

ZETA COMPLIANCE SERVICES LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2015



ZETA COMPLIANCE SERVICES LIMITED

COMPANY INFORMATION
For The Year Ended 31 January 2015

DIRECTORS: R G Nicoll
S Cooke
G Brown
D B Downer

SECRETARY: G Brown

REGISTERED OFFICE: Zeta House
Avonbury Business Park
Howes Lane
Bicester
Oxfordshire
OX26 2UA

REGISTERED NUMBER: 03351062

SENIOR STATUTORY AUDITOR: Sue Staunton MA FCA CF

INDEPENDENT AUDITORS: James Cowper Kreston
Chartered Accountants and
Statutory Auditor
2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

**REPORT OF THE DIRECTORS
For The Year Ended 31 January 2015**

The directors present their report with the financial statements of the company for the year ended 31 January 2015.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2014 to the date of this report.

R G Nicoll
S Cooke
G Brown
D B Downer

Other changes in directors holding office are as follows:

A Dobbins - resigned 31 January 2015

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

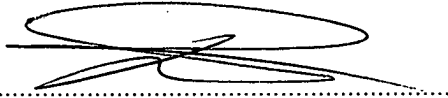
AUDITORS

The auditors, James Cowper Kreston, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**REPORT OF THE DIRECTORS
For The Year Ended 31 January 2015**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line and a flourish.

.....
R G Nicoll - Director

Date: - 6 MAY 2015

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ZETA COMPLIANCE SERVICES LIMITED

We have audited the financial statements of Zeta Compliance Services Limited for the year ended 31 January 2015 on pages five to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 two, 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 FRC's website at www.frc.org.uk/apb/scope/private.cfm.

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 January 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework and Disclosure exemptions from EU-adopted IFRS for qualifying entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

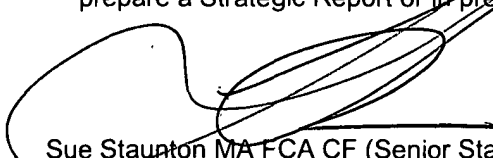
Opinion on other matter prescribed by the Companies Act 2006

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



Sue Staunton MA FCA CF (Senior Statutory Auditor)
for and on behalf of James Cowper Kreston
Chartered Accountants and
Statutory Auditor
2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date: 6 May 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Year Ended 31 January 2015

	Notes	2015 £	2014 £
CONTINUING OPERATIONS			
Revenue		2,883,605	3,068,435
Cost of sales		<u>(1,404,745)</u>	<u>(1,529,846)</u>
GROSS PROFIT		1,478,860	1,538,589
Administrative expenses		<u>(1,416,823)</u>	<u>(1,390,754)</u>
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS		62,037	147,835
Exceptional items	3	<u>(686,038)</u>	<u>-</u>
OPERATING (LOSS)/PROFIT		<u>(624,001)</u>	<u>147,835</u>
(LOSS)/PROFIT BEFORE INCOME TAX 4		(624,001)	147,835
Income tax	5	<u>(3,507)</u>	<u>(6,103)</u>
(LOSS)/PROFIT FOR THE YEAR		<u><u>(627,508)</u></u>	<u><u>141,732</u></u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 January 2015

	Notes	2015 £	2014 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	6,334	12,565
Deferred tax	11	3,484	6,991
		<u>9,818</u>	<u>19,556</u>
CURRENT ASSETS			
Trade and other receivables	7	901,498	2,267,208
Cash and cash equivalents	8	77,204	51,064
		<u>978,702</u>	<u>2,318,272</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	601,209	1,319,740
Tax payable		-	2,612
		<u>601,209</u>	<u>1,322,352</u>
NET CURRENT ASSETS		<u>377,493</u>	<u>995,920</u>
NET ASSETS		<u>387,311</u>	<u>1,015,476</u>
SHAREHOLDERS' EQUITY			
Called up share capital	12	830	830
Share premium	13	49,700	49,700
Share based payment reserve	13	11,973	12,630
Retained earnings	13	324,808	952,316
TOTAL EQUITY		<u>387,311</u>	<u>1,015,476</u>

The financial statements were approved by the Board of Directors on 6 MAY 2015 and were signed on its behalf by:



R G Nicoll - Director

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 January 2015

	Called up share capital £	Retained earnings £	Share premium £	Share based payment reserve £	Total equity £
Balance at 1 February 2013	830	810,584	49,700	7,015	868,129
Changes in equity					
Total comprehensive income	-	141,732	-	-	141,732
Transactions with Owners					
Share-based payments	-	-	-	5,615	5,615
Balance at 31 January 2014	<u>830</u>	<u>952,316</u>	<u>49,700</u>	<u>12,630</u>	<u>1,015,476</u>
Changes in equity					
Total comprehensive income	-	(627,508)	-	-	(627,508)
Transactions with Owners					
Share-based payments	-	-	-	(657)	(657)
Balance at 31 January 2015	<u>830</u>	<u>324,808</u>	<u>49,700</u>	<u>11,973</u>	<u>387,311</u>

STATEMENT OF CASH FLOWS
For The Year Ended 31 January 2015

		2015 £	2014 £
Cash flows from operating activities			
Cash generated from operations	1	31,805	24,351
Tax paid		<u>(2,612)</u>	<u>(379)</u>
Net cash from operating activities		<u>29,193</u>	<u>23,972</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(3,053)</u>	<u>(6,617)</u>
Net cash from investing activities		<u>(3,053)</u>	<u>(6,617)</u>
 Increase in cash and cash equivalents		 <u>26,140</u>	 <u>17,355</u>
Cash and cash equivalents at beginning of year	2	<u>51,064</u>	<u>33,709</u>
 Cash and cash equivalents at end of year	2	 <u><u>77,204</u></u>	 <u><u>51,064</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
For The Year Ended 31 January 2015

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2015	2014
	£	£
(Loss)/profit before income tax	(624,001)	147,835
Exceptional items	686,038	-
Depreciation charges	9,284	11,260
Share options	(657)	5,615
	70,664	164,710
Increase in trade and other receivables	(125,346)	(469,592)
Increase in trade and other payables	(86,487)	329,233
Cash generated from operations	<u>31,805</u>	<u>24,351</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts:

Year ended 31 January 2015

	31.1.15	1.2.14
	£	£
Cash and cash equivalents	<u>77,204</u>	<u>51,064</u>

Year ended 31 January 2014

	31.1.14	1.2.13
	£	£
Cash and cash equivalents	<u>51,064</u>	<u>33,709</u>

3. MAJOR NON-CASH TRANSACTIONS

On 20 February 2015 a decision was taken to cancel all inter-company debts across the group. It was therefore concluded appropriate that such balances should be written off within the books of each the group companies prior to the year end. These write-offs have been included as significant non-cash transactions within the cash flow statement. See note 3 for further details.

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 January 2015**

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework and Disclosure exemptions from EU-adopted IFRS for qualifying entities in accordance with the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The financial statements are rounded to the nearest pound.

The company has taken advantage of the following disclosure exemptions:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- The requirements of paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - i) paragraph 79(a)(iv) of IAS 1;
 - ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - iii) paragraph 118(e) of IAS 38 Intangible Assets;
 - iv) paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - v) paragraph 50 of IAS 41 Agriculture;
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- The requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

Revenue recognition

Revenue represents the invoiced value of goods sold and services provided during the period, stated net of Value Added Tax. Hardware sales are recognised immediately at the point of sale. Current accounting practice is to recognise software licenses sales immediately where there is no ongoing or future obligation for the company to upgrade, maintain or otherwise support the software. Where there are continuing obligations, suitable policies are adopted to match revenue and costs and to defer income over the period of the obligations.

Property, plant and equipment

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

Fixtures and fittings	- 20% straight line
Motor vehicles	- 25% straight line

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 January 2015

1. ACCOUNTING POLICIES - continued

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Share based payments

The company has applied the requirements of IFRS2 Share-Based Payments.

The company operates an approved share option scheme for directors, senior management and certain employees.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that ultimately the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted, as long as other vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification is also charged to the Statement of Comprehensive Income over the remaining vesting period.

Fair value is measured using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural conditions.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 January 2015

2. EMPLOYEES AND DIRECTORS

	2015 £	2014 £
Wages and salaries	1,313,523	1,249,083
Social security costs	145,602	137,610
Other pension costs	47,157	42,508
Total	<u>1,506,282</u>	<u>1,429,201</u>

	2015 £	2014 £
The average monthly number of employees during the year was as follows:		
Technical staff	28	28
Sales and marketing staff	10	11
Administration and support	7	8
	<u>45</u>	<u>47</u>

	2015 £	2014 £
Directors' remuneration	168,757	162,212
Directors' pension contributions to money purchase schemes	<u>8,615</u>	<u>8,713</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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3. EXCEPTIONAL ITEMS

The directors agreed to waive all historical balances between all group companies. This resulted in the company writing off a debtor of £1,491,056 owed by ZetaSafe Limited and a creditor of £805,017 owed to Zeta Compliance Group Plc. The net effect of these transactions was a charge to the Income Statement of £686,038.

4. (LOSS)/PROFIT BEFORE INCOME TAX

The loss before income tax (2014 - profit before income tax) is stated after charging:

	2015 £	2014 £
Depreciation - owned assets	9,284	11,260
Auditors' remuneration	6,700	5,700
Foreign exchange differences	1,832	26
Rent and office services	<u>52,300</u>	<u>45,007</u>

Included within auditors' remuneration is £1,050 (2014: £1,050) with regards to non-audit services provided by the auditor's firm.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 January 2015

5. INCOME TAX**Analysis of tax expense**

	2015	2014
	£	£
Current tax:		
Tax	-	2,991
Deferred tax	<u>3,507</u>	<u>3,112</u>
Total tax expense in statement of profit or loss and other comprehensive income	<u>3,507</u>	<u>6,103</u>

Factors affecting the tax expense

The tax assessed for the year is higher (2014 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2015	2014
	£	£
(Loss)/profit on ordinary activities before income tax	<u>(624,001)</u>	<u>147,835</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.320% (2014 - 23.160%)	(133,037)	34,239
Effects of:		
Expenses not deductible for tax purposes	147,433	2,324
Group relief claimed before repayment capital allowances	(11,102)	(30,513)
Other timing differences	213	-
period transfers		
Deferred tax	-	530
Inter-company balance write off	-	(4)
Tax credits	<u>-</u>	<u>(473)</u>
Tax expense	<u>3,507</u>	<u>6,103</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 January 2015

6. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 February 2014	70,583	297	70,880
Additions	3,053	-	3,053
Disposals	<u>(29,975)</u>	<u>(297)</u>	<u>(30,272)</u>
At 31 January 2015	<u>43,661</u>	<u>-</u>	<u>43,661</u>
DEPRECIATION			
At 1 February 2014	58,018	297	58,315
Charge for year	9,284	-	9,284
Eliminated on disposal	<u>(29,975)</u>	<u>(297)</u>	<u>(30,272)</u>
At 31 January 2015	<u>37,327</u>	<u>-</u>	<u>37,327</u>
NET BOOK VALUE			
At 31 January 2015	<u>6,334</u>	<u>-</u>	<u>6,334</u>
At 31 January 2014	<u>12,565</u>	<u>-</u>	<u>12,565</u>

7. TRADE AND OTHER RECEIVABLES

	2015 £	2014 £
Current:		
Trade receivables	765,665	825,435
Amounts owed by group undertakings	40,200	1,339,699
Other receivables	1,200	2,250
Prepayments and accrued income	<u>94,433</u>	<u>99,824</u>
	<u>901,498</u>	<u>2,267,208</u>

8. CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Cash in hand	208	287
Bank accounts	<u>76,996</u>	<u>50,777</u>
	<u>77,204</u>	<u>51,064</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 January 2015

9. TRADE AND OTHER PAYABLES

	2015 £	2014 £
Current:		
Trade payables	109,337	135,822
Amounts owed to group undertakings	-	717,237
Social security and other taxes	165,657	209,650
Other payables	129,829	34,750
Deferred income	128,986	147,896
Accrued expenses	67,400	74,385
	<u>601,209</u>	<u>1,319,740</u>

Included within other payables at 31 January 2015 is £123,889 (2014: £28,530) relating to the factoring of trade debts. The factoring agreement is secured by a fixed charge over the book debts and a floating charge over the assets and undertakings of the company.

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2015 £	2014 £
Within one year	132,365	113,611
Between one and five years	<u>152,342</u>	<u>148,946</u>
	<u>284,707</u>	<u>262,557</u>

11. DEFERRED TAX

Deferred tax (credit) / charge for the year:

	2015 £	2014 £
Balance at 1 February	(6,991)	(10,103)
Fixed asset timing differences	(1,004)	(724)
Short term temporary differences	139	(303)
Losses and other deductions	4,372	4,139
Transfer from Zeta Fire Services		
Balance at 31 January	<u>(3,484)</u>	<u>(6,991)</u>

Deferred tax (asset) / liability is made up as follows:

	2015 £	2014 £
Short term timing differences	(95)	909
Loss and other deductions	(1,188)	(1,327)
Fixed asset timing differences	<u>(2,201)</u>	<u>(6,573)</u>
Total	<u>(3,484)</u>	<u>(6,991)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 January 2015

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
830	Ordinary	£1	<u>830</u>	<u>830</u>

13. RESERVES

	Retained earnings £	Share premium £	Share based payment reserve £	Totals £
At 1 February 2014	952,316	49,700	12,630	1,014,646
Deficit for the year	(627,508)	-	-	(627,508)
Share options	-	-	(657)	(657)
At 31 January 2015	<u>324,808</u>	<u>49,700</u>	<u>11,973</u>	<u>386,481</u>

	Retained earnings £	Share premium £	Share based payment reserve £	Totals £
At 1 February 2013	810,584	49,700	7,015	867,299
Profit for the year	141,732	-	-	141,732
Share options	-	-	5,615	5,615
At 31 January 2014	<u>952,316</u>	<u>49,700</u>	<u>12,630</u>	<u>1,014,646</u>

14. RELATED PARTY DISCLOSURES**Transactions with directors**

During the prior year 60,000 share options were granted to D Downer, a director of the company, and a further 60,000 to S Cooke, a director of the company. These were reissued options from previous years and vested immediately.

15. EVENTS AFTER THE REPORTING PERIOD

On 20 February 2015 a decision was taken to cancel all inter-company debts across the group. It was therefore concluded appropriate that such balances should be written off within the books of each of the group companies prior to the year end. The impact for this company is detailed in Note 3.

16. ULTIMATE CONTROLLING PARTY

The company is a 100% subsidiary of Zeta Compliance Group Plc, a company incorporated in England and Wales.

Copies of the parent company accounts may be obtained from Zeta Compliance Group Plc, Zeta House, Avonbury Business Park, Howes Lane, Bicester, OX26 2UA.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 January 2015

17. SHARE-BASED PAYMENT TRANSACTIONS

During the year an EMI share option scheme existed, giving options on shares in the parent company, Zeta Compliance Group Plc.

On 23 June 2008 172,620 share options were granted to employees of the subsidiary companies by way of the scheme. Of these 18,120 are outstanding at the year end. During the year ended 31 January 2013 212,857 share options were issued on 1 March 2012, of which 30,000 are outstanding at the year end. During the year ended 31 January 2014 429,900 share options were issued on 1 April 2013, 397,500 are outstanding at the year end.

The share options vest over a period of 3 years from the date they are granted and the maximum life of the share options is six years. The share options will be settled in equity.

At the year end 445,620 (2014: 504,370) share options were outstanding of which 406,870 (2014: 408,120) were exercisable.

The options outstanding at the year end had exercise prices of £0.255 and £0.250.

The weighted average remaining contractual life of the share options was 6 years.

There were 57,400 (2014: 170,348) share options forfeited and 1,350 (2014: Nil) share options were exercised during the year.