

**Alphanumeric Limited**  
Financial statements  
For the year ended 31 March 2015

**COMPANIES HOUSE**



**Company no 03749871**

## Company information

<b>Company registration number:</b>	03749871
<b>Registered office:</b>	Players House 300 Attercliffe Common SHEFFIELD S9 2AG
<b>Directors:</b>	M Boddy A R Gardner A Lingard M Sprot B O'Brien
<b>Secretary:</b>	M Sprot
<b>Bankers:</b>	Barclays Bank plc 1 Princes Street IPSWICH IP1 1PB
<b>Auditor:</b>	Grant Thornton UK LLP Statutory Auditor Chartered Accountants 2 Broadfield Court SHEFFIELD S8 0XF

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## Report of the directors

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

### Principal activity

The company is principally engaged in information strategy.

### Results and dividends

There was a profit for the year after taxation amounting to £2,025,000 (2014: £1,766,000).

The company has paid the following dividends during the year:

	2015 £'000	2014 £'000
Dividends paid	1,250	2,000

### Directors

The directors who served the company during the year are as follows:

M Boddy  
A R Gardner  
A Lingard  
M Sprot  
B O'Brien (appointed 15 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless 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;
- 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 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.

## Report of the directors

### **Statement of directors' responsibilities (continued)**

The directors confirm that:

- in so far as the directors are aware there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Auditor**

The company's articles require annual reappointment of the auditors. Grant Thornton UK LLP have expressed willingness to continue in office. In accordance with s485(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD



M Sprot  
Director  
6 July 2015

## Strategic report

### Key performance indicators

Key performance indicators of the company include gross profit margin (2015: 33%, 2014: 29%), contribution margin (2015: 80%, 2014: 71%) which is defined as gross margin less direct labour costs, and net operating margin before share based payment charges (2015: 25%, 2014: 19%). These are monitored and reviewed on a regular basis by the directors, and the company has performed to expected levels during the year.

### Business review

During the year under review, Alphanumeric Limited continued to trade in difficult economic times and placed emphasis on diversification and expansion of the client base in order to create a stable foundation for the future business. Considerable investment has been made both in this financial year and the previous one to establish a wider pipeline which has resulted in generating a substantial number of new clients and projects during the period.

### Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business. The directors are of the opinion that a risk management process is adopted which includes the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

### Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are liquidity risk and currency risk. The directors review and agree policies for managing these risks and they are summarised below. The policies have remained unchanged from previous periods.

#### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through maintaining control over debtors and creditors. Short term flexibility is achieved by overdraft facilities.

#### Currency risk

The company is exposed to transaction and translation foreign exchange risk. This is not significant and not considered a major risk. Exchange rate movements are monitored on a regular basis and pricing contracts take into account potential fluctuations.

ON BEHALF OF THE BOARD



M Sprot  
Director  
6 July 2015



# Independent auditor's report to the members of Alphanumeric Limited

We have audited the financial statements of Alphanumeric Limited for the year ended 31 March 2015 which comprise the principal accounting policies, the profit and loss account, the balance sheet 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 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 Statement of directors' responsibilities, 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeprivate](http://www.frc.org.uk/auditscopeprivate).

## 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 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 Strategic report and 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.

*Grant Thornton UK LLP*

Paul Houghton  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
SHEFFIELD  
6 July 2015

## Principal accounting policies

### **Basis of accounting**

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

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

### **Going concern**

The financial statements have been prepared on the going concern basis. The directors have assessed the going concern position of the company and have no reason to believe that there is a material uncertainty that would affect the ability of the company to continue as a going concern for the foreseeable future. The directors consider the foreseeable future to be 12 months from the date the financial statements are signed.

### **Cash flow statement**

The company is a wholly owned subsidiary and the cash flows of the company are included in the consolidated cash flow statement. Consequently, the company is exempt under the terms of FRS 1 "Cash Flow Statements" from publishing a cash flow statement.

### **Turnover**

The turnover shown in the profit and loss account represents amounts in relation to work undertaken during the year.

Turnover is the revenue arising from the sale of services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue is recognised in accordance with the stage of completion of contractual obligations to the customer. The stage of completion is ascertained by assessing the fair value of the services provided to the balance sheet date as a proportion of the total fair value of the contract. Losses on contracts are recognised in the period in which the loss first becomes foreseeable.

### **Fixed assets**

All fixed assets are stated at cost, net of depreciation and any provision for impairment.

### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight line basis, over the useful economic life of that asset as follows:

Fixtures and Fittings	- 20 - 33%
Equipment	- 33%

### **Pension costs**

#### **Defined Contribution Pension Scheme**

The pensions costs charged against operating profits represent the amount of the contributions payable to the scheme in respect of the accounting period.



## Principal accounting policies

### **Deferred taxation**

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

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

### **Financial instruments**

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

## Profit and loss account

	Note	2015 £'000	2014 £'000
Turnover	1	8,376	9,398
Cost of sales		(5,638)	(6,698)
Gross profit		<u>2,738</u>	<u>2,700</u>
Administrative expenses		(660)	(944)
<b>Operating profit</b>	2	<u>2,078</u>	<u>1,756</u>
Other income		5	30
<b>Profit on ordinary activities before taxation</b>		<u>2,083</u>	<u>1,786</u>
Tax on profit on ordinary activities	5	<u>(58)</u>	<u>(20)</u>
<b>Profit for the financial year after taxation</b>	14	<u><u>2,025</u></u>	<u><u>1,766</u></u>

All of the activities of the company are classed as continuing.

There are no recognised gains or losses other than the result for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

## Balance sheet

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Tangible assets	7	<u>41</u>	<u>26</u>
<b>Current assets</b>			
Debtors	8	5,811	5,862
Cash at bank and in hand		<u>1,132</u>	<u>1,336</u>
		6,943	7,198
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,449)</u>	<u>(2,464)</u>
<b>Net current assets</b>		<u>5,494</u>	<u>4,734</u>
<b>Total assets less current liabilities</b>		<u>5,535</u>	<u>4,760</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	<u>5,535</u>	<u>4,760</u>
<b>Shareholders' funds</b>	15	<u>5,535</u>	<u>4,760</u>

The financial statements were approved and authorised by the directors on 6 July 2015.

*M Sprout*

M Sprout  
Director

Company number: 03749871

The accompanying accounting policies and notes form an integral part of these financial statements.

## Notes to the financial statements

### **1 Turnover**

The turnover and profit before tax are attributable to the one principal activity of the company and originate in the United Kingdom.

### **2 Operating profit**

Operating profit is stated after charging:

	2015 £'000	2014 £'000
Depreciation of owned fixed assets	22	36
Operating lease costs: Land and buildings	16	30

The audit fee for the company is being met by Jaywing plc.

### **3 Directors and employees**

The average number of staff employed by the company during the financial year amounted to:

	2015 Number	2014 Number
Information strategists	47	39
Management and administration staff	7	7
	54	46

The aggregate payroll costs of the above were:

	2015 £'000	2014 £'000
Wages and salaries	3,777	3,768
Social security costs	418	449
Pension costs	108	78
	4,303	4,295

## Notes to the financial statements

### 4 Directors

Remuneration in respect of directors was as follows:

	2015 £'000	2014 £'000
Emoluments receivable	208	192
Company pension contributions to money purchase pension schemes	7	5
	<u>215</u>	<u>197</u>

#### Directors' remuneration

Emoluments of highest paid director:

	2015 £'000	2014 £'000
Emoluments receivable	180	192
Company pension contributions to money purchase pension schemes	6	5
	<u>186</u>	<u>197</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2015 Number	2014 Number
Money purchase schemes	<u>2</u>	<u>1</u>

### 5 Tax on ordinary activities

(a) Analysis of charge in the year

Current tax:	2015 £'000	2014 £'000
In respect of the year:		
UK corporation tax based on the results for the year at 21% (2014: 23%)	433	413
Adjustment in respect of the prior year	(382)	(382)
Total current tax	<u>51</u>	<u>31</u>
Deferred tax:		
Origination and reversal of timing differences	4	-
Adjustments in respect of rate differences	3	-
Prior year adjustment	-	(11)
Tax on profit on ordinary activities	<u>58</u>	<u>20</u>

## Notes to the financial statements

### 6 Tax on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2014: 23%).

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	2,083	1,786
Profit on ordinary activities by rate of tax	437	411
Expenses not deductible for tax purposes	3	3
Depreciation for period in excess of capital allowances	(4)	(1)
Net effect of share options scheme	-	-
Other timing differences	(3)	-
Adjustment in respect of the prior year	(382)	(382)
Total current tax (note 6 (a))	51	31

### 7 Tangible fixed assets

	Fixtures & fittings £'000	Equipment £'000	Total £'000
Cost			
At 1 April 2014	10	538	548
Additions	-	37	37
Disposals	(9)	(42)	(51)
At 31 March 2015	1	533	534
Depreciation			
At 1 April 2014	10	512	522
Charge for the year	-	22	22
Disposals	(9)	(42)	(51)
At 31 March 2015	1	492	493
Net book amount			
At 31 March 2015	-	41	41
At 31 March 2014	-	26	26

### 8 Debtors

	2015 £'000	2014 £'000
Trade debtors	986	1,034
Amounts owed by group undertakings	4,662	4,377
Prepayments and accrued income	131	412
Deferred tax asset (see note 10)	32	39
	5,811	5,862

## Notes to the financial statements

### 9 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	116	346
Amounts owed to group undertakings	16	12
Corporation tax	161	413
Other taxation and social security	405	598
Other creditors	19	13
Accruals and deferred income	732	1,082
	<u>1,449</u>	<u>2,464</u>

### 10 Deferred taxation

The movement in the deferred taxation provision during the year was:

	2015 £'000	2014 £'000
Asset brought forward	39	28
Profit and loss account movement arising during the year	(7)	11
Asset carried forward (note 8)	<u>32</u>	<u>39</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015 £'000	2014 £'000
Excess of depreciation over taxation allowances on fixed assets	23	27
Other timing differences	9	12
	<u>32</u>	<u>39</u>

### 11 Leasing commitments

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land and buildings</b>	
	2015 £'000	2014 £'000
Operating leases which expire:		
Less than 1 year	<u>-</u>	<u>2</u>

### 12 Dividends

Dividends paid during the year comprised:

	2015 £'000	2014 £'000
Dividends on ordinary shares	<u>1,250</u>	<u>2,000</u>

## Notes to the financial statements

### 13 Share capital

Authorised share capital:

	2015 £'000	2014 £'000
1,196,934 Ordinary shares of £1 each	<u>1,197</u>	<u>1,197</u>

Allotted, called up and fully paid:

	No	2015 £'000	No	2014 £'000
Ordinary shares of £1 each	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>

### 14 Profit and loss account

	Profit and loss account £'000
At 1 April 2014	4,760
Profit for the year	2,025
Dividends paid	<u>(1,250)</u>
At 31 March 2015	<u>5,535</u>

### 15 Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Profit for the financial year	2,025	1,766
Dividends paid (note 12)	<u>(1,250)</u>	<u>(2,000)</u>
Net addition/(decrease) to shareholders' funds	775	(234)
Opening shareholders' funds	<u>4,760</u>	<u>4,994</u>
Closing shareholders' funds	<u>5,535</u>	<u>4,760</u>



## Notes to the financial statements

### **16 Performance share plan**

The parent company, Jaywing plc, grants share options under the Jaywing plc Performance Share Plan and has granted share options to employees of the Company.

Details of the share options granted during and outstanding at the end of the year are as follows:

	Number of share options	2015 Weighted average exercise price (pence)	Number of share options	2014 Weighted average exercise price (pence)
At start of the year	-		107,200	37.0
Granted during year	807,000		-	
Lapsed during the year	-		(107,200)	
Exercised during year	-		-	
At end of the year	<u>807,000</u>		<u>-</u>	
Exercisable at 31 March 2015	<u>-</u>		<u>-</u>	

There are no share options outstanding at 31 March 2015.

#### **Charge to profit and loss account**

Under FRS 20 the company is required to recognise as an expense in their financial statements apportioned over the vesting period based upon the number of options which are expected to vest and the fair value of those options at the date of grant.

On 4 March 2015, key employees of the Company were granted share options under the Jaywing plc Performance Share Plan.

Awards of share options have been made on an individual basis with particular performance criteria relevant to the participant. Options are usually granted for a maximum of five years. Share options outstanding at the end of the year have an exercise price of 5 pence.

Management have assessed the charge arising during the period and, due to the date of grant being less than one month from the year end, do not believe this to be material to the financial statements.

### **17 Transactions with related parties**

As a wholly owned subsidiary of Jaywing plc, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by that company.

### **18 Capital commitments**

There were no capital commitments at 31 March 2015 or 31 March 2014.

## Notes to the financial statements

### **19      Contingent liabilities**

There is a cross guarantee between members of the Jaywing plc group of companies on all bank overdrafts and borrowings with Barclays Bank plc. At 31 March 2015 the amount thus guaranteed by the company was £9,788,000 (2014: £10,273,000).

### **20      Ultimate parent undertaking**

The ultimate parent undertaking and controlling related party of this company is its parent company, Jaywing plc, by virtue of its 100% shareholding in the company.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Jaywing plc. Copies of the group accounts can be obtained at Players House, 300 Attercliffe Common, Sheffield, South Yorkshire, S9 2AG.