

INFO.COM LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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INFO.COM LIMITED

Company Information

Directors	Mr S Scarr Mr R Mackenzie Mr T Williams
Company secretary	Mr R Mackenzie
Registered number	03141037
Registered office	9 Belgrave Road London SW1V 1QB
Independent auditors	Sayers Butterworth LLP Chartered Accountants & Statutory Auditor 3rd Floor 12 Gough Square London EC4A 3DW

INFO.COM LIMITED

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INFO.COM LIMITED

Directors' report For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Results

The loss for the year, after taxation, amounted to £1,218,394 (2015 - loss £1,766,186).

Directors

The directors who served during the year were:

Mr S Scarr
Mr R Mackenzie
Mr T Williams

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 auditors are aware of that information.

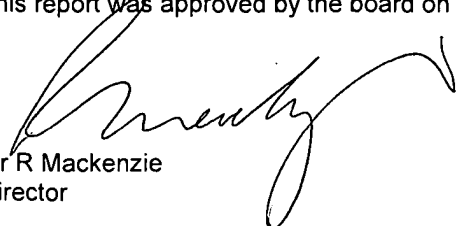
INFO.COM LIMITED

Directors' report (continued)
For the Year Ended 31 December 2016

Auditors

The auditors, Sayers Butterworth LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 March 2017 and signed on its behalf.


Mr R Mackenzie
Director

INFO.COM LIMITED

Independent auditors' report to the shareholders of Info.com Limited

We have audited the financial statements of Info.com Limited for the year ended 31 December 2016, set out on pages 5 to 15. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 on page 1, 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 Financial Reporting Council'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 Directors' 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 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INFO.COM LIMITED

Independent auditors' report to the shareholders of Info.com Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Andrew Burch (Senior statutory auditor)

for and on behalf of

Sayers Butterworth LLP

Chartered Accountants & Statutory Auditor

3rd Floor
12 Gough Square
London
EC4A 3DW

Date: 8 March 2017

INFO.COM LIMITED

Profit and loss account
For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		4,508,604	2,561,960
Cost of sales		(2,636,572)	(1,904,493)
Gross profit		1,872,032	657,467
Administrative expenses		(1,518,611)	(1,249,684)
Taxonomy research and development expenses		(1,748,102)	(1,471,060)
Total operating loss		(1,394,681)	(2,063,277)
Interest payable and preference share finance charge	5	(121,784)	(118,925)
Loss before tax		(1,516,465)	(2,182,202)
Taxation credit in respect of research and development expenditure		298,071	416,016
Loss for the year		(1,218,394)	(1,766,186)

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 8 to 15 form part of these financial statements.

INFO.COM LIMITED
Registered number: 03141037

Balance sheet
As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	6	5,884	-
Investments	7	10	10
		<u>5,894</u>	<u>10</u>
Current assets			
Stocks	8	660,332	660,332
Debtors: amounts falling due within one year	9	694,113	230,161
Cash at bank and in hand		755,407	1,708,986
		<u>2,109,852</u>	<u>2,599,479</u>
Preference share creditor		(2,310,000)	(2,229,000)
Other creditors		(1,788,455)	(1,134,804)
Creditors: amounts falling due within one year	10	(4,098,455)	(3,363,804)
Net current liabilities		<u>(1,988,603)</u>	<u>(764,325)</u>
Total assets less current liabilities		<u>(1,982,709)</u>	<u>(764,315)</u>
Net liabilities		<u>(1,982,709)</u>	<u>(764,315)</u>
Capital and reserves			
Called up share capital		23,554	23,554
Share premium account		5,998,111	5,998,111
Profit and loss account		(8,004,374)	(6,785,980)
		<u>(1,982,709)</u>	<u>(764,315)</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 March 2017

Mr R Mackenzie
Director

The notes on pages 8 to 15 form part of these financial statements.

INFO.COM LIMITED

Statement of changes in equity
For the Year Ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	23,554	5,998,111	(6,785,980)	(764,315)
Loss for the year	-	-	(1,218,394)	(1,218,394)
At 31 December 2016	<u>23,554</u>	<u>5,998,111</u>	<u>(8,004,374)</u>	<u>(1,982,709)</u>

Statement of changes in equity
For the Year Ended 31 December 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	20,367	3,370,008	(5,019,794)	(1,629,419)
Loss for the year	-	-	(1,766,186)	(1,766,186)
Shares issued during the year	3,187	2,628,103	-	2,631,290
At 31 December 2015	<u>23,554</u>	<u>5,998,111</u>	<u>(6,785,980)</u>	<u>(764,315)</u>

The notes on pages 8 to 15 form part of these financial statements.

INFO.COM LIMITED

Notes to the financial statements For the Year Ended 31 December 2016

1. General information

Info.com Limited is a private limited company incorporated in the United Kingdom and registered in England and Wales. The company's registered office is 9 Belgrave Road, London, SW1V 1QB.

The principal activity of the company is the continued provision of services for internet users.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Section 1A of FRS 102 is mandatory for accounting periods beginning on or after 1 January 2016. There has been no transitional impact on the financial statements as a result of the adoption of this standard.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis despite an excess of liabilities over total assets at 31 December 2016.

If all the creditors of the company were to demand immediate payment the company would be unable to continue trading. In this case the going concern basis would be inappropriate.

Included in creditors are preference shareholder liabilities which, including accrued finance charges, amount to £2,310,000. These can only be repaid when the company has sufficient distributable reserves. Additionally, the holders of loans to whom the company has a total liability at the year end of £994,396, have confirmed that they will not demand repayment of any amounts owed to the company within 12 months of the date of these accounts except in the case of a trade sale, a company flotation or should the company be in a position to do so with sufficient working capital.

Accordingly, the directors are satisfied that these financial statements are appropriately prepared on the basis applicable to a going concern.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

INFO.COM LIMITED

Notes to the financial statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	25% straight line basis
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Basic financial assets, including trade and other debtors are recognised at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

INFO.COM LIMITED

Notes to the financial statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.10 Creditors

Basic financial liabilities, including trade and other creditors are recognised at transaction price less any impairment.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. The weighted average rate for the year was \$1.36.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. The rate at 31st December 2016 was \$1.23.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

2.12 Operating leases: the Company as lessee

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

INFO.COM LIMITED

Notes to the financial statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.13 Taxation

Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.14 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £ (2015 -).

4. Employees

The average monthly number of employees, including directors, during the year was 30 (2015 - 28).

5. Interest payable and similar charges

	2016 £	2015 £
Finance charges on loans	40,784	37,925
Finance charges on preference shares	81,000	81,000
	<u>121,784</u>	<u>118,925</u>

INFO.COM LIMITED

Notes to the financial statements
For the Year Ended 31 December 2016

6. Tangible fixed assets

	Equipment £
Cost or valuation	
Additions	7,846
At 31 December 2016	<u>7,846</u>
Depreciation	
Charge for the period	1,962
At 31 December 2016	<u>1,962</u>
Net book value	
At 31 December 2016	<u><u>5,884</u></u>
At 31 December 2015	<u><u>-</u></u>

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	10
At 31 December 2016	<u>10</u>
Net book value	
At 31 December 2016	<u><u>10</u></u>
At 31 December 2015	<u><u>10</u></u>

INFO.COM LIMITED

Notes to the financial statements
For the Year Ended 31 December 2016

8. Stocks

	2016 £	2015 £
Domain names held for resale	660,332	660,332
	<u>660,332</u>	<u>660,332</u>

9. Debtors

	2016 £	2015 £
Trade debtors	627,137	181,202
Other debtors	19,258	17,710
Prepayments and accrued income	47,718	31,249
	<u>694,113</u>	<u>230,161</u>

INFO.COM LIMITED

Notes to the financial statements
For the Year Ended 31 December 2016

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	320,755	87,658
Other taxation and social security	6,486	7,869
Other creditors	313,468	259,843
Amounts owed to directors	1,000,928	701,726
Accruals	146,818	77,708
Arrears of preference share finance charge	1,410,000	1,329,000
Preference share capital treated as debt	900,000	900,000
	<u>4,098,455</u>	<u>3,363,804</u>

The redeemable preference shares are classified as a financial liability in accordance with FRS 102 section 22. The company has the right to redeem any number of the preference shares, subject to all finance charges on the preference shares having been satisfied, by giving three months notice. The shareholders may give notice to redeem any number of their preference shares any time following the third anniversary of receipt of funds and by giving three months notice.

Holders of £900,000 of the preference shares are parties to a shareholders agreement dated 8 September 2003, under which they have agreed the finance charge shall be 9% per annum from 8 September 2003. Holders of the redeemable preference shares gave notice of redemption with effect from 27 March 2005. Notwithstanding the rights of both the company and of the shareholders to give notice of redemption the company is only permitted to make such redemptions in accordance with Section 687 (2) of the Companies Act 2006, out of distributable profits or a fresh issue of shares made specifically for the purpose of such redemption. At present the company is not in a position to satisfy either of the provisions, and as a consequence thereof the holders of the preference shares are entitled to vote on all resolutions with effect from 27 June 2005 at Company Shareholder meetings with one vote for each share held.

11. Contingent liabilities

During earlier years, various parties have provided legal services and consultancy work to the company under agreements that they will be remunerated for these services subject to a trade sale or flotation of the company. The directors estimate the potential cost of these services to be £87,750 (2015: £87,750).

The executive directors, Stephen Scarr and Roy Mackenzie, have not drawn their full remuneration entitlement under their contracts of employment. The accumulated amounts due since 29 August 2000 and which have not been provided for in the accounts total £642,868 (2015: £568,104) on which Employer's National Insurance Contributions of £27,636 (2015: £27,636) would also be due if the liability had been settled on 31 December 2016. Interest accruing on these liabilities amounted on 31 December 2016 to £340,534 (2015: £286,239). These commitments will only be payable in certain circumstances including a trade sale or flotation of the company.

The board agreed to grant the company's Chief Technology Officer, Franck Cassedanne a benefit of £100,000 in recognition for his services to the company. The amount is payable in the event the company is sold for a consideration of \$300,000,000 or more and that if a partial sale occurred with a lower consideration, a pro rata amount based on \$300,000,000.

INFO.COM LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2016**

12. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases of £203,077 (2015: £273,580).