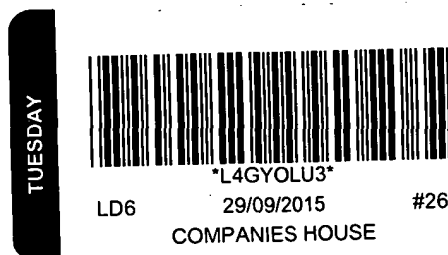


?What If! Holdings Limited

Annual Report
For the year ended 31 December 2014



?What If! Holdings Limited

Directors and Advisers

Directors

D Allan
M Kingdon
S Pajwani

Secretary

J Hoare

Company number

03745474

Registered office

5th Floor
89 New Bond Street
London
W1S 1DA

Registered auditors

Kingston Smith LLP
141 Wardour Street
London
W1F 0UT

Bankers

HSBC Bank Plc
Commercial Centre
465 Bethnal Green Road
London
E2 9QW

?What If! Holdings Limited

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?What If! Holdings Limited

Strategic Report

For the year ended 31 December 2014

Review of the business

Turnover for the year was £31.5 million (2013: £33.8 million).

Operating loss for the year was £0.6 million (2013: operating loss £1.8million).

During the year the business restructured both in the US and UK. This lead to a reduction in managed headcount and revenue however margins increased significantly in the second half results.

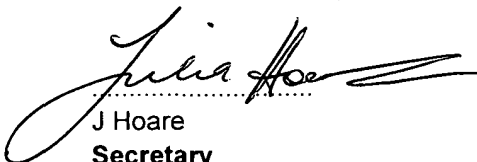
The directors consider that the economic environment is slowly improving but the fragility of the recovery remains a concern; however the Company has a broad FTSE client base and strong client relationships.

The company monitors cash flows as part of its day to day control procedures. The Board considers cashflow projections on a regular basis and ensures appropriate facilities are drawn upon as appropriate.

Our financial KPIs are turnover, operating margin and earnings before interest, tax, depreciation and amortisation (EBITDA), the latter being the best indicator of cash generation.

The Board considers the results acceptable, given the prevailing economic conditions and the mid year restructuring. The Board is confident that the company is optimally positioned to continue to build off the strong second half results.

Other KPIs include reporting on the number of briefs, the ratio of successful conversion and the lead time from receiving a brief to starting work. The Board considers this information to be commercially sensitive.



J Hoare
Secretary

29 September 2015

?What If! Holdings Limited

Directors' Report

For the year ended 31 December 2014

The directors present their report and financial statements for the year ended 31 December 2014.

The principal activity of the business continues to be that of innovating brands, products and services, transforming clients' innovation capability, and resolving clients' strategic innovation challenges.

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

Future developments

The company continues to develop its digital learning platform.

Directors

The following directors have held office since 1 January 2014:

D Allan
M Kingdon
S Pajwani
B Berg

(Appointed 9 January 2014 and resigned 24 June 2014)

Employee involvement

The group's policy is to consult and discuss with employees, through staff forums and meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is regularly communicated to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is an EMI employee share scheme and the directors are considering the introduction of an appropriate long term incentive scheme to encourage the involvement of employees in the long term growth of the group's performance.

Disabled persons

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Auditors

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

?What If! Holdings Limited

Directors' Report (Continued)

For the year ended 31 December 2014

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

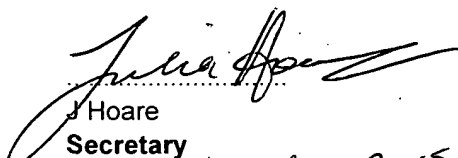
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors 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 group's auditors are aware of that information.

By order of the board


J Hoare
Secretary
29 September 2015

?What If! Holdings Limited

Independent Auditors' Report to the Members of ?What If! Holdings Limited

We have audited the group and parent company financial statements (the "financial statements") of ?What If! Holdings Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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, 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 group's and parent company's affairs as at 31 December 2014 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

?What If! Holdings Limited

Independent Auditors' Report to the Members of ?What If! Holdings Limited (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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Kingston Smith LLP

Ian Graham (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

29/9/15

Chartered Accountants
Statutory Auditor

141 Wardour Street
London
W1F 0UT

?What If! Holdings Limited

Consolidated Profit and Loss Account

For the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	31,540,729	33,835,738
Cost of sales		(12,817,779)	(10,867,696)
Gross profit		18,722,950	22,968,042
Administrative expenses		(19,535,054)	(24,731,516)
Operating loss	3	(812,104)	(1,763,474)
Profit on sale of investments		203,884	-
Loss on ordinary activities before interest		(608,220)	(1,763,474)
Investment income	4	13,158	3,947
Other interest receivable and similar income		419	5,539
Amounts written off investments	5	(18,634)	(49,637)
Interest payable and similar charges	6	(32,743)	(77,356)
Loss on ordinary activities before taxation		(646,020)	(1,880,981)
Tax on loss on ordinary activities	7	40,482	186,002
Loss on ordinary activities after taxation		(605,538)	(1,694,979)

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

There are no recognised gains and losses other than those passing through the profit and loss account.

?What If! Holdings Limited

Statement of Recognised Gains and Losses

For the year ended 31 December 2014

	2014 £	2013 £
Loss for the financial year	(605,538)	(1,694,979)
Currency translation differences on foreign currency net investments	136,793	(17,138)
Total recognised gains and losses relating to the year	<u>(468,745)</u>	<u>(1,712,117)</u>

?What If! Holdings Limited

Balance Sheets

As at 31 December 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Intangible assets	9	816,797	1,011,716	189,166	252,221
Tangible assets	10	1,802,942	2,153,264	-	-
Investments	11	204,352	247,986	3,074,916	3,105,550
		<u>2,824,091</u>	<u>3,412,966</u>	<u>3,264,082</u>	<u>3,357,771</u>
Current assets					
Stocks	12	313,477	357,558	-	-
Debtors	13	7,774,886	9,092,503	113,165	582,221
Cash at bank and in hand		1,563,755	2,159,992	14,528	62,634
		<u>9,652,118</u>	<u>11,610,053</u>	<u>127,693</u>	<u>644,855</u>
Creditors: amounts falling due within one year	14	<u>(6,459,107)</u>	<u>(7,690,336)</u>	<u>(3,544,913)</u>	<u>(3,149,060)</u>
Net current assets		<u>3,193,011</u>	<u>3,919,717</u>	<u>(3,417,220)</u>	<u>(2,504,205)</u>
Total assets less current liabilities		<u>6,017,102</u>	<u>7,332,683</u>	<u>(153,138)</u>	<u>853,566</u>
Creditors: amounts falling due after more than one year	15	<u>(1,565,357)</u>	<u>(232,492)</u>	<u>-</u>	<u>-</u>
Provisions for liabilities	16	<u>(214,000)</u>	<u>(181,000)</u>	<u>-</u>	<u>-</u>
		<u>4,237,745</u>	<u>6,919,191</u>	<u>(153,138)</u>	<u>853,566</u>
Capital and reserves					
Called up share capital	18	2,390	2,390	2,390	2,390
Other reserves	19	380,088	243,295	(401,568)	(401,568)
Profit and loss account	19	3,855,267	6,673,506	246,040	1,252,744
Shareholders' funds	20	<u>4,237,745</u>	<u>6,919,191</u>	<u>(153,138)</u>	<u>853,566</u>

Approved by the Board and authorised for issue on 29 September 2015


S Pajwani
Director

Company Registration No. 03745474

?WHAT IF! HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2014

	£	2014 £	£	2013 £
Net cash inflow/(outflow) from operating activities		475,060		(422,476)
Returns on investments and servicing of finance				
Interest received	419		5,539	
Interest paid	(32,743)		(77,356)	
Dividends received	13,158		3,947	
Net cash outflow for returns on investments and servicing of finance.		(19,166)		(67,870)
Taxation		116,332		268,470
Capital expenditure and financial investment				
Payments to acquire tangible assets	(280,620)		(1,288,635)	
Payments to acquire investments	-		(151,100)	
Receipts from sales of tangible assets	6,740		-	
Receipts from sales of investments	228,885		-	
Net cash outflow for capital expenditure		(44,995)		(1,439,735)
Acquisitions and disposals				
Net cash inflow for acquisitions and disposals		-		-
Net cash inflow/(outflow) before management of liquid resources and financing		527,231		(1,661,611)
Financing				
Purchase of own shares	(276,588)		(196,478)	
Movement of US creditor	-		(66,730)	
Net cash outflow from financing		(276,588)		(263,208)
Increase/(decrease) in cash in the year		250,643		(1,924,819)

?WHAT IF! HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2014

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities			2014	2013
				£	£
	Operating loss			(812,104)	(1,763,474)
	Depreciation of tangible assets			669,783	774,919
	Amortisation of intangible assets			194,919	194,919
	Loss on disposal of tangible assets			9,835	13,204
	Decrease/(increase) in stocks			58,483	(240,722)
	Decrease in debtors			1,538,638	813,104
	Decrease in creditors within one year			(1,217,494)	(250,731)
	Movement in provisions and long term creditors			33,000	25,000
	Share scheme charge			-	11,305
	Net cash inflow/(outflow) from operating activities			475,060	(422,476)
2	Analysis of net (debt)/funds	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,159,992	(636,112)	39,876	1,563,755
	Bank overdrafts	(1,384,778)	886,755	-	(498,023)
		775,214	250,643	39,876	1,065,732
	Debts falling due after one year	(232,492)	(1,332,865)	-	(1,565,357)
	Net funds/(debt)	542,722	(1,082,222)	39,876	(499,625)
3	Reconciliation of net cash flow to movement in net debt			2014	2013
				£	£
	Increase/(decrease) in cash in the year			250,643	(1,924,819)
	Cash (inflow)/outflow from (increase)/decrease in debt			(1,332,865)	66,730
	Non-cash changes			39,876	-
	Movement in net (debt)/funds in the year			(1,042,346)	(1,858,089)
	Opening net funds			542,722	2,400,811
	Closing net (debt)/funds			(499,625)	542,722

?What If! Holdings Limited

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation. For associated companies and participating interests, where significant influence is exercised, the interests are accounted for using the equity method. Where significant influence is not exercised, the investments are shown at cost less any provision for impairment.

1.4 Turnover

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

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of between 8 and 20 years.

1.6 Tangible fixed assets and depreciation

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

Land and buildings Leasehold	25% straight line
Plant and machinery	25% straight line
Computer equipment	33.3% - 50% straight line
Fixtures, fittings & equipment	20% to 33.3% straight line

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Income received in respect of office space rented by the group under operating leases and sub-let to 3rd parties has been credited to the profit and loss account on a straight-line basis over the length of the sub-lease. Any premium or discount on the granting of a sub lease is spread over the life of the lease on a straight-line basis.

1.8 Investments

Unlisted fixed asset investments are stated at cost less provision for diminution in value. Listed fixed asset investments are revalued at the year end to the year end share price.

1.9 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value. It is made up of prepaid third party costs that will be billed to clients in the following year.

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

1 Accounting policies

(Continued)

1.10 Revenue recognition

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

1.11 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account. The profit and loss accounts of overseas subsidiary undertakings are translated into pounds sterling at average exchange rates and the year-end net assets of these companies are translated at year-end exchange rates. Exchange differences arising from retranslation of the opening net assets and on foreign currency borrowings (to the extent that they hedge the Group's investment in such operations) are reported in the consolidated statement of recognised gains and losses. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1.14 Employee benefit trust

In accordance with UITF 32 - Employee Benefit Trusts and Other Intermediate Payment Arrangements, the company includes the assets and liabilities of that trust within its balance sheet. In the event of the winding up of the company, neither the shareholders nor the creditors of the company would be entitled to the assets of the employee benefit trust.

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover, loss before taxation and net assets is set out as below:

Turnover	Sales by origin	Sales by origin
	2014 £	2013 £
Geographical segment		
United Kingdom	13,668,594	14,774,118
North America	14,227,033	15,841,581
South America	-	178,043
Asia	3,645,102	3,041,996
	<u>31,540,729</u>	<u>33,835,738</u>
Loss before taxation		
	2014 £	2013 £
Geographical segment		
United Kingdom	(153,854)	(311,890)
North America	(662,027)	(564,927)
South America	(91,839)	(228,652)
Asia	261,700	(775,512)
	<u>(646,020)</u>	<u>(1,880,981)</u>
Net assets		
	2014 £	2013 £
Geographical segment		
United Kingdom	3,728,148	3,658,721
North America	315,425	2,962,442
South America	(307,691)	(188,860)
Asia	501,863	486,888
	<u>4,237,745</u>	<u>6,919,191</u>

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

3	Operating loss	2014	2013
		£	£
	Operating loss is stated after charging:		
	Amortisation of intangible assets	193,531	194,919
	Depreciation of tangible assets	693,109	774,919
	Loss on disposal of tangible assets	36,703	69,230
	Loss on foreign exchange transactions	8,565	99,837
	Operating lease rentals	1,409,538	1,336,120
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £6,000; 2013: £6,000)	47,800	51,000
	Fees payable to the group's auditor for preparation of consolidated accounts	2,800	5,000
	and after crediting:		
	Profit on disposal of tangible assets	(46,538)	-
	Profit on foreign exchange transactions	(51,956)	-
		<u></u>	<u></u>
4	Investment income	2014	2013
		£	£
	Income from shares in group undertakings	-	3,947
	Income from other fixed asset investments	13,158	-
		<u>13,158</u>	<u>3,947</u>
5	Amounts written off investments	2014	2013
		£	£
	Amounts written off fixed asset investments:		
	- temporary diminution in value	18,634	49,637
		<u>18,634</u>	<u>49,637</u>
6	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	32,543	77,356
	Other interest	200	-
		<u>32,743</u>	<u>77,356</u>

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

7 Taxation	2014 £	2013 £
Foreign corporation tax		
Foreign corporation tax	88,968	(239,855)
Adjustment for prior years	(106,821)	-
	(17,853)	(239,855)
Total current tax	(17,853)	(239,855)
Deferred tax		
Deferred tax charge credit current year	(22,629)	53,853
	(22,629)	53,853
	(40,482)	(186,002)
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(646,020)	(1,880,981)
<i>Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2013 - 20%)</i>	(129,204)	(376,196)
Effects of:		
Non deductible expenses	4,161	7,175
Capital allowances in excess of depreciation	(5)	(16,815)
Losses utilised	-	(94,620)
Foreign tax adjustments	80,581	116,841
Adjustments to previous periods	-	(42,880)
Chargeable disposals	71,942	-
Dividends and distributions received	(2,632)	-
Other tax adjustments	(42,696)	166,640
	111,351	136,341
Current tax charge for the year	(17,853)	(239,855)

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

8 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2014 £	2013 £
Holding company's loss for the financial year	(1,006,704)	(152,727)

9 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 January 2014 & at 31 December 2014	3,157,089
Amortisation	
At 1 January 2014	2,145,373
Charge for the year	194,919
At 31 December 2014	2,340,292
Net book value	
At 31 December 2014	816,797
At 31 December 2013	1,011,716

Intangible fixed assets (continued) Company

	Goodwill £
Cost	
At 1 January 2014 & at 31 December 2014	550,846
Amortisation	
At 1 January 2014	298,625
Charge for the year	63,055
At 31 December 2014	361,680
Net book value	
At 31 December 2014	189,166
At 31 December 2013	252,221

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

10 Tangible fixed assets

Group

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2014	2,317,704	1,739,302	173,021	4,230,027
Exchange differences	99,025	51,216	-	150,241
Additions	67,932	196,196	16,498	280,626
Disposals	(27,053)	(522,380)	-	(549,433)
At 31 December 2014	2,457,608	1,464,334	189,519	4,111,461
Depreciation				
At 1 January 2014	1,106,129	904,329	66,305	2,076,763
Exchange differences	49,895	22,739	-	72,634
On disposals	(24,873)	(485,788)	-	(510,661)
Charge for the year	253,967	366,225	49,591	669,783
At 31 December 2014	1,385,118	807,505	115,896	2,308,519
Net book value				
At 31 December 2014	1,072,490	656,829	73,623	1,802,942
At 31 December 2013	1,211,575	834,973	106,716	2,153,264

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

11 Fixed asset investments Group

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£	£	£	£
Cost				
At 1 January 2014	150,999	25,598	121,374	297,971
Disposals	-	(25,000)	-	(25,000)
At 31 December 2014	150,999	598	121,374	272,971
Provisions for diminution in value				
At 1 January 2014	49,637	348	-	49,985
Charge for the year	18,634	-	-	18,634
At 31 December 2014	68,271	348	-	68,619
Net book value				
At 31 December 2014	82,728	250	121,374	204,352
At 31 December 2013	101,462	146,524	-	247,986

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Company

	Listed investments	Shares in group undertakings	Total
	£	£	£
Cost			
At 1 January 2014	150,999	3,004,188	3,155,187
Disposals	-	(12,000)	(12,000)
At 31 December 2014	150,999	2,992,188	3,143,187
Provisions for diminution in value			
At 1 January 2014	49,637	-	49,637
Charge for the year	18,634	-	18,634
At 31 December 2014	68,271	-	68,271
Net book value			
At 31 December 2014	82,728	2,992,188	3,074,916
At 31 December 2013	101,362	3,004,188	3,105,550

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

11 Fixed asset investments

(Continued)

In the opinion of the the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet as at 31 December 2014.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
?What If! Limited	England & Wales	Ordinary	100.00
?What If! Training Limited*	England & Wales	Ordinary	100.00
?What If! Inventors Limited*	England & Wales	Ordinary	100.00
?What If! USA Inc.	USA	Ordinary	100.00
?What If! Ventures Limited	England & Wales	Ordinary	100.00
?What If! Joint Ventures Limited	England & Wales	Ordinary	100.00
?What If! China Holdings Limited	England & Wales	Ordinary	100.00
?What If! (Shanghai) Co Ltd+	China	Ordinary	100.00
Nobby Styles Limited	England & Wales	Ordinary	100.00
Dr Greenfingers (Holdings) Ltd	England & Wales	Ordinary	100.00
?What If! (Hong Kong) Co. Limited+	Hong Kong	Ordinary	100.00
?What If! Singapore x	Singapore	Ordinary	100.00
?What If! Brazil	Brazil	Ordinary	100.00
Other significant interests			
Byotrol Plc	England & Wales	Ordinary	1.00
Irrigo Limited	England & Wales	Ordinary B	1.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
?What If! Limited	Innovation
?What If! Training Limited*	Dormant
?What If! Inventors Limited*	Dormant
?What If! USA Inc.	Innovation
?What If! Ventures Limited	Dormant
?What If! Joint Ventures Limited	Innovation
?What If! China Holdings Limited	Holding company
?What If! (Shanghai) Co Ltd+	Innovation
Nobby Styles Limited	Dormant
Dr Greenfingers (Holdings) Ltd	Dormant
?What If! (Hong Kong) Co. Limited+	Innovation
?What If! Singapore x	Innovation
?What If! Brazil	Innovation

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

11 Fixed asset investments

(Continued)

* owned via ?What If! Limited.

+ owned via ?What If! Singapore.

x owned via ?What If! China Holdings.

All of the above subsidiaries are included in the consolidated accounts because ?What If! Holdings Limited owns 100% of the share capital and controls 100% of the voting rights.

12 Work in progress

	Group 2014 £	2013 £	Company 2014 £	2013 £
Work in progress	313,477	357,558	-	-

13 Debtors

	Group 2014 £	2013 £	Company 2014 £	2013 £
Trade debtors	5,422,634	6,419,442	-	-
Amounts owed by group undertakings	-	-	111,520	296,552
Corporation tax	304,182	122,842	-	-
Other debtors	867,811	744,583	1,645	5,688
Prepayments and accrued income	908,321	1,293,542	-	279,981
Deferred tax asset (see note 16)	271,938	512,094	-	-
	7,774,886	9,092,503	113,165	582,221

Amounts falling due after more than one year and included in the debtors above are:

	2014 £	2013 £	2014 £	2013 £
Other debtors	200,000	200,000	-	-

Included in other debtors is a rent deposit of £475,444 in respect of a property in the United States. The initial lease term has expired and the on-going notice period is now less than one year, and as a result the rent deposit is included in other debtors.

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

14 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	498,023	1,384,778	-	-
Trade creditors	1,274,933	1,433,845	5,975	28,328
Amounts owed to group undertakings	-	-	3,477,146	2,834,349
Corporation tax	72,309	55,275	-	-
Other taxes and social security costs	742,684	671,575	-	-
Other creditors	961,213	672,178	40,045	260,601
Accruals and deferred income	2,909,945	3,472,685	21,747	25,782
	<u>6,459,107</u>	<u>7,690,336</u>	<u>3,544,913</u>	<u>3,149,060</u>

15 Creditors : amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other loans	<u>1,565,357</u>	<u>232,492</u>	<u>-</u>	<u>-</u>
In more than one year but not more than two years	61,000	61,000	-	-
In more than two years but not more than five years	1,504,357	171,492	-	-
Amounts due represent an interest free loan from one of the group's landlords. The balance is being repaid at a rate of \$100,000 USD per annum.				

16 Provisions for liabilities

Group	Other £
Balance at 1 January 2014	181,000
Profit and loss account	33,000
Balance at 31 December 2014	<u>214,000</u>

£106,000 of the provision relates to amounts payable to suppliers, with part being dependent upon the performance of the group. There are no indications that the amounts will not be payable in full and accordingly the full amount has been provided for. The remaining £108,000 relates to a provision for dilapidations on the lease on the office building. This is being recognised on a straight line basis over the remaining life of the lease.

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

16 Provisions for liabilities

(Continued)

The deferred tax asset (included in debtors, note 13) is made up as follows:

	Group 2014 £		Company 2014 £	
Balance at 1 January 2014& at 31 December 2014	(249,309)		-	
Profit and loss account	(22,629)		-	
	<u>(271,938)</u>		<u>-</u>	
Balance at 31 December 2014	<u>(271,938)</u>		<u>-</u>	
	Group 2014 £	2013 £	Company 2014 £	2013 £
Decelerated capital allowances	(63,279)	(328,307)	-	-
Tax losses available	(208,659)	(183,787)	-	-
	<u>(271,938)</u>	<u>(512,094)</u>	<u>-</u>	<u>-</u>

17 Pension and other post-retirement benefit commitments

Defined contribution

	2014 £	2013 £
Contributions payable by the group for the year	<u>494,425</u>	<u>519,578</u>

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

18 Share capital	2014 £	2013 £
Allotted, called up and fully paid		
2,390,763 Ordinary shares (2013: 2,390,763) of 0.001p each	2,390	2,390

During the year 20 common stock in ?What If! USA Limited of \$1 each were repurchased by the company from an individual for a total compensation of £2,212,701. Consideration for this repurchase is payable in eight six monthly installments commencing on 31 December 2014.

Share options

Certain employees from the subsidiary undertakings and the Company hold options to subscribe for shares in the Company at prices ranging from £1.20 to £5.00. The number of shares subject to options and the periods in which they were granted are given below. These all have exercise periods of 5 years.

Date of grant	Number of shares		Lapsed in the year	31-Dec-14	Exerciseable at year end	Exercise price (p)
	1-Jan-13	Exercised in the year				
04/01/2006	8,000	-	-	8,000	8,000	120
24/04/2006	7,000	-	-	7,000	7,000	334
01/10/2007	24,000	-	5,000	19,000	19,000	469
10/03/2009	24,000	-	12,000	12,000	12,000	120
10/03/2009	7,000	-	-	7,000	7,000	469
19/01/2010	16,000	-	-	16,000	16,000	121
19/01/2010	80,000	-	-	80,000	80,000	162
19/01/2010	20,000	-	20,000	-	-	469
19/01/2010	8,000	-	-	8,000	8,000	500
10/03/2010	70,000	-	70,000	-	-	121
	264,000	-	107,000	157,000	157,000	

The charge to the profit and loss account in 2014 was £nil (2013: £11,305). The fair value has been calculated using the Black Scholes option pricing model. There were no options granted in 2014 or 2013.

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

19 Statement of movements on reserves

Group

	Other Profit and loss reserves (see below) £	account £
Balance at 1 January 2014	243,295	6,673,506
Loss for the year	-	(605,538)
Purchase of own shares	-	(2,212,701)
Foreign currency translation differences	136,793	-
Balance at 31 December 2014	380,088	3,855,267
Other reserves		
Capital redemption reserve		
	896	
Capital redemption reserve increase	64	
Balance at 31 December 2014	960	
Reserves for own shares		
	(430,464)	
Share option reserve		
	529,109	
Share scheme charge	(64)	
Balance at 31 December 2014	529,045	
Foreign exchange reserve		
Balance at 1 January 2014	143,754	
Currency translation reserve decrease	136,793	
Balance at 31 December 2014	280,547	

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued) For the year ended 31 December 2014

19 Statement of movements on reserves

(Continued)

Company

	Other Profit and loss reserves (see below) £	account £
Balance at 1 January 2014	(401,568)	1,252,744
Loss for the year	-	(1,006,704)
Balance at 31 December 2014	(401,568)	246,040
Other reservers		
Capital redemption reserve	896	
Reserves for own shares	(430,464)	
Share option reserve		
Balance at 1 January 2014	28,000	

20 Reconciliation of movements in shareholders' funds

Group	2014 £	2013 £
Loss for the financial year	(605,538)	(1,694,979)
Other recognised gains and losses	136,793	(17,138)
Purchase of own shares	(2,212,701)	(185,173)
Net depletion in shareholders' funds	(2,681,446)	(1,897,290)
Opening shareholders' funds	6,919,191	8,816,481
Closing shareholders' funds	4,237,745	6,919,191

Company	2014 £	2013 £
Loss for the financial year	(1,006,704)	(152,727)
Purchase of own shares	-	(196,478)
Opening shareholders' funds	853,566	1,202,771
Closing shareholders' funds	(153,138)	853,566

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

21 Contingent liabilities

Group

The group has given a cross guarantee to HSBC Plc on facilities provided to three companies within the group. The group's indebtedness to its bankers under this arrangement as at 31 December 2014 amounted to £328,609 (2013: £nil).

The company has a debenture in respect of HSBC Plc, which is secured by a fixed and floating charge over the assets of the company.

22 Financial commitments

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	18,977	74,508	6,552	-
Between two and five years	461,000	530,108	44,033	-
In over five years	-	611,643	-	-
	<u>479,977</u>	<u>1,216,259</u>	<u>50,585</u>	<u>-</u>

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

23 Directors' remuneration	2014	2013
	£	£
Remuneration	1,129,073	1,107,628
Pension costs	2,826	57,714
	<u>1,131,899</u>	<u>1,165,342</u>

Remuneration disclosed above (excluding pension contributions) include amounts paid to:

The highest paid director	<u>314,477</u>	<u>309,917</u>
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Pension costs disclosed above include amounts relating to:

The highest paid director	<u>2,338</u>	<u>17,639</u>
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The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2013: 2).

24 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014	2013
	Number	Number
Administration	69	79
Sales	216	165
	<u>285</u>	<u>244</u>

Employment costs

	2014	2013
	£	£
Wages and salaries	15,463,746	17,145,743
Social security costs	1,353,214	1,644,858
Other pension costs	494,425	519,578
Costs of share option scheme	-	11,305
	<u>17,311,385</u>	<u>19,321,484</u>

?What If! Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2014

25 Control

The company was not controlled by one single party throughout the year.

26 Related party transactions

Group

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.

During 2014 sales totalling £27,902 (2013: £15,677) were made to Irrigo Limited with a debtor outstanding at 31 December 2014 of £107 (2013: £5,508). Irrigo Limited is related to the company because D Allan (shareholder and director of ?What If! Holdings Limited) has significant influence over the company through a shareholding and directorship in Irrigo Limited.

During the year the company gifted £180,000 (2013: £100,000) to the Employee Benefit Trust.

No amounts were written off or provided for during the year in respect of any of the amounts above.

During the year the company agreed to repurchase ordinary stock in ?What If! USA Inc from a director for total consideration of £2,212,701. At the balance sheet date an amount of £1,936,113 was outstanding in respect of this amount. Of the balance outstanding £1,382,938 is due in more than one year.