

# Financial Statements

## SP Market Research Limited

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For the year ended 31 August 2013



Registered number: 02978667

**SP Market Research Limited**

## Company Information

<b>Directors</b>	J Priest J Brod D Griffith (appointed 30 August 2013)
<b>Registered number</b>	02978667
<b>Registered office</b>	Laystall House 8 Rosebury Avenue LONDON EC1R 4TD
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South OXFORD OX4 2WB

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# Directors' Report

For the year ended 31 August 2013

The directors present their report and the financial statements for the year ended 31 August 2013

## **Principal activities**

The principal activity of the Company continues to be the provision of a range of market research services to a wide range of customers

## **Results**

The profit for the year, after taxation, amounted to £14,861 (2012 - loss £237,578) The directors do not recommend a dividend (2012 - Nil)

## **Directors**

The directors who served during the year were

J Brod  
J Priest  
D Griffith (appointed 30 August 2013)

## **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

## Directors' Report

For the year ended 31 August 2013

### **Disclosure of information to auditor**

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

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

### **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

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



J. Priest  
Director

Date 16 January 2014



## Independent Auditor's Report to the Members of SP Market Research Limited

We have audited the financial statements of SP Market Research Limited for the year ended 31 August 2013, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

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



## Independent Auditor's Report to the Members of SP Market Research Limited

### **Matters on which we are required to report by exception**

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

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

*Grant Thornton UK LLP*

Paul Creasey (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
OXFORD

Date *16 January 2014*

## Profit and Loss Account

For the year ended 31 August 2013

	Note	2013 £	2012 £
<b>Turnover</b>	2	5,964,137	6,601,661
Cost of sales		(2,290,891)	(3,382,282)
<b>Gross profit</b>		3,673,246	3,219,379
Administrative expenses	3	(3,582,637)	(3,345,665)
Exceptional administrative expenses	7	-	(137,336)
Total administrative expenses		(3,582,637)	(3,483,001)
<b>Operating profit/(loss)</b>	3	90,609	(263,622)
Interest receivable and similar income		127	19
Interest payable and similar charges	6	(27,395)	(9,650)
<b>Profit/(loss) on ordinary activities before taxation</b>		63,341	(273,253)
Tax on profit/(loss) on ordinary activities	8	(48,480)	35,675
<b>Profit/(loss) for the financial year</b>		14,861	(237,578)

All amounts relate to continuing operations

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

The notes on pages 7 to 15 form part of these financial statements




## Balance Sheet

As at 31 August 2013

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	9		159,165		175,391
<b>Current assets</b>					
Debtors	10	2,047,387		2,682,339	
Cash at bank and in hand		14,395		20,103	
		<u>2,061,782</u>		<u>2,702,442</u>	
<b>Creditors</b> amounts falling due within one year	11	<u>(1,676,445)</u>		<u>(2,348,192)</u>	
<b>Net current assets</b>			385,337		354,250
<b>Net assets</b>			<u>544,502</u>		<u>529,641</u>
<b>Capital and reserves</b>					
Called up share capital	13		133,334		133,334
Share premium account	14		60,340		60,340
Profit and loss account	14		350,828		335,967
<b>Shareholders' funds</b>	15		<u>544,502</u>		<u>529,641</u>

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

  
**J Priest**  
 Director

Date 6 Aug 2014

The notes on pages 7 to 15 form part of these financial statements

# Notes to the Financial Statements

For the year ended 31 August 2013

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

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

### 1.2 Turnover

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

In respect of long term contracts for on-going services, turnover represents the value of work done in the period, including estimates of amounts not invoiced (estimated by reference to the stage of completion), which are recognised within accrued income. Where amounts invoiced exceed the related turnover the difference is recognised within deferred income

### 1.3 Going concern

The directors have prepared trading and cash flow forecasts for a period of twelve months from the date the accounts are approved, taking into account reasonably possible changes in trading performance, which show that, during this period, the company will be able to operate within the level of its current facilities

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

### 1.4 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

### 1.5 Tangible fixed assets and depreciation

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

Leasehold improvements	-	over the term of the lease
Motor vehicles	-	25% reducing balance
Fixtures, fittings and equipment	-	25% reducing balance
Computer equipment	-	25% straight line

# Notes to the Financial Statements

For the year ended 31 August 2013

## 1. Accounting Policies (continued)

### 1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### 1.7 Operating leases

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

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

### 1.8 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

### 1.10 Pensions

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

# Notes to the Financial Statements

For the year ended 31 August 2013

## 1. Accounting Policies (continued)

### 1.11 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

## 2. Turnover

The whole of the turnover is attributable to market research consultancy services.

A geographical analysis of turnover is as follows:

	2013 £	2012 £
United Kingdom	4,964,447	5,069,743
Overseas	999,690	1,531,918
	<u>5,964,137</u>	<u>6,601,661</u>

## 3. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	44,498	38,442
- held under finance leases	18,530	8,754
Auditor's remuneration	9,000	9,000
Operating leases		
- plant and machinery	28,134	25,076
- other operating leases	147,240	157,943
Difference on foreign exchange	(1,949)	32,851
(Profit)/loss on sale of tangible assets	(12,034)	(16,255)
	<u></u>	<u></u>

Fees for non audit services are disclosed in the financial statements of the parent company, OFT 2 Limited.

# Notes to the Financial Statements

For the year ended 31 August 2013

## 4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2013	2012
	£	£
Wages and salaries	2,539,251	2,406,544
Social security costs	293,528	274,143
Other pension costs	6,556	1,205
	<u>2,839,335</u>	<u>2,681,892</u>

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

	2013	2012
	No	No
Management	2	2
Sales and administration	58	57
	<u>60</u>	<u>59</u>

## 5. Directors' remuneration

	2013	2012
	£	£
Remuneration	<u>174,578</u>	<u>168,208</u>

## 6. Interest payable

	2013	2012
	£	£
On bank overdraft	24,719	8,794
On finance leases and hire purchase contracts	2,676	856
	<u>27,395</u>	<u>9,650</u>

## 7. Exceptional items

	2013	2012
	£	£
Reorganisation costs	<u>-</u>	<u>137,336</u>

# Notes to the Financial Statements

For the year ended 31 August 2013

## 8. Taxation

	2013 £	2012 £
<b>Analysis of tax (credit)/charge in the year</b>		
<b>Current tax</b> (see note below)		
Adjustments in respect of prior periods	(1,693)	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	30,262	(45,032)
Effect of increased tax rate on opening liability	19,911	9,357
<b>Total deferred tax</b> (see note 12)	50,173	(35,675)
<b>Tax on profit/loss on ordinary activities</b>	48,480	(35,675)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - higher than) the standard rate of corporation tax in the UK of 23.58% (2012 - 26%). The differences are explained below

	2013 £	2012 £
Profit/loss on ordinary activities before tax	63,341	(273,253)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.58% (2012 - 26%)	14,936	(68,903)
<b>Effects of</b>		
Expenses not deductible for tax purposes	11,542	4,421
Capital allowances for year in excess of depreciation	-	7,835
Utilisation of tax losses	(26,478)	-
Adjustments to tax charge in respect of prior periods	(1,693)	-
Unrelieved tax losses carried forward	-	56,647
<b>Current tax (credit)/charge for the year</b> (see note above)	(1,693)	-

# Notes to the Financial Statements

For the year ended 31 August 2013

## 9. Tangible fixed assets

	Leasehold Improv'ts £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2012	8,546	55,705	142,372	235,663	442,286
Additions	-	-	17,812	39,245	57,057
Disposals	-	-	-	(13,852)	(13,852)
At 31 August 2013	8,546	55,705	160,184	261,056	485,491
<b>Depreciation</b>					
At 1 September 2012	8,546	7,088	125,147	126,114	266,895
Charge for the year	-	14,176	6,849	42,003	63,028
On disposals	-	-	-	(3,597)	(3,597)
At 31 August 2013	8,546	21,264	131,996	164,520	326,326
<b>Net book value</b>					
At 31 August 2013	-	34,441	28,188	96,536	159,165
At 31 August 2012	-	48,617	17,225	109,549	175,391

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2013 £	2012 £
Motor vehicles	34,441	48,617
Furniture, fittings and equipment	11,874	16,228
	46,315	64,845

# Notes to the Financial Statements

For the year ended 31 August 2013

## 10. Debtors

	2013 £	2012 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	409,996	-
<b>Due within one year</b>		
Trade debtors	1,006,710	1,041,658
Amounts owed by group undertakings	-	916,627
Other debtors	19,210	14,026
Prepayments and accrued income	508,992	557,376
Deferred tax asset (see note 12)	102,479	152,652
	<u>2,047,387</u>	<u>2,682,339</u>

## 11. Creditors: Amounts falling due within one year

	2013 £	2012 £
Net obligations under finance leases and hire purchase contracts	30,597	43,801
Trade creditors	420,872	822,423
Amounts owed to group undertakings	-	166,259
Other taxation and social security	157,171	259,287
Invoice discounting facility	243,705	388,278
Other creditors	228,533	219,727
Accruals and deferred income	595,567	448,417
	<u>1,676,445</u>	<u>2,348,192</u>

## 12. Deferred tax asset

	2013 £	2012 £
At beginning of year	152,652	116,977
(Charge for)/released during year (P&L)	(50,173)	35,675
At end of year	<u>102,479</u>	<u>152,652</u>



# Notes to the Financial Statements

For the year ended 31 August 2013

## 12. Deferred tax asset (continued)

The deferred tax asset is made up as follows

	2013 £	2012 £
Accelerated capital allowances	3,778	-
Tax losses carried forward	98,701	152,652
	<u>102,479</u>	<u>152,652</u>

## 13. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
11,708,672 Ordinary shares of £0.01 each	117,087	117,087
1,624,662 Ordinary A shares of £0.01 each	16,247	16,247
	<u>133,334</u>	<u>133,334</u>

## 14. Reserves

	Share premium account £	Profit and loss account £
At 1 September 2012	60,340	335,967
Profit for the year	-	14,861
At 31 August 2013	<u>60,340</u>	<u>350,828</u>

## 15. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	529,641	767,219
Profit/(loss) for the financial year	14,861	(237,578)
Closing shareholders' funds	<u>544,502</u>	<u>529,641</u>

# Notes to the Financial Statements

For the year ended 31 August 2013

## 16. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,556 (2012 - £1,205)

## 17. Operating lease commitments

At 31 August 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date				
Within 1 year	-	30,486	-	1,185
Between 2 and 5 years	147,240	-	28,134	20,973
Total	147,240	30,486	28,134	22,158

## 18. Related party transactions

As a wholly-owned subsidiary of OFT 2 Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by OFT 2 Limited

## 19. Ultimate parent undertaking and controlling party

The company is controlled by OFT 2 Limited. The company's ultimate controlling party is Next Wave Partners GP Ltd, a company incorporated in England and Wales, through its role as general partner of Next Wave Fund 1 LP and Next Wave Partners 1B LP who, in aggregate, own a majority shareholding in OFT 2 Limited. The smallest and largest group under which the company's results are consolidated is OFT 2 Limited.