

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013
FOR
IFINITY PLC

THURSDAY



L2K5CVZ4

LD3

31/10/2013

#37

COMPANIES HOUSE

IFINITY PLC

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013

| | Page |
|--|-------------|
| Company Information | 1 |
| Report of the Directors | 2 |
| Report of the Independent Auditors | 4 |
| Profit and Loss Account | 5 |
| Balance Sheet | 6 |
| Cash Flow Statement | 7 |
| Notes to the Cash Flow Statement | 8 |
| Notes to the Financial Statements | 9 |
| Trading and Profit and Loss Account | 15 |

IFINITY PLC
COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2013

| | |
|---------------------------|--|
| DIRECTORS: | R G Franks J L Franks H W Fisher Nominees Limited |
| SECRETARY | J L Franks |
| REGISTERED OFFICE. | 187A Field End Road Eastcote Pinner Middlesex HA5 1QR |
| REGISTERED NUMBER | 02755596 |
| AUDITORS | David G Simon & Co Limited Chartered Certified Accountants & Statutory Auditors 187a Field End Road Eastcote Pinner Middlesex HA5 1QR |
| BANKERS. | The Royal Bank of Scotland 43 Curzon Street London W1Y 7RF |

IFINITY PLC

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 APRIL 2013**

The directors present their report with the financial statements of the company for the year ended 30 April 2013

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of software developers, website developers, software resellers and providers of systems integration and support services

The company continues to serve the needs of charities, associations, professional societies and trade bodies for membership and CRM systems technology and is a provider of web systems and web sites to commercial companies

REVIEW OF BUSINESS

iFinity continue to work for leading associations and professional institutes world wide We are focused on performance improvement, raising the level of engagement between not for profit organisations and members and donors

We continue to partner with Advanced Solutions International Inc, based out of Alexandria, VA and also with NIUG the international iMIS user group which has seen us support all user conferences worldwide including USA, Canada, Australia and the UK

We have continued to build WebFormZ for iMIS and this has become the leading module for web form process building for iMIS users Customers in Australia and Canada have been particularly welcoming and we have also made inroads for UK iMIS users as ASI have sold more licenses for iMIS in our home base

WebFormZ has now been successfully implemented as a product by many third party suppliers and we are still in a transition from providing all services ourselves to relatively few customers to providing installable upgradeable software that can be installed and provided by the channel

Our objective continues to be to build and generate revenue from license sales via our channels leading to greater future regular income from SUP and license update agreements

We expect that now that ASI has launched the next generation engagement management solution, iMIS 20 many customers will work with us to upgrade and build new customer self-service websites We expect this new software to continue to attract new UK and European users and to become involved in more UK and European projects that involve iMIS 20 and WebFormZ

DIVIDENDS

No interim dividends were paid during the year ended 30 April 2013

The directors recommend final dividends per share as follows

| | |
|------------------------|------|
| Ordinary "A" £1 shares | 2 52 |
| Ordinary "B" £1 shares | NIL |

The total distribution of dividends for the year ended 30 April 2013 will be £126,159

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2012 to the date of this report

R G Franks
J L Franks
H W Fisher Nominees Limited

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company's current policy concerning the payment of trade creditors is to

- a) settle the terms of payment with suppliers when agreeing the terms of each transaction
- b) ensure that the suppliers are made aware of the terms of payment of each transactions,
- c) ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- d) pay in accordance with the company's contractual and other legal obligations

At 30 April 2013, the company had 121 days purchases outstanding, based on average daily amount invoiced by suppliers during the year to that date

SOFTWARE DEVELOPMENT COSTS

Research expenditure is written off to the profit and loss account in the year in which it is incurred Software development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects In this situation, the expenditure is deferred and amortised over the expected economic life of the project The estimated useful lives of the projects range from 2 1/2 to 8 years

IFINITY PLC

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2013

SHARE BUY BACKS

The Company bought back a third of its Ordinary "B" shares in issue in December 2012 in line with the agreement dated December 2011. In line with the requirement of Companies Act 2006, the "B" shareholders have fully paid up the ordinary "B" shares prior to the share buy back exercise.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, David G Simon & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD



J L Franks - Secretary

Date

29/10/15

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
IFINITY PLC

We have audited the financial statements of IFINITY PLC for the year ended 30 April 2013 on pages five to fourteen. 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 a Report of the Auditors 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 set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Chandresh Kapadia FCCA (Senior Statutory Auditor)
for and on behalf of David G Simon & Co Limited
Chartered Certified Accountants
& Statutory Auditors
187a Field End Road
Eastcote
Pinner
Middlesex
HA5 1QR

Date 29/10/13

IFINITY PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2013

| | Notes | 2013 £ | 2012 £ |
|--|-------|----------------|------------------|
| TURNOVER | 2 | 877,668 | 1,010,816 |
| Cost of sales | - | 161,963 | 175,946 |
| GROSS PROFIT | | 715,705 | 834,870 |
| Administrative expenses | | 583,788 | 703,036 |
| OPERATING PROFIT | 4 | 131,917 | 131,834 |
| Interest receivable and similar income | 5 | 37 | - |
| | | 131,954 | 131,834 |
| Interest payable and similar charges | 6 | - | 35 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 131,954 | 131,799 |
| Tax on profit on ordinary activities | 7 | (6,868) | - |
| PROFIT FOR THE FINANCIAL YEAR | | 138,822 | 131,799 |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

IFINITY PLC (REGISTERED NUMBER 02755596)

BALANCE SHEET
30 APRIL 2013

| | Notes | 2013 £ | £ | 2012 £ | £ |
|--|-------|----------------|----------------|----------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | 25,409 | | 28,444 |
| CURRENT ASSETS | | | | | |
| Stocks | 10 | 4,615 | | 7,402 | |
| Debtors | 11 | 341,453 | | 215,815 | |
| Cash at bank and in hand | | 200 | | 121,684 | |
| | | <u>346,268</u> | | <u>344,901</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 12 | <u>225,165</u> | | <u>204,665</u> | |
| NET CURRENT ASSETS | | | <u>121,103</u> | | <u>140,236</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>146,512</u> | | <u>168,680</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 15 | | 32,279 | | 25,500 |
| Capital redemption reserve | 16 | | 5,555 | | - |
| Profit and loss account | 16 | | <u>108,678</u> | | <u>143,180</u> |
| SHAREHOLDERS' FUNDS | 19 | | <u>146,512</u> | | <u>168,680</u> |

The financial statements were approved by the Board of Directors on its behalf by

29/10/13

and were signed on


J L Franks - Director

IFINITY PLC

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2013**

| | Notes | 2013 £ | 2012 £ |
|---|-------|-----------|-----------|
| Net cash inflow from operating activities | 1 | 27,056 | 165,991 |
| Returns on investments and servicing of finance | 2 | 37 | (35) |
| Taxation | | 6,868 | (6,868) |
| Capital expenditure | 2 | (11,098) | (17,083) |
| Equity dividends paid | | (126,159) | (48,141) |
| | | (103,296) | 93,864 |
| Financing | 2 | (34,831) | - |
| (Decrease)/increase in cash in the period | | (138,127) | 93,864 |

Reconciliation of net cash flow to movement in net funds

| | | | |
|---|---|-----------|---------|
| | 3 | | |
| (Decrease)/increase in cash in the period | | (138,127) | 93,864 |
| Change in net funds resulting from cash flows | | (138,127) | 93,864 |
| Movement in net funds in the period | | (138,127) | 93,864 |
| Net funds at 1 May | | 121,392 | 27,528 |
| Net (debt)/funds at 30 April | | (16,735) | 121,392 |

The notes form part of these financial statements

IFINITY PLC

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2013**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2013 £ | 2012 £ |
|--|---------------|----------------|
| Operating profit | 131,917 | 131,834 |
| Depreciation charges | 14,132 | 13,655 |
| Decrease/(increase) in stocks | 2,788 | (941) |
| (Increase)/decrease in debtors | (125,638) | 38,012 |
| Increase/(decrease) in creditors | 3,857 | (16,569) |
| Net cash inflow from operating activities | 27,056 | 165,991 |

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | 2013 £ | 2012 £ |
|--|-----------------|-----------------|
| Returns on investments and servicing of finance | | |
| Interest received | 37 | - |
| Interest paid | - | (35) |
| Net cash inflow/(outflow) for returns on investments and servicing of finance | 37 | (35) |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (11,098) | (17,083) |
| Net cash outflow for capital expenditure | (11,098) | (17,083) |
| Financing | | |
| Share issue | 9,612 | - |
| Share buyback | (47,165) | - |
| Share capital paid up | 2,722 | - |
| Net cash outflow from financing | (34,831) | - |

3 ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/5/12 £ | Cash flow £ | At 30/4/13 £ |
|-----------------------------------|----------------|------------------|--------------------|
| Net cash | | | |
| Cash at bank and in hand | 121,684 | (121,484) | 200 |
| Bank overdraft | - | (16,643) | (16,643) |
| | 121,684 | (138,127) | (16,443) |
| Debt | | | |
| Debts falling due within one year | (292) | - | (292) |
| | (292) | - | (292) |
| Total | 121,392 | (138,127) | (16,735) |

The notes form part of these financial statements

IFINITY PLC

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 APRIL 2013**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future

The validity of this assumption depends on the company being able to continue to trade profitably in the future and the continued support of the company's bankers and shareholder directors. The directors are of the opinion that the company will continue to trade profitably, the bankers will continue supporting the company and have expressed their willingness to continue supporting the company for the foreseeable future. Consequently the directors consider it appropriate for the financial statements to be prepared on a going concern basis

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

| | |
|-----------------------|---------------|
| Fixtures and fittings | - 25% on cost |
| Motor vehicles | - 25% on cost |
| Computer equipment | - 33% on cost |

Stocks

Stock is valued at the lower of cost and net realisable value

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

2 TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company

An analysis of turnover by geographical market is given below

| | 2013 £ | 2012 £ |
|-------------------|----------------|------------------|
| United Kingdom | 501,939 | 653,541 |
| Rest of the World | 375,729 | 357,275 |
| | <u>877,668</u> | <u>1,010,816</u> |

IFINITY PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2013

3 STAFF COSTS

| | 2013 | 2012 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 359,894 | 447,122 |
| Social security costs | 38,310 | 51,175 |
| Other pension costs | 7,529 | 7,215 |
| | <u>405,733</u> | <u>505,512</u> |

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

| | 2013 | 2012 |
|----------------|-----------|-----------|
| Administration | 2 | 2 |
| Development | 8 | 9 |
| Sales | 2 | 2 |
| | <u>12</u> | <u>13</u> |

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

| | 2013 | 2012 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Other operating leases | 19,020 | 28,542 |
| Depreciation - owned assets | 14,133 | 13,655 |
| Auditors' remuneration | 2,500 | 2,500 |
| Foreign exchange differences | (641) | 1,545 |
| | <u>15,008</u> | <u>82,581</u> |

The number of directors to whom retirement benefits were accruing was as follows

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>1</u> | <u>1</u> |
|------------------------|----------|----------|

Retirement benefits are accruing to 1 (2012 1) director under defined contribution schemes

5 INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2013 | 2012 |
|----------------|-----------|----------|
| | £ | £ |
| Other interest | <u>37</u> | <u>-</u> |

6 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2013 | 2012 |
|---------------|----------|-----------|
| | £ | £ |
| Bank interest | <u>-</u> | <u>35</u> |

IFINITY PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2013

7 TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows

| | 2013 £ | 2012 £ |
|---|-----------------------|-----------------|
| Current tax | | |
| Under / (over) provision of prior years | <u>(6,868)</u> | <u>-</u> |
| Tax on profit on ordinary activities | <u><u>(6,868)</u></u> | <u><u>-</u></u> |

Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK The difference is explained below

| | 2013 £ | 2012 £ |
|--|-----------------------|-----------------------|
| Profit on ordinary activities before tax | <u><u>131,954</u></u> | <u><u>131,799</u></u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%) | 26,391 | 26,360 |
| Effects of | | |
| Expenses not deductible for tax purposes | 334 | 254 |
| Capital allowances in excess of depreciation | (568) | (2,301) |
| R&D Tax Credit | (34,474) | (25,515) |
| Tax losses carried forward | 8,317 | 1,202 |
| Over provision of prior years | <u>(6,868)</u> | <u>-</u> |
| Current tax credit | <u><u>(6,868)</u></u> | <u><u>-</u></u> |

8 DIVIDENDS

| | 2013 £ | 2012 £ |
|--------------------------------|-----------------------|----------------------|
| Ordinary "A" shares of £1 each | | |
| Final | <u><u>126,159</u></u> | <u><u>48,141</u></u> |

9 TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|-----------------------|----------------------------------|------------------------|----------------------------|----------------------|
| COST | | | | |
| At 1 May 2012 | 14,090 | 7,690 | 57,062 | 78,842 |
| Additions | 6,534 | - | 4,564 | 11,098 |
| At 30 April 2013 | <u>20,624</u> | <u>7,690</u> | <u>61,626</u> | <u>89,940</u> |
| DEPRECIATION | | | | |
| At 1 May 2012 | 6,356 | 160 | 43,882 | 50,398 |
| Charge for year | 4,050 | 1,923 | 8,160 | 14,133 |
| At 30 April 2013 | <u>10,406</u> | <u>2,083</u> | <u>52,042</u> | <u>64,531</u> |
| NET BOOK VALUE | | | | |
| At 30 April 2013 | <u><u>10,218</u></u> | <u><u>5,607</u></u> | <u><u>9,584</u></u> | <u><u>25,409</u></u> |
| At 30 April 2012 | <u><u>7,734</u></u> | <u><u>7,530</u></u> | <u><u>13,180</u></u> | <u><u>28,444</u></u> |

IFINITY PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2013

| | | | |
|-----------|--|-----------------------|-----------------------|
| 10 | STOCKS | 2013 | 2012 |
| | | £ | £ |
| | Stocks | <u>4,615</u> | <u>7,402</u> |
| 11 | DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR | 2013 | 2012 |
| | | £ | £ |
| | Trade debtors | 238,482 | 180,134 |
| | Other debtors | 91,267 | 22,810 |
| | Prepayments and accrued income | <u>11,704</u> | <u>12,871</u> |
| | | <u>341,453</u> | <u>215,815</u> |
| 12 | CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR | 2013 | 2012 |
| | | £ | £ |
| | Bank loans and overdrafts (see note 13) | 16,643 | - |
| | Other loans (see note 13) | 292 | 292 |
| | Trade creditors | 52,601 | 71,643 |
| | Social security and other taxes | 10,028 | 10,864 |
| | VAT | 28,206 | 23,027 |
| | Accruals and deferred income | <u>117,395</u> | <u>98,839</u> |
| | | <u>225,165</u> | <u>204,665</u> |

The company's bank facility is secured by way of fixed and floating charge over the company's assets

| | | | |
|-----------|--|----------------------|-------------------|
| 13 | LOANS | 2013 | 2012 |
| | | £ | £ |
| | Amounts falling due within one year or on demand | | |
| | Bank overdrafts | 16,643 | - |
| | Directors loan | <u>292</u> | <u>292</u> |
| | | <u>16,935</u> | <u>292</u> |

14 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

| | | | |
|--|----------------------------|----------------------|---------------------|
| | Land and buildings | 2013 | 2012 |
| | | £ | £ |
| | Expiring | | |
| | Within one year | - | 9,583 |
| | Between one and five years | <u>15,750</u> | <u>-</u> |
| | | <u>15,750</u> | <u>9,583</u> |

IFINITY PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2013

15 CALLED UP SHARE CAPITAL

| Authorised Number | Class | Nominal Value | 2013 £ | 2012 £ |
|---------------------------|---|------------------|----------------|----------------|
| 67,000 | Ordinary "A" | £1 | 67,000 | 67,000 |
| 33,000 | Ordinary "B" | £1 | 33,000 | 33,000 |
| | | | <u>100,000</u> | <u>100,000</u> |
| Alloted and Issued | | | | |
| Number | Class | | £ | £ |
| 667 | Ordinary "A" shares of £1 each | £1 | 667 | 667 |
| 32,667 | Ordinary "A" shares of £1 each 50p paid | £1 | 16,333 | 16,333 |
| 16,666 | Ordinary "A" shares of £1 each 25p paid | £1 | 4,167 | - |
| 11,112 | Ordinary "B" shares of £1 each | £1 | 11,112 | 333 |
| 16,333 | Ordinary "B" Shares of £1 each 50p paid | £1 | - | 8,167 |
| | | | <u>32,279</u> | <u>25,500</u> |

"A" Ordinary and "B" Ordinary rank equally in all respect

In December 2012, the company issued 16,666 Ordinary "A" shares of £1 each which were partly paid at 25p each. In the same period, the "B" shareholders paid up the balance of the nominal value of the "B" shares held. As per the agreement dated December 2011, the company bought back 5555 "B" Ordinary shares for £47,165.

16 RESERVES

| | Profit and loss account £ | Capital redemption reserve £ | Totals £ |
|------------------------|------------------------------------|---------------------------------------|----------------|
| At 1 May 2012 | 143,180 | - | 143,180 |
| Profit for the year | 138,822 | | 138,822 |
| Dividends | (126,159) | | (126,159) |
| Purchase of own shares | (47,165) | 5,555 | (41,610) |
| | <u>108,678</u> | <u>5,555</u> | <u>114,233</u> |
| At 30 April 2013 | | | |

IFINITY PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2013

17 RELATED PARTY DISCLOSURES

The company trades in the ordinary course of business on arm's length basis with H W Fisher & Company, a firm of Chartered Accountants, in which P A Beer and A R W Parfitt are partners. H W Fisher & Company are a related party due to the fact that H W Fisher Nominees Limited is a director and shareholder in iFinity PLC, and all three companies have common directors and partners in P A Beer and A R W Parfitt. In addition, P A Beer is a shareholder of H W Fisher Nominees Limited.

The Company also trades in the ordinary course of business on an arm's length basis with the following companies:

Good Harvest Group Limited, in which P A Beer has an interest.

Amounts due from/(to) these related parties at the balance sheet date were:

| | 2013 £ | 2012 £ |
|------------------------|--------------|--------------|
| Good Harvest Group Ltd | 5,178 | 6,011 |
| | <u>5,178</u> | <u>6,011</u> |

Turnover includes amounts charged to these related parties:

| | 2013 £ | 2012 £ |
|------------------------|--------------|--------------|
| Good Harvest Group Ltd | 6,758 | 6,331 |
| | <u>6,758</u> | <u>6,331</u> |

Other debtors include an amount of £ 23,961 (2012 - £18,481) paid to H W Fisher Nominees Limited in relation to the company share buy back of Ordinary "B" shares as per note 15.

18 ULTIMATE CONTROLLING PARTY

The company is controlled by R G Franks and J L Franks.

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2013 £ | 2012 £ |
|--|-----------------------|-----------------------|
| Profit for the financial year | 138,822 | 131,799 |
| Dividends | (126,159) | (48,141) |
| New share capital subscribed | 12,334 | - |
| Payments to acquire own shares | (47,165) | - |
| Net (reduction)/addition to shareholders' funds | (22,168) | 83,658 |
| Opening shareholders' funds | <u>168,680</u> | <u>85,022</u> |
| Closing shareholders' funds | <u>146,512</u> | <u>168,680</u> |

IFINITY PLC

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2013**

| | 2013 | | 2012 | |
|---------------------------------------|----------------|----------------|----------------|------------------|
| | £ | £ | £ | £ |
| Sales | | 877,668 | | 1,010,816 |
| Cost of sales | | | | |
| Opening stock | 7,402 | | 6,461 | |
| Purchases | 159,176 | | 176,887 | |
| | <u>166,578</u> | | <u>183,348</u> | |
| Closing stock | (4,615) | | (7,402) | |
| | | <u>161,963</u> | | <u>175,946</u> |
| GROSS PROFIT | | 715,705 | | 834,870 |
| Other income | | | | |
| Other interest | | 37 | | - |
| | | <u>715,742</u> | | <u>834,870</u> |
| Expenditure | | | | |
| Directors' salaries | 15,008 | | 82,581 | |
| Directors' social security | 325 | | 10,674 | |
| Wages and salaries | 344,886 | | 364,541 | |
| Social security | 37,985 | | 40,501 | |
| Pensions | 7,529 | | 7,215 | |
| Rent | 19,020 | | 28,542 | |
| Rates and water | 4,787 | | 5,223 | |
| Light and heat | (1,067) | | 3,607 | |
| Depreciation of tangible fixed assets | | | | |
| Fixtures and fittings | 3,324 | | 3,258 | |
| Motor vehicles | 2,648 | | 160 | |
| Computer equipment | 8,160 | | 10,237 | |
| Office costs | 272 | | 383 | |
| Telephone | 5,045 | | 5,090 | |
| Post and stationery | 3,968 | | 6,140 | |
| Motor, travel and subsistence | 34,834 | | 40,114 | |
| Staff training and welfare | 2,731 | | 1,861 | |
| Insurance | 12,473 | | 10,569 | |
| Repairs and renewals | 8,044 | | 8,664 | |
| Computer consumables | 1,854 | | 6,557 | |
| Cleaning | 2,843 | | 145 | |
| Subscriptions | 21,618 | | 24,357 | |
| Sundry expenses | 223 | | 830 | |
| Accountancy | 6,800 | | 6,249 | |
| Legal and professional fees | 1,075 | | - | |
| Auditors' remuneration | 2,500 | | 2,500 | |
| Foreign exchange gain | (641) | | 1,545 | |
| Marketing and promotions | 22,276 | | 24,696 | |
| Entertainment | 720 | | 1,272 | |
| Bad debts | 10,765 | | 1,320 | |
| | | <u>580,005</u> | | <u>698,831</u> |
| Carried forward | | 135,737 | | 136,039 |

IFINITY PLC
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2013

| | 2013 | | 2012 | |
|----------------------|-------|----------------|-------|----------------|
| | £ | £ | £ | £ |
| Brought forward | | 135,737 | | 136,039 |
| Finance costs | | | | |
| Bank charges | 3,783 | | 4,205 | |
| Bank interest | - | | 35 | |
| | | 3,783 | | 4,240 |
| NET PROFIT | | 131,954 | | 131,799 |