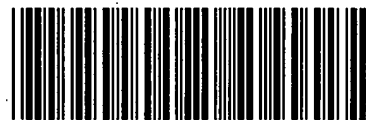


Company Registration No. 02989543 (England and Wales)

ASK EUROPE PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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ASK EUROPE PLC

COMPANY INFORMATION

Directors	R Terry H Terry S Cristini	(Appointed 1 April 2015) (Appointed 1 October 2015)
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Secretary	A Speed
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Company number	02989543
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Registered office	Trent House University Way Cranfield Beds MK43 0AN
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Auditors	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF
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ASK EUROPE PLC

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 24

ASK EUROPE PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Fair review of the business

The restructuring of the business in the prior period saw the anticipated upturn in revenues; not least doubling the Consultant team to meet the opportunities and challenges of the rapidly changing learning and development landscape and the directors remain convinced that the company's prospects are stronger than ever.

With the ongoing extensive reviews of key markets, the directors re-focused the company's consultancy offerings in areas that offer sustainable growth at attractive margins, and our ability to compete in these markets with 21 years' of experience enabled the business to secure new major Clients.

With the backing of long-standing loyal customers, the company re-structured its activities to improve customer service, utilising the significant investment made in our SAP enterprise software that has integrated our finance, operations and marketing activities, reducing costs, enhancing data quality and improving the effectiveness of our sales processes. The directors are pleased to report that this investment is delivering the anticipated benefits including marked increases in the number and value of customer relationships which played a significant part in our strong return to profitability, and will do so for years to come.

Further investment was made in the sales and marketing functions, and headed by a new Sales & Service director, the business has a strong, targeted growth strategy, supported by a business development team

Principal risks and uncertainties

The principal risks facing the company can be broadly grouped as competitive and financial.

Competitive risks

The directors take confidence from the improving economic outlook and note that leading indicators provide confirmation that levels of spend in the company's key market segments have substantially recovered from the downward pressure experienced in recent years. The principal risks are being well managed and there are no clear and present threats to the immediate future.

Financial risks

The strong trading year has improved the balance sheet, although further work needs to be done; however, cash is managed effectively and the business continues to operate well within its means, without the need for debt. The directors do not consider there are any immediate risks.

Liquidity risk and cash flow:

The company actively monitors its liquidity and cash flow position to ensure it has sufficient cash in order to fund its activities.

On behalf of the board

R Terry
Director

4.10.16

ASK EUROPE PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continued to be that of the provision of customised talent and leadership development and change management solutions for large blue-chip organisations.

Directors

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

R Terry

H Terry

S Cristini

(Appointed 1 April 2015)

(Appointed 1 October 2015)

Results and dividends

The results for the year are set out on page 6.

Interim dividends were paid amounting to £72,000. The directors do not recommend payment of a final dividend.

Auditors

In accordance with the company's articles, a resolution proposing that Mercer & Hole be reappointed as auditors of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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. 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;
- 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 of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

ASK EUROPE PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

On behalf of the board

.....
R Terry

Director

4.10.16

ASK EUROPE PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASK EUROPE PLC

We have audited the financial statements of ASK Europe Plc for the year ended 31 December 2015 set out on pages 6 to 24. 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), including Financial Reporting Standard 102.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 Annual Report 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.

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 December 2015 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 matters 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.

ASK EUROPE PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ASK EUROPE PLC

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.

Mercer & Hole

Andrew Lawes MA MSc FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

Chartered Accountants
Statutory Auditor

4 October 2016

Silbury Court
420 Silbury Boulevard
Central Milton Keynes
Buckinghamshire
MK9 2AF

ASK EUROPE PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	3,246,132	2,090,659
Cost of sales		(1,140,893)	(810,021)
Gross profit		2,105,239	1,280,638
Administrative expenses		(1,656,941)	(1,637,364)
Operating profit/(loss)	4	448,298	(356,726)
Interest receivable and similar income	8	496	1,247
Interest payable and similar charges	9	(8,453)	(7,560)
Amounts written off investments	10	-	(70,402)
Profit/(loss) before taxation		440,341	(433,441)
Taxation	11	(93,399)	71,195
Profit/(loss) for the financial year		346,942	(362,246)
Total comprehensive income for the year		346,942	(362,246)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ASK EUROPE PLC

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	13		126,415		132,333
Current assets					
Stocks	15	4,965		7,590	
Debtors	16	365,306		499,478	
Cash at bank and in hand		566,615		202,540	
		<u>936,886</u>		<u>709,608</u>	
Creditors: amounts falling due within one year	18	<u>(560,185)</u>		<u>(582,165)</u>	
Net current assets			376,701		127,443
Total assets less current liabilities			503,116		259,776
Creditors: amounts falling due after more than one year	19		(12,999)		(56,623)
Provisions for liabilities	20		(2,854)		-
Net assets			<u>487,263</u>		<u>203,153</u>
Capital and reserves					
Called up share capital	24		81,168		72,000
Share premium account			88,000		88,000
Share options reserve			4,125		4,125
Capital redemption reserve			8,000		8,000
Profit and loss reserves			305,970		31,028
Total equity			<u>487,263</u>		<u>203,153</u>

The financial statements were approved by the board of directors and authorised for issue on 4.10.16 and are signed on its behalf by:

R Terry
Director

Company Registration No. 02989543

ASK EUROPE PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Share options reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014		76,000	88,000	4,000	4,125	489,537	661,662
Period ended 31 December 2014:							
Loss and total comprehensive income for the year		-	-	-	-	(362,246)	(362,246)
Dividends	12	-	-	-	-	(76,000)	(76,000)
Own shares acquired in the period		(4,000)	-	4,000	-	(20,263)	(20,263)
Balance at 31 December 2014		72,000	88,000	8,000	4,125	31,028	203,153
Period ended 31 December 2015:							
Profit and total comprehensive income for the year		-	-	-	-	346,942	346,942
Issue of share capital	24	9,168	-	-	-	-	9,168
Dividends	12	-	-	-	-	(72,000)	(72,000)
Balance at 31 December 2015		81,168	88,000	8,000	4,125	305,970	487,263

ASK EUROPE PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	30		516,899		(253,994)
Interest paid			(8,453)		(7,560)
Income taxes paid			-		(5,850)
Net cash inflow/(outflow) from operating activities			508,446		(267,404)
Investing activities					
Purchase of tangible fixed assets		(43,494)		(13,275)	
Interest received		496		1,247	
Net cash used in investing activities			(42,998)		(12,028)
Financing activities					
Proceeds from issue of shares		9,168		-	
Purchase of own shares		-		(20,263)	
Payment of finance leases obligations		(38,541)		(24,593)	
Dividends paid		(72,000)		(76,000)	
Net cash used in financing activities			(101,373)		(120,856)
Net increase/(decrease) in cash and cash equivalents			364,075		(400,288)
Cash and cash equivalents at beginning of year			202,540		602,828
Cash and cash equivalents at end of year			566,615		202,540

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

ASK Europe Plc is a limited company domiciled and incorporated in England and Wales. The registered office is Trent House, University Way, Cranfield, Beds, MK43 0AN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of ASK Europe Plc prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

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

1.3 Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts.

For production and delivery of programmes, income is recognised in the month that the event takes place. For coaching services, which are available for limited periods and for which fees are not refundable, income is recognised evenly when each session takes place. Any income for unused sessions is credited to profit and loss when the period has expired.

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the length of the lease
Plant and machinery	Over 4 years
Fixtures, fittings & equipment	Between 4 and 10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
Turnover		
Sales of services	3,246,132	2,090,659

Other significant revenue

Interest income	496	1,247
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Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	3,097,391	1,634,152
Other EC countries	65,505	164,614
Rest of the World	83,236	291,893
	3,246,132	2,090,659

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

4 Operating profit/(loss)

	2015 £	2014 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses/(gains)	2,989	512
Depreciation of owned tangible fixed assets	18,307	12,554
Depreciation of tangible fixed assets held under finance leases	31,105	11,055
Operating lease charges	72,346	89,628
	<u> </u>	<u> </u>

5 Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	8,000	8,000
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	2,000	2,000
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Consultants & business development	6	7
Client support and administration	15	11
	<u> </u>	<u> </u>
	21	18
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	1,027,021	907,229
Social security costs	105,919	129,549
Pension costs	51,417	74,366
	<u> </u>	<u> </u>
	1,184,357	1,111,144
	<u> </u>	<u> </u>

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	147,961	254,926
Company pension contributions to defined contribution schemes	13,800	22,915
	<u>161,761</u>	<u>277,841</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 2).

8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	496	1,247
	<u>496</u>	<u>1,247</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	496	1,247
	<u>496</u>	<u>1,247</u>

9 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	8,453	7,560
	<u>8,453</u>	<u>7,560</u>

10 Amounts written off investments

	2015 £	2014 £
Amounts written off fixed asset investments - permanent diminution in value	-	(70,402)
	<u>-</u>	<u>(70,402)</u>

11 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	23,559	(5,850)
	<u>23,559</u>	<u>(5,850)</u>
Deferred tax		
Origination and reversal of timing differences	69,840	(65,345)
	<u>69,840</u>	<u>(65,345)</u>
Total tax charge	<u>93,399</u>	<u>(71,195)</u>

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

11 Taxation

(Continued)

The charge for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2015 £	2014 £
Profit/(loss) before taxation	440,341	(433,441)
Expected tax charge based on a corporation tax rate of 20.00% (2014 - 20.00%)	88,068	(86,688)
Tax effect of expenses that are not deductible in determining taxable profit	5,331	15,493
Tax expense for the year	93,399	(71,195)

12 Dividends

	2015 £	2014 £
Interim paid	72,000	76,000
	72,000	76,000

13 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2015	15,217	333,544	121,286	470,047
Additions	-	43,494	-	43,494
At 31 December 2015	15,217	377,038	121,286	513,541
Depreciation and impairment				
At 1 January 2015	15,217	201,401	121,096	337,714
Depreciation charged in the year	-	49,222	190	49,412
At 31 December 2015	15,217	250,623	121,286	387,126
Carrying amount				
At 31 December 2015	-	126,415	-	126,415
At 31 December 2014	-	132,143	190	132,333

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £31,105 (2014 - £11,055) for the year.

	2015 £	2014 £
Plant and machinery	82,260	113,364

14 Financial instruments

	2015 £	2014 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	866,706	557,407
Carrying amount of financial liabilities		
Measured at amortised cost	231,097	263,189

15 Stocks

	2015 £	2014 £
Consumables	4,965	7,590

16 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	300,091	354,867
Corporation tax recoverable	5,850	5,850
Prepayments and accrued income	59,365	71,775
	365,306	432,492
Deferred tax asset (note 21)	-	66,986
	365,306	499,478

17 Finance lease obligations

	2015 £	2014 £
Future minimum lease payments due under finance leases:		
Within one year	46,639	41,556
In two to five years	12,999	56,623
	59,638	98,179

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

17 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases do not include purchase options at the end of the lease period. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Obligations under finance leases	17	46,639	41,556
Trade creditors		162,052	158,585
Corporation tax payable		23,559	-
Other taxation and social security		102,884	82,957
Other creditors		9,407	6,425
Accruals and deferred income		215,644	292,642
		<u>560,185</u>	<u>582,165</u>

19 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Obligations under finance leases	17	12,999	56,623
		<u>12,999</u>	<u>56,623</u>

20 Provisions for liabilities

	Notes	2015 £	2014 £
Deferred tax liabilities	21	2,854	-
		<u>2,854</u>	<u>-</u>

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £	Assets 2015 £	Assets 2014 £
Balances:				
Accelerated capital allowances	4,547	-	-	-
Tax losses	-	-	-	66,986
Other short term timing differences	(1,693)	-	-	-
	<u>2,854</u>	<u>-</u>	<u>-</u>	<u>66,986</u>

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

21 Deferred taxation

(Continued)

	2015
Movements in the year:	£
Liability/(Asset) at 1 January 2015	(66,986)
Charge to profit or loss	69,840
	<hr/>
Liability at 31 December 2015	2,854
	<hr/>

The deferred tax liability set out above is not expected to reverse within 12 months and relates to accelerated capital allowances and other short term timing differences.

22 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £51,417 (2014 - £74,366).

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

23 Share-based payment transactions

During the year ended 31 December 2015, the company had two share-based payment arrangements, which are described below.

Type of arrangement	Vested share options	Performance share options
Date of initial grant	21 March 2013	21 March 2013
Contractual life	7 years	7 years
Vesting conditions	Vested	Dependent on performance criteria over 3 years

Further details of the share option plans are as follows:

Vested share options

	Number of options 2015	Weighted average exercise price 2015 £	Number of options 2014	Weighted average exercise price 2014 £
At 1 January 2015	2,000	5.60	2,125	5.60
Granted	-	-	2,000	5.60
Forfeited	2,000	5.60	2,125	5.60
Outstanding at 31 December 2015	-	-	2,000	5.60

Performance share options

	Number of options 2015	Weighted average exercise price 2015 £	Number of options 2014	Weighted average exercise price 2014 £
At 1 January 2015	3,500	5.60	17,500	5.60
Forfeited	3,500	5.60	14,000	5.60
Outstanding at 31 December 2015	-	-	3,500	5.60

The share option schemes are available to certain employees (including directors). Options are exercisable at the estimated market price of the company's shares on the date of grant. All options are exercisable only on the disposal, flotation or sale of the company, and expire on 25 August 2020. The options are settled in equity once exercised.

Options are forfeited if the employee leaves the company before the options have been exercised.

No charge has been made to the profit and loss account as the amounts are immaterial.

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

24 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
81,168 Ordinary of £1 each	81,168	72,000
	<u> </u>	<u> </u>
Reconciliation of movements during the year:		
		Ordinary Number
At 1 January 2015		72,000
Issue of fully paid shares		9,168
		<u> </u>
At 31 December 2015		81,168
		<u> </u>

During the year, 9,168 ordinary £1 shares were issued for £9,168 consideration.

25 Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Share options reserve

This reserve records the charge made to the profit and loss account in respect of share options.

26 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

26 Operating lease commitments

(Continued)

	2015 £	2014 £
Within one year	45,835	44,678
Between two and five years	272,229	312,743
	<u>318,064</u>	<u>357,421</u>

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2015 £	2014 £
Aggregate compensation	<u>320,035</u>	<u>582,869</u>

Transactions with related parties

During the year, the spouse of the director and majority shareholder, R Terry, supplied consultancy services to the company totalling £nil (2014: £5,450).

During the year, the company incurred licensing fees totalling £45,000 (2014: £45,000 accrued) to a company controlled by R Terry. At the year end, amounts owed to the company by companies controlled by R Terry totalled £54,000 (£nil).

28 Directors' transactions

Dividends totalling £72,000 (2014 - £76,000) were paid in the year in respect of shares held by the company's directors.

During the year, H Terry forfeited nil (2014: 2,125) share options and a further nil (2014: 3,500) share options which are subject to certain performance criteria being met. No share options were held by directors of the company at the year end or at the prior year end.

29 Controlling party

The ultimate controlling party is R Terry by virtue of his majority shareholding.

ASK EUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

30 Cash generated from operations

	2015 £	2014 £
Profit/(loss) for the year	346,942	(362,246)
Adjustments for:		
Income tax expense	93,399	(71,195)
Finance costs	8,453	7,560
Investment income	(496)	(1,247)
Depreciation and impairment of tangible fixed assets	49,412	23,609
Amounts written off investments	-	70,402
Movements in working capital:		
Decrease/(increase) in stocks	2,625	(590)
Decrease in debtors	67,186	178,849
(Decrease) in creditors	(50,622)	(99,136)
Cash generated from/(absorbed by) operations	<u>516,899</u>	<u>(253,994)</u>

ASK EUROPE PLC
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015

ASK EUROPE PLC

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	£	2015 £	£	2014 £
Turnover				
Sales of services		3,246,132		2,090,659
Cost of sales				
Direct costs	984,119		752,149	
Wages and salaries	156,774		57,872	
		<u>(1,140,893)</u>		<u>(810,021)</u>
Gross profit	64.85%	2,105,239	61.26%	1,280,638
Administrative expenses		<u>(1,656,941)</u>		<u>(1,637,364)</u>
Operating profit/(loss)		448,298		(356,726)
Investment revenues				
Bank interest received		496		1,247
Interest payable and similar charges				
Hire purchase interest payable		(8,453)		(7,560)
Other gains and losses				
Amounts written off fixed asset investments		-		(70,402)
Profit/(loss) before taxation	13.57%	<u>440,341</u>	20.73%	<u>(433,441)</u>

ASK EUROPE PLC

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £	2014 £
Administrative expenses		
Wages and salaries	882,321	656,420
Social security costs	105,919	129,549
Staff costs reallocated to direct costs	(156,774)	(57,872)
Staff recruitment costs	31,697	8,427
Staff training	27,313	7,587
Staff pension costs defined contribution	37,617	51,451
Redundancy costs - staff	30,000	-
Directors' remuneration	144,700	250,809
Directors' pension costs - defined contribution scheme	13,800	22,915
License fees	45,000	45,000
Rent re operating leases	72,346	89,628
Service charge payable	33,657	33,608
Rates	39,710	38,819
Power, light and heat	6,098	6,167
Property repairs and maintenance	19,917	1,629
Insurance	15,486	14,367
Computer running costs	16,714	34,336
Travelling expenses	30,921	13,044
Development expenditure	-	16,352
Legal and professional fees	14,860	34,233
Consultancy fees	21,315	69,231
Accountancy	3,065	3,099
Non audit remuneration paid to auditors	2,000	2,000
Audit fees	8,000	8,000
Bank charges	2,541	1,796
Bad and doubtful debts	-	(4,488)
Printing and stationery	12,297	7,308
Advertising	115,891	94,693
Telecommunications	9,406	6,324
Entertaining	5,159	2,696
Sundry expenses	13,564	26,115
Depreciation	49,412	23,609
Profit or loss on foreign exchange	2,989	512
	<u>1,656,941</u>	<u>1,637,364</u>