

No significant events have occurred after the balance sheet date.

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Annual Report and Financial Statements

Year ended 30 June 2015

Directors' Report (continued)

Statement of Directors' responsibilities

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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

Disclosure of information to auditors

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



Mr J Lewis
Director

21 October 2015

Airwave Application Services Limited

Registered number SC230448

Annual Report and Financial Statements

Year ended 30 June 2015

Independent auditors' report to the members of Airwave Application Services Limited

Report on the financial statements

Our opinion

In our opinion, Airwave Application Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements comprise:

- the Balance Sheet as at 30 June 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Airwave Application Services Limited

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Annual Report and Financial Statements

Year ended 30 June 2015

Independent auditor's report to the members of Airwave Application Services Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

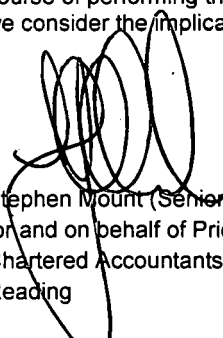
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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 directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Stephen Mount (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

21 October 2015

Airwave Application Services Limited

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Annual Report and Financial Statements

Year ended 30 June 2015

Balance Sheet

	Note	2015 £'000	2014 £'000
Non-current assets			
Property, plant and equipment	7	619	474
Intangible assets	8	914	1,382
Trade and other receivables	5	1,537	1,183
Deferred income tax assets	12	-	98
Total non-current assets		3,070	3,137
Current assets			
Inventories	6	534	23
Trade and other receivables	5	289	312
Cash and cash equivalents	4	1,439	333
Total current assets		2,262	668
Current liabilities			
Trade and other payables	9	(798)	(407)
Deferred income	10	(2,424)	(535)
Total current liabilities		(3,222)	(942)
Net current liabilities		(960)	(274)
Total assets less current liabilities		2,110	2,863
Non-current liabilities			
Borrowings	11	(6,746)	(7,697)
Deferred income	10	(1,588)	(248)
Deferred income tax liability	12	(7)	-
Total non-current liabilities		(8,341)	(7,945)
Net liabilities		(6,231)	(5,082)
Equity			
Capital and reserves attributable to owners of the Company			
Ordinary shares	13	-	-
Share premium account	13	1,052	1,052
Accumulated losses		(7,283)	(6,134)
Total equity		(6,231)	(5,082)

The above Balance Sheet should be read in conjunction with the accompanying notes on pages 15 to 34.

The financial statements on pages 11 to 34 were authorised by the Board of Directors on 21 October 2015 and were signed on its behalf by:


Mr J Lewis
Director

Airwave Application Services Limited

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Year ended 30 June 2015

Statement of Comprehensive Income

	Note	2015 £'000	2014 £'000
Revenue	2(a)	3,212	950
Cost of sales		(3,512)	(1,126)
Gross loss		(300)	(176)
Administrative expenses		(1,098)	(1,595)
Loss before income tax		(1,398)	(1,771)
Taxation	3	249	395
Loss for the year		(1,149)	(1,376)
Total comprehensive expense for the year:		(1,149)	(1,376)
Total comprehensive expense attributable to the owners of the Company		(1,149)	(1,376)

All results relate to continuing operations.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes on pages 15 to 34.

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Statement of Changes in Equity

	Ordinary Shares £'000	Share Premium Account £'000	Accumulated Losses £'000	Total Equity £'000
Balance at 1 July 2013	-	1,052	(4,758)	(3,706)
Loss for the year and total comprehensive expense	-	-	(1,376)	(1,376)
Balance at 30 June 2014	-	1,052	(6,134)	(5,082)
Loss for the year and total comprehensive expense	-	-	(1,149)	(1,149)
Balance at 30 June 2015	-	1,052	(7,283)	(6,231)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes on pages 15 to 34.

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Year ended 30 June 2015

Statement of Cash Flows

	Note	2015 £'000	2014 £'000
Cash flows from operating activities			
Loss before income tax		(1,398)	(1,771)
Depreciation	7	146	30
Amortisation charges	8	796	716
Increase in inventories	6	(511)	(23)
Increase in trade and other receivables	5	(219)	(335)
Increase / (decrease) in trade and other payables	9,10	3,620	(236)
Increase in tax assets		242	344
Net cash generated from operating activities		2,676	(1,275)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	7,8	(619)	(1,361)
Net cash flows used in investing activities		(619)	(1,361)
Cash flows from financing activities			
(Repayment of) proceeds from related party loans	14(b)	(951)	2,594
Net cash flows (used in)/ generated from financing activities		(951)	2,594
Net increase (decrease) in cash and cash equivalents		1,106	(42)
Cash and cash equivalents at the beginning of the year	4	333	375
Cash and cash equivalents at the end of the year	4	1,439	333

The above Statement of Cash Flows should be read in conjunction with the accompanying notes on pages 15 to 34.

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Annual Report and Financial Statements

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Notes to the Financial Statements

1 Summary of Significant Accounting Policies

The significant policies that have been adopted in the preparation of the financial statements are stated to assist in a general understanding of these financial statements.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) IFRIC (International Financial Reporting Interpretations Committee) interpretations, and those parts of the Companies' Act 2006 applicable to Companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(r).

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Directors, having reviewed the Company's liquid resources, access to borrowings facilities and its future cash flow forecasts have a reasonable expectation that the Company has adequate resources to continue as a going concern.

The Company has net current liabilities at 30 June 2015. The financial statements have been prepared on a going concern basis as the Directors have received written confirmation from the Directors of the parent company, Airwave Solutions Limited, of its intention to provide continuing financial support to the Company for a period of not less than one year from the date of approval of these financial statements. Therefore these financial statements have been prepared on a going concern basis.

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Annual Report and Financial Statements

Year ended 30 June 2015

Notes to the Financial Statements (continued)

1 Summary of Significant Accounting Policies (continued)

(b) Property, plant and equipment

Property, plant and equipment comprise mainly computer equipment and furniture and fittings and are stated at historical cost less accumulated depreciation. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Capitalised costs include third party costs and internal employee benefits.

Depreciation is provided on property, plant and equipment over their estimated useful lives on a straight-line basis from the date they are brought into use. The lives assigned to property, plant and equipment are:

Computer Equipment	3 years
Furniture and Fittings	5 years

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Administrative expenses' in the Statement of Comprehensive Income. No gains or losses occurred during the year reported.

(c) Intangible assets

Intangible assets are valued at cost less amortisation and impairment losses. Intangible assets with finite lives are amortised on a straight line basis over their useful lives of three years and are reviewed for impairment if there is any indication that the carrying value may not be recoverable. Intangible assets with an indefinite useful life are not amortised but are tested for impairment annually or more frequently if events indicate that the carrying value may be impaired.

(d) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 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 (cash-generating units).

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Year ended 30 June 2015

Notes to the Financial Statements (continued)

1 Summary of Significant Accounting Policies (continued)

(e) Financial assets

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and conventional option pricing models making maximum use of observable market inputs and relying as little as possible on entity-specific inputs.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset group of financial assets is impaired.

(f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Cash Flows include cash in hand and deposits held at call with banks.

(g) Trade and other payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

(h) Inventories

Inventories comprise handsets, licences and work in progress. These are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method and comprises costs of purchase and costs incurred in bringing inventory to its current location and condition. Provisions are made, if necessary, for obsolete, slow-moving or defective inventories.

(i) Borrowings

Subsequent to initial recognition at fair value, net of transaction costs incurred, interest bearing liabilities are measured at amortised cost and classified as financial liabilities. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Transaction costs are included in the carrying amount and are charged to the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Airwave Application Services Limited

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Annual Report and Financial Statements

Year ended 30 June 2015

Notes to the Financial Statements (continued)

1 Summary of Significant Accounting Policies (continued)

(j) Foreign currencies

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss in finance cost or income.

(i) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Pounds Sterling (GBP), which is the Company's functional and presentational currency.

(ii) *Transactions and balances*

Transactions denominated in foreign currencies are translated, at the exchange rate on the day the transaction occurred, to the functional currency of the entity. Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Foreign exchange differences are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currency are translated at the foreign currency exchange rate prevailing at the dates the values were determined and differences are taken to the reserves.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss in finance cost or income.

Foreign exchange gains and losses on cash and cash equivalents are presented in the Statement of Comprehensive Income as finance income or cost.

(k) Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Income tax relating to items recognised directly in equity is recognised in equity, not in the Statement of Comprehensive Income.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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Notes to the Financial Statements (continued)

1 Summary of Significant Accounting Policies (continued)

(l) Employee benefits

Pension obligations

The Company operates a defined contribution plan into which it pays contributions on behalf of employees. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(m) Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are not recognised for future operating losses.

(n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable during the ordinary course of business net of discounts and sales taxes and after elimination of sales within the Company.

Revenue consisting primarily of regular fees for ongoing services are recognised from implementation over the period to which the services relate.

Revenue for the sale of equipment is recognised when all the significant risks and rewards of ownership are transferred to the buyer, which is normally the date the equipment is delivered and accepted by the customer, and the amount of revenue and the associated costs can be measured reliably.

Revenue arising from separable installation and connection services is recognised when it is earned, upon activation. Revenue from the implementation of peripheral and other equipment is recognised when all the significant risks and rewards of ownership are transferred to the buyer, which is normally the date the equipment is delivered and accepted by the customer.

Revenue from long-term contractual arrangements is recognised based on the percentage of completion method. The stage of completion is estimated using an appropriate measure according to the nature of the contract. For long-term services contracts revenue is recognised on a straight line basis over the term of the contract. However, if the performance pattern is other than straight line, revenue is recognised as services are provided, usually on an output or consumption basis. For fixed price contracts, including contracts to design and build communications solutions, revenue is recognised by reference to the stage of completion, as determined by the proportion of costs incurred relative to the estimated total contract costs, or other measures of completion such as site and vehicle installation and contract milestone customer acceptance.

Differences between revenue recognised and revenue billed to the customer give rise to accrued and deferred income.

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Notes to the Financial Statements (continued)

1 Summary of Significant Accounting Policies (continued)

(p) Leases

The company leases certain equipment. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals under operating leases are charged to the Statement of Comprehensive Income in equal annual instalments over the periods of the leases.

Lease of property, plant equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in long term borrowings. The interest element of the finance costs is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(q) Accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning after the start date of these financial statements but which the Company has chosen not to early adopt. The new standards and interpretations, applicable to the Company which will be adopted by the Company as appropriate are as follows:

- IFRS 9, 'Financial instruments', issued in July 2014. This addresses the requirements for the recognition, measurement, impairment, derecognition and general hedge accounting to be applied to financial instruments. The standard is not applicable until 1 January 2018.
- IFRS 15, 'Revenue from Contracts with Customers', issued in May 2014. This addresses the principles governing the reporting of information about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The standard is not applicable until 1 January 2018.

The Company is currently assessing the impact of such standards and does not expect at this stage that they would significantly impact the Company's financial position.

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Notes to the Financial Statements (continued)

1 Summary of Significant Accounting Policies (continued)

(r) Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. A significant change in the facts and circumstances on which these estimates are based could have a material negative impact on the Company's earnings and financial position. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are discussed below:

(i) Property, plant and equipment

Accounting for property, plant and equipment involves the use of estimates for determining (a) the useful lives of the assets, over which they are to be depreciated, and (b) the existence and amount of any impairment. Details of property, plant and equipment are provided in note 7.

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. When the Company estimates useful lives various factors are considered including expected technological obsolescence and the expected usage of the asset. The Company regularly reviews these asset lives and changes them as necessary to reflect the useful estimated current remaining lives in light of technological changes, future economic utilisation and the physical condition of the assets concerned. A significant change in these facts and circumstances may have a material impact on the carrying value of these assets.

The carrying amount of property, plant and equipment is assessed periodically to determine whether there are indications of any impairment of the value beyond what is expressed in the depreciation charge. If that is the case, an impairment charge is taken against the carrying amount of the assets, if that is higher than the recoverable amount.

The recoverable amount of the asset is determined as the higher of fair value less costs to sell and the value in use. If it is not possible to determine a recoverable amount for the individual assets, the assets are assessed together in the smallest group of assets for which a reliable recoverable amount can be determined in an overall assessment.

The determination of whether the impairment of property, plant and equipment is necessary, involves the use of estimates that include, but are not limited to, the analysis of the cause of the potential impairment in value, the timing of such potential impairment and an estimate of the amount of the impairment. The Company considers technological obsolescence, discontinuance of services and other changes in circumstances that indicate a need to perform an impairment test. A significant change in the facts and circumstances that were relied upon in making the estimates may trigger the requirement for recording impairment and may have a material adverse impact on the operating results and financial condition of the Company.

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Year ended 30 June 2015

Notes to the Financial Statements (continued)

1 Summary of Significant Accounting Policies (continued)

(r) Critical accounting estimates and judgments (continued)

(ii) Deferred tax assets and liabilities

The Company evaluates the recoverability of deferred tax assets based on estimates of future earnings. The ability to recover these taxes depends ultimately on the Company's ability to generate taxable earnings over the course of the period for which the deferred tax assets remain deductible. This analysis is based on the estimated reversal of deferred taxes as well as estimates of taxable earnings, which are sourced from internal projections and are updated to reflect the latest trends.

The appropriate classification of tax assets and liabilities depends on a series of factors including estimates as to the timing and materialisation of deferred tax assets and the forecast tax payment schedule. Actual income tax receipts and payments could differ from the estimates made by the Company as a result of changes in tax legislation or unforeseen transactions that could affect tax balances. Details of deferred tax assets and liabilities are provided in note 12.

(iii) Revenue recognition

Certain contractual arrangements contain significant timing differences between the date of cash receipt and the point of revenue recognition at a stage of completion. Where cash is received in advance of revenue recognition, the cash receipt is recorded as deferred income in the balance sheet and released to the Statement of Comprehensive Income over the remaining period of the contract. Where revenue is earned in advance of an invoice being raised, revenue is recognised as accrued income in the balance sheet and transferred to accounts receivable when an invoice is raised.

Management's judgement is applied to determine when a contract satisfies the above criteria and therefore a change to this criteria could have a material effect on the earnings of the Company.

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Year ended 30 June 2015

Notes to the Financial Statements (continued)

2 Loss for the Year

(a) The loss before income tax includes the following specific items of revenue and expense:

	2015 £'000	2014 £'000
Service revenue	1,142	699
Sales of equipment, implementation fees and other non-recurring revenue	2,070	251
Total revenue	3,212	950

Service revenue consists of income from the provision of process transformation to customers through the research, development and sale of computer software and supporting managed service solutions.

	Note	2015 £'000	2014 £'000
Depreciation of property, plant and equipment	7	146	30
Amortisation of intangible assets	8	796	716
Staff costs	17	2,141	1,320
Auditors' remuneration			
- Audit services		16	17
Operating lease rentals payable			
- Operating minimum lease payments	18	80	76

(b) Earnings before interest, tax, depreciation and amortisation (EBITDA)

	Note	2015 £'000	2014 £'000
Loss before income tax		(1,398)	(1,771)
Add: Depreciation and Amortisation	7,8	942	746
Earnings before interest, tax, depreciation and amortisation (EBITDA)		(456)	(1,025)

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Notes to the Financial Statements (continued)

3 Taxation

	2015 £'000	2014 £'000
(a) Analysis of the credit for the year		
Current tax comprises:		
- Adjustment in respect of prior years	(67)	-
- Losses transferred to parent company for consideration	(287)	(344)
Total current tax	(354)	(344)
Deferred tax comprises:		
- Origination and reversal of temporary difference	(3)	(55)
- Adjustment in respect of prior years	108	-
- Impact of change in tax rate	-	4
Total deferred tax	105	(51)
Taxation	(249)	(395)

The effective income tax rate for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 20% (2014: 21%). The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015 and therefore a blended average rate of 20.75% has been used for the current period. In the prior year, tax was calculated at a blended rate of 22.5%.

The differences are reconciled as follows:

	2015 £'000	2014 £'000
(b) Loss before income tax	(1,398)	(1,771)
Loss on ordinary activities at rate of corporation tax of 20.75% (2014: 22.5%)	(290)	(399)
Factors affecting tax charge:		
- Adjustments in respect of prior years – current tax	(67)	-
- Adjustments in respect of prior years – deferred tax	108	-
- Impact of change in tax rate	-	4
Taxation	(249)	(395)

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Year ended 30 June 2015

Notes to the Financial Statements (continued)

4 Cash and Cash Equivalents

	2015 £'000	2014 £'000
Cash at bank	1,439	333
	1,439	333

Cash at bank represents cash not placed on overnight deposit and is non interest bearing.

The Company does not have an overdraft arrangement in place.

The carrying value of cash and cash equivalents approximates the fair value. Cash and cash equivalents are denominated in Pounds Sterling (GBP) only.

Credit risk

Cash and cash equivalents credit risk is monitored on an overall basis by Group Treasury through the application of counterparty credit limits which are dependent on the long term credit rating of the counterparty. At 30 June 2015, cash and cash equivalents were held with one (2014: one) counterparty with a long term credit rating of AA. In the prior year, cash and cash equivalents were also held with one counterparty with a long term credit rating of A.

5 Trade and Other Receivables

	2015 £'000	2014 £'000
Non current		
Amounts owed by parent undertaking	1,537	1,183
	1,537	1,183
Current		
Trade receivables	60	15
Prepayments	229	297
	289	312
Total	1,826	1,495

As of 30 June 2015, £nil invoices were considered to be impaired (2014: £nil) and therefore none are provided for in the year. The amount of impairment recognised as an expense during the year was £nil (2014: £nil).

The fair value of trade receivables was equal to the carrying value at year end. The Company does not hold any collateral as security. Amounts owed by parent undertaking are unsecured, repayable on demand and non-interest bearing.

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Notes to the Financial Statements (continued)

6 Inventories

	2015 £'000	2014 £'000
Software licences and devices	534	23

The cost of inventories recognised as expense and included in cost of sales amounted to £578,000 (2014: £nil). There have been no write downs or reversals of write downs during the year (2014: £nil). None of the inventory held has been pledged as security for a liability.

7 Property, Plant and Equipment

	£'000
Cost	
As at 1 July 2013	102
Additions	472
As at 30 June 2014	574
Additions	291
As at 30 June 2015	865
Accumulated depreciation	
As at 1 July 2013	70
Charge for the year	30
As at 30 June 2014	100
Charge for the year	146
As at 30 June 2015	246
Net book value	
As at 1 July 2013	32
As at 30 June 2014	474
As at 30 June 2015	619

Depreciation totalling £146,000 (2014: £30,000) has been charged to cost of sales during the year.

Property, plant and equipment comprises of mainly computer equipment.

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Notes to the Financial Statements (continued)

8 Other Intangible Assets

	£'000
Cost	
As at 1 July 2013	1,761
Additions	889
As at 30 June 2014	2,650
Additions	328
As at 30 June 2015	2,978
Accumulated amortisation	
As at 1 July 2013	552
Charge for the year	716
As at 30 June 2014	1,268
Charge for the year	796
As at 30 June 2015	2,064
Net book value	
At 1 July 2013	1,209
As at 30 June 2014	1,382
As at 30 June 2015	914

Other intangible assets relate to patent and other proprietary software development generated by the Company.

The amortisation charge is included within cost of sales in the Statement of Comprehensive Income.

9 Trade and Other Payables

	2015 £'000	2014 £'000
Current		
Trade payables	401	25
Other payables	128	-
Accrued expenses	269	382
	798	407

The carrying value of trade and other payables approximates to fair value.

10 Deferred Income

	2015 £'000	2014 £'000
Deferred income – current	2,424	535
Deferred income – non current	1,588	248
Total	4,012	783

The carrying value of deferred income approximates its fair value.

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Notes to the Financial Statements (continued)

11 Borrowings

	2015 £'000	2014 £'000
Non-current borrowings		
Loan with immediate parent undertaking	6,746	7,697
Total borrowings	6,746	7,697

Borrowings from the parent company, Airwave, are unsecured, interest free and repayable on demand. The loan has been classified as non-current as the parent has agreed not to demand payment within 12 months.

12 Deferred Taxation

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20%. The net movements in deferred tax balances are as follows:

	2015 £'000	2014 £'000
Opening balance	98	47
Income statement credit	3	51
Adjustment relating to prior periods	(108)	-
Closing balance	(7)	98

Deferred tax assets are recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets when it is probable that these assets will be recovered.

Deferred tax

	2015 £'000	2014 £'000
Depreciation in excess of capital allowances		
Opening balance	98	47
Income statement credit	3	51
Adjustment relating to prior periods	(108)	-
Closing balance	(7)	98

Deferred tax assets are recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets when it is probable that these assets will be recovered.

	2015 £'000	2014 £'000
Deferred tax:		
- Deferred tax asset to be recovered after more than 12 months	-	98
- Deferred tax liability to be recovered after more than 12 months	(7)	-
	(7)	98

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Notes to the Financial Statements (continued)

13 Ordinary Shares

Allotted, called up and fully paid

	2015	2014
	£	£
115,900 (2014: 115,900) Ordinary Shares of £0.001 each	116	116
50,000 (2014: 50,000) Ordinary A Shares of £0.001 each	50	50

The Company has two classes of issued share capital, comprising Ordinary shares of £0.001 and Ordinary A shares of £0.001. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company and an entitlement to receive any dividend declared on ordinary shares.

The issue of shares on 2 September 2008, 31 January 2009 and 2 February 2011 gave rise to a share premium account of £1,052,000 (2014: £1,052,000).

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Notes to the Financial Statements (continued)

14 Related Party Disclosures

During the year the Company made sales of £2,715,000 (2014: £382,000) through its parent company, Airwave. At 30 June 2015, £nil of trade debtors (2014: £nil) was due to be paid by Airwave to Airwave Application Services Limited.

Other receivables amounting to £1,425,000 (2014: £1,183,000) were owed by Airwave to Airwave Application Services Limited at 30 June 2015, representing amounts owed relating to the surrender of tax losses.

In addition, £6,746,000 (2014: £7,697,000) of loan monies was due to be paid by Airwave Application Services Limited to Airwave at 30 June 2015.

During the year the Company incurred costs of £28,000 (2014: £47,000) for consultancy services from Hardy Technology Limited, a company in which Mr S Hardy is a director and shareholder, of which £3,000 (2014: £nil) was due to be paid to Hardy Technology Limited at 30 June 2015. The Company also incurred costs of £14,400 (2014: £16,000) from Mrs J Berry, of which £1,200 (2014: £nil) was due to be paid at 30 June 2015.

All transactions with related parties are conducted at list prices. No guarantees are given or received on the above transactions. No provisions have been made for the above amounts, nor are any of the above related party transactions recognised or considered as bad or doubtful debt.

The following transactions were carried out with related parties:

a) Revenue and purchases of goods and services

	2015 £'000	2014 £'000
Revenue		
- Parent	2,715	382
Operating expenditure		
- Entity controlled by key management personnel	42	63

b) Loans and other receivables

		2015 £'000	2014 £'000
Intercompany Loans			
With Airwave	Opening balance	(7,697)	(5,103)
	Loans advanced during the year	-	(2,594)
	Amounts repaid during the year	951	-
	Closing balance	(6,746)	(7,697)
Other receivables			
With Airwave	Opening balance	1,183	839
	Loans advanced during the year	354	344
	Closing balance	1,537	1,183

Related party transactions with Directors and key management are detailed in note 16.

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Notes to the Financial Statements (continued)

15 Pension Scheme

Employees of Airwave Application Services Limited are eligible for membership of the Airwave Pension Plan. The plan is a defined contribution arrangement and employer contributions are recognised as a benefit expense when they are due. The amounts charged to the Statement of Comprehensive Income are set out below:

	2015 £'000	2014 £'000
Defined contribution – Airwave Plan	156	139
	156	139

The Company's contributions to the Airwave Plan consist of payments made under a company policy to match employee contributions into the pension plan. The Company offers a salary sacrifice pension scheme to provide additional benefits for employees in retirement. Contributions under the salary sacrifice pension scheme are included above.

Contributions payable by the Company at the year-end were £nil (2014: £nil).

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Notes to the Financial Statements (continued)

16 Key Management and Director Compensation

The compensation of key management for the year ended 30 June 2015 was as follows:

	2015 £'000	2014 £'000
Short-term employee benefits	470	418
Post-employment benefits	26	29
Long-term incentive plan	353	-
Termination benefits	141	-
Total key management compensation	990	447

The key management compensation analysed above represents compensation earned by the Company's Management Board including five Directors of the Company (2014: four).

The emoluments of the Directors who were remunerated for their services to the Company for the year ended 30 June 2015 were as follows:

	2015 £'000	2014 £'000
Aggregate emoluments in respect of qualifying services	470	418
Post-employment benefits	26	29
Long-term incentive plan	353	-
Termination payment	141	-
Total director emoluments	990	447

The emoluments of the Directors representing Airwave are paid by Airwave. No recharge is made to the Company. Accordingly, the above details include no emoluments in respect of these Directors.

In respect of the highest paid Director:

	2015 £'000	2014 £'000
Aggregate emoluments in respect of qualifying services	147	170
Post-employment benefits	6	10
Long-term incentive plan	353	-
Termination payment	141	-
Total highest paid Director emoluments	647	180

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Notes to the Financial Statements (continued)

17 Employees

	2015 Number	2014 Number
Average monthly number of full time employee equivalents (including executive Directors):		
Technology and product development and delivery	29	22
Sales, marketing and administrative	11	11
Total employees	40	33

The benefits expense incurred in respect of these employees were:

	Note	2015 £'000	2014 £'000
Wages and salaries		2,113	1,870
Social security costs		202	201
Other pension costs	15	156	139
Total employee benefits		2,471	2,210
Capitalised employee benefits		(330)	(890)
Net employee benefits expensed		2,141	1,320

18 Financial Commitments

Operating lease commitments

The Company has no non-cancellable operating lease commitments as such contracts are all in the name of its parent company, Airwave, including those relating to leased offices.

The Company recognised lease payments of £80,000 in the Statement of Comprehensive Income for year ended 30 June 2015 (2014: £76,000), reflecting the recharge of office rental costs from Airwave.

Notes to the Financial Statements (continued)

19 Operating Cash Flow

	2015 £	2014 £
Net cash flows from operating activities	2,676	(1,275)
Purchase of property, plant and equipment and intangible assets	(619)	(1,361)
Operating cash flow	2,057	(2,636)

20 Contingent Liabilities

The Company has no contingent liabilities or guarantees on which material losses are expected (2014: nil). The Company does not believe there are any pending legal proceedings which would have a material adverse effect on the financial position or results of operations of the Company.

21 Parent Company and Controlling Party

The Company's immediate parent undertaking and controlling party is Airwave Solutions Limited.

The Company's ultimate parent company in the UK is Guardian Digital Communications Holdings Limited ("GDCHL"). The parent company of GDCHL is Guardian Digital Communications Luxembourg S.à.r.l. ("GDCLux").

MEIFIL, an English limited partnership with its registered office address at 3rd Floor, 10 Lefebvre Street, St Peter Port, Guernsey, GY1 2PE is the global ultimate controlling parent of the largest group of undertakings to consolidate the Company.

Guardian Digital Communications Holdings Limited ("GDCHL") is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 30 June 2015. The consolidated financial statements of GDCHL are available from Charter Court, 50 Windsor Road, Slough, Berkshire SL1 2EJ.

22 Events Occurring after Balance Sheet Date

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

No other significant events occurred after the balance sheet date.