

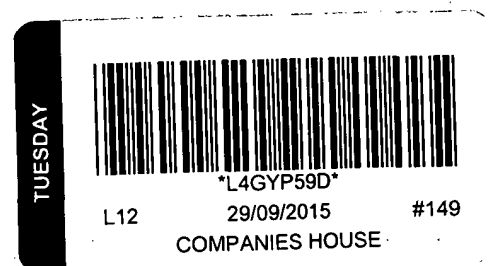
Veritape Limited

Strategic report, Directors' report
and financial statements

For the year ended

31 March 2015

Company Number 03612069



Veritape Limited

Strategic report, Directors' report and financial statements for the year ended 31 March 2015

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Directors

J Heath
C Ross
N Philpot
A Moloney

Secretary and registered office

A P Moloney, Telford House, Corner Hall, Hemel Hempstead, Hertfordshire HP3 9HN

Company number

03612069

Auditor

KPMG LLP, Altius House, One North Fourth Street, Milton Keynes, MK9 1NE

Veritape Limited

Strategic Report for the year ended 31 March 2015

The directors present the strategic report the Directors' report and financial statements for the year ended 31 March 2015.

Business Review and Principal Activities

The principal activity of the company in the period under review was that of the development and supply of software and hardware for call centres. Veritape Ltd continues to become increasingly aligned to its parent company. Due to the similarity of the businesses it is the intention to move all the trade in the following financial year into Eckoh UK Ltd, a fellow subsidiary of Eckoh plc.

Objectives of the company

The objective of the company is to continue to provide robust PCI compliant call recording software and hardware solutions to an increasing number of customers both in the UK and abroad.

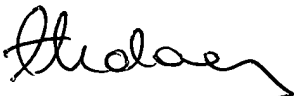
Risks and uncertainties

The directors regularly assess the key business risks of the company, which is considered to be the competitive market sector. The company manages these risks through the introduction of new products and services and by maintaining high levels of customer service.

Forward looking review

In line with its parent company, Veritape continues to broaden its customer base and to develop opportunities in the international market. In addition, the company will continue to develop new and existing products and services to satisfy a growing customer base.

By order of the board



A P Moloney
Director

Telford House, Corner Hall
Hemel Hempstead, Hertfordshire HP3 9HN

Veritape Limited

Directors Report for the year ended 31 March 2015

Results and dividends

The profit for the period was £0.5m (2014: £0.6m).

The directors do not recommend the payment of a dividend (2014: £Nil).

Political contributions

The company made no political contributions during the period (2014: £Nil).

Directors

The following directors held office during the period:

J Heath
C Ross
N Philpot
A Moloney

Disclosure of information to auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

Auditor

KPMG LLP was appointed as auditor and pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



A P Moloney
Director

Telford House, Corner Hall
Hemel Hempstead, Hertfordshire HP3 9HN

Veritape Limited

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report, the Strategic 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERITAPE LIMITED

We have audited the financial statements of Veritape Limited for the year ended 31 March 2015 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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

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

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 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report (continued)

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.



Mark Matthewman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

28/9/15

Veritape Limited

Profit and loss account for the year ended 31 March 2015

	Note	Year ended 31 March 2015 £'000	Ten months ended 31 March 2014 £'000
Turnover	2	1,120	1,320
Cost of sales		(33)	(43)
Gross profit		1,087	1,277
Administrative expenses	1,4	(535)	(553)
Operating profit		552	724
Interest receivable	5	9	4
Profit on ordinary activities before taxation		561	728
Taxation	6	(40)	(117)
Profit for the period		521	611

The Company has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the period stated above, and their historical cost equivalents.

The notes on pages 8 to 16 form part of these financial statements.

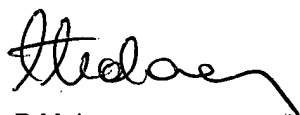
Veritape Limited

Balance sheet at 31 March 2015

Company number 3612069	Note	31 March 2015 £'000	31 March 2015 £'000	31 March 2014 £'000	31 March 2014 £'000
Fixed assets					
Intangible assets	7		166		48
Tangible assets	8		1		1
			<hr/>		<hr/>
			167		49
Current assets					
Stock	9	222		99	
Debtors	10	896		1,026	
Cash at bank and in hand		1,452		1,080	
		<hr/>		<hr/>	
		2,570		2,205	
Creditors: amounts falling due within one year	11	(454)		(492)	
		<hr/>		<hr/>	
Net current assets			2,116		1,713
			<hr/>		<hr/>
Net assets			2,283		1,762
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	12		1		1
Capital contribution reserve	13		302		302
Profit and loss account	13		1,980		1,459
			<hr/>		<hr/>
Shareholders' funds	14		2,283		1,762
			<hr/>		<hr/>

The notes on pages 8 to 16 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 23/9/15



A P Moloney
Director

Veritape Limited

Notes forming part of the financial statements for the period 31 March 2015

1 Accounting policies

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

The following principal accounting policies have been applied:

Group accounts policy

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirements to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Eckoh plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that Company.

Accounting estimation techniques

The preparation of financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and reasonable expectations of future events. Actual results may differ from those estimates.

The accounting policies cover areas that are considered by the Directors to require estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The policies, and the related notes to the financial statements, are found below:

Revenue recognition	note 1/2
Intangible assets	note 1/7

Foreign currency transactions

Transactions in foreign currencies are recorded in Sterling at the rate ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Foreign exchange gains or losses are taken to the profit and loss account in the period in which they arise.

Intangible assets

Intangible assets acquired by the Company are capitalised at the fair value of the consideration paid and amortised over their expected useful economic lives using the straight line method. The amortisation costs are shown within the administrative expenses of the Company. The expected useful economic life of intangible assets is assessed for each acquisition as it arises, and is generally assumed to be three years.

Research costs are charged to the profit and loss account in the period in which they are incurred. Development expenses include expenses incurred by the Company to develop new products and enhance its systems. Development costs are predominantly the time costs of Veritape employees involved in the development of a new product which are capitalised as intangible fixed assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Development costs that do not meet those criteria are expensed as incurred. Capitalised development costs are amortised over the estimated useful life of the asset, which is generally assumed to be three years.

Veritape Limited

Notes forming part of the financial statements for the year ended 31 March 2015

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or fair value on acquisition less depreciation. Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life by equal instalments, as follows:

Fixtures, fittings and equipment over 5 years, 3 years or the remaining term of the property lease, as appropriate.

Investments

Long-term investments, held as fixed assets, are stated at cost less provision for any impairment in value.

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less further costs expected to be incurred.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Veritape Limited

Notes forming part of the financial statements for the year ended 31 March 2015

1 Accounting policies (continued)

Turnover

Turnover represents the invoiced amount, net of Value Added Tax, of goods sold and services provided to customers.

Revenue recognition

Revenue represents the fair value of the sale of goods and services, net of Value-Added Tax, and after eliminating sales within the Group. Revenue is recognised as follows:

Call Recording revenue is recognised on by the company in respect of goods and services supplied during the period.

CallGuard revenue is recognised on dispatch of goods and for service contracts relating to CallGuard, revenue is recognised over the period when the company obtains the right to consideration.

Related party transactions

Financial Reporting Standard 8, "Related Party Transactions", requires the disclosure of material transactions between the reporting entity and wholly owned related parties. The Company has taken advantage of exemptions under Financial Reporting Standard 8 not to disclose transactions between Group companies.

Cash flow statement

The Company is a wholly owned subsidiary of Eckoh plc. The cash flows of the Company are included in the consolidated cash flow statement of Eckoh plc. Consequently the Company is exempt under the terms of Financial Reporting Standard 1 (revised) "Cash flow statements" from publishing a cash flow statement.

Veritape Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

2 Turnover

The Company's turnover was all derived from its principal activity. All sales were made in the United Kingdom, continental Europe and US.

3 Employees' and directors' emoluments

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

	2015 Number	2014 Number
Technical support	5	5
Administration and management	6	6
	<u>11</u>	<u>11</u>

Staff costs for the above persons:

	2015 £ '000	2014 £ '000
Wages and salaries	374	417
Social security costs	53	51
Pension	6	6
	<u>433</u>	<u>474</u>

Directors' remuneration

Name	Salary and Fees £ '000	Benefits £ '000	2015 Total £ '000	2014 Total £ '000
C Ross	72	1	73	61
J Heath	72	1	73	61
	<u>144</u>	<u>2</u>	<u>146</u>	<u>122</u>

Included within the other benefits paid to C Ross is an employer pension contribution of £721 (2014: £2,917) and J Heath is an employer pension contribution of £721 (2014: £2,917).

Veritape Limited

Notes forming part of the financial statements
for the period ended 31 March 2015 (*continued*)

4 Notes to the profit and loss account

	2015 £ '000	2014 £ '000
Profit on ordinary activities before taxation is stated after charging:		
Amortisation of intangible assets	29	2
	<hr/>	<hr/>

The fees payable to the Company's auditors in the current year has been borne by the Company's parent undertaking.

5 Interest receivable

	2015 £ '000	2014 £ '000
Bank interest receivable	9	4
	<hr/>	<hr/>

Veritape Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

6 Taxation on profit from ordinary activities

	2015 £'000	2014 £'000
<i>Current tax</i>		
Current tax on income in the period	117	117
Adjustments in respect of prior periods	(79)	-
	<hr/>	<hr/>
Total current tax	38	117
<i>Deferred tax</i>		
Origination/reversal of timing differences	1	-
Adjustments in respect of prior periods	1	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	40	117
	<hr/>	<hr/>

The tax assessed for the period is lower (2014: lower) than the standard rate of corporation tax in the UK.
The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	561	728
	<hr/>	<hr/>
Tax on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014 23%)	118	168
<i>Effects of:</i>		
Depreciation in excess of capital allowances	(1)	(1)
Group relief claimed	-	(50)
Adjustments to tax charge in respect of previous periods	(79)	-
	<hr/>	<hr/>
Tax charge for the period	38	117
	<hr/>	<hr/>

Factors affecting the tax charge in future periods

In the 2012 and 2013 Budgets, the Chancellor announced a reduction in the main rate of corporation tax from 24% to 21%, to be phased in over three years as follows:

With effect from 1 April 2013 - 23%
With effect from 1 April 2014 - 21%
With effect from 1 April 2015 - 20%

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Veritape Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (*continued*)

7	Intangible fixed assets	Research and Development £'000	Other Intangible Assets £'000	Total £'000	
	Cost				
	At 1 April 2014	26	24	50	
	Additions	133	14	147	
	At 31 March 2015	159	38	197	
	Amortisation				
	At 1 April 2014	2	-	2	
	Charge	29	-	29	
	At 31 March 2015	31	-	31	
	Net book value				
	At 31 March 2015	128	38	166	
	At 31 March 2014	24	24	48	
8	Tangible fixed assets	Office Equipment £'000	Plant & Machinery £'000	Fixtures, Fittings & Equipment £'000	Total £'000
	Cost				
	At 1 April 2014	31	4	1	36
	At 31 March 2015	31	4	1	36
	Depreciation				
	At 1 April 2014	30	4	1	35
	At 31 March 2015	30	4	1	35
	Net book value				
	At 31 March 2015	1	-	-	1
	At 31 March 2014	1	-	-	1

Veritape Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

9 Stocks

	2015 £'000	2014 £'000
Closing stocks	222	99

There is no material difference between the replacement cost of stocks and the amounts stated above.

10 Debtors

	2015 £'000	2014 £'000
Trade debtors	16	198
Taxation and social security	62	-
Amounts owed by group undertakings	817	817
Prepayments and accrued income	1	11
	896	1,026

11 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	12	56
Taxation and social security costs	133	148
Other creditors	2	1
Deferred tax liability	2	-
Accruals and deferred income	305	287
	454	492

Veritape Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (*continued*)

12 Share capital

	Allotted, issued and fully paid			
	2015 Number	2014 Number	2015 £'000	2014 £'000
Ordinary shares A of £0.01 each	41,700	41,700	-	-
Ordinary shares B of £0.01 each	18,700	18,700	-	-
Ordinary shares C of £0.01 each	2,810	2,810	-	-
			1	1

13 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 April 2014	302	1,459
Profit for the period	-	521
At 31 March 2015	302	1,980

14 Reconciliation of movement in shareholders' funds

	2015 £'000	2014 £'000
Opening shareholders' funds	1,762	1,151
Profit for the period	521	611
Closing shareholders' funds	2,283	1,762

15 Ultimate parent company

The directors consider that the immediate parent company, ultimate parent company and controlling party is Eckoh plc, a company registered in England and Wales. Copies of the annual accounts of Eckoh plc can be obtained from Telford House, Corner Hall, Hemel Hempstead, Hertfordshire, HP3 9HN.