

**Eagle Eye Solutions (North)  
Limited**

**Directors' report and financial  
statements**

**Registered number 3816463**

**Year ended 30 June 2015**

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## **Company information**

Directors	Phill Blundell Steve Rothwell Lucy Sharman-Munday
Secretary	Lucy Sharman-Munday
Company number	3816463
Registered office	5 New Street Square London EC4A 3TW
Bankers	HSBC plc 87 George Street Richmond Surrey TW9 1HG
Auditor	Baker Tilly UK Audit LLP Chartered Accountants Ninth Floor 3 Hardman Street Manchester M3 3HF

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## **Directors' report**

The directors present the directors' report and the audited financial statements of the Company for the Year ended 30 June 2015.

### **Principal activities**

On 1 July 2014, the entire trade and assets of the Company were transferred to another Group undertaking, Eagle Eye Solutions Limited. The Company has not traded in the period.

### **Business review**

The Company was acquired by Eagle Eye Solutions Group plc on 16 April 2014. Subsequent to this, on 1 July 2014, the entire trade, assets (except cash) and liabilities (except amounts owed to group undertakings) of the Company were transferred at their net book value to its related party, Eagle Eye Solutions Limited. The resultant loan arising to Eagle Eye Solutions Limited was subsequently waived.

The loss before tax was £1.4 million (10 months to 30 June 2014: profit of £8.0 million) due to the non-taxable and non-cash waiver of an amount due from a related undertaking of £1.4 million. The directors do not recommend payment of a dividend (2014: £nil).

### **Business outlook**

The Company is not expected to trade in the coming period.

### **Directors**

The directors who served during the period are listed below. All directors served throughout the period unless otherwise indicated.

Phill Blundell	
Steve Rothwell	
Lucy Sharman-Munday	(appointed 20 October 2014)
David Traynor	(resigned 20 October 2014)
Andrew Fickling	(resigned 20 October 2014)
Michael Dougherty	(resigned 20 October 2014)

### **Statement as to disclosure of information to the auditor**

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### **Auditor**

Baker Tilly UK Audit LLP were appointed for the period ended 30 June 2015 and have indicated their willingness to continue in office.

### **Small company provisions**

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

By order of the board



**Lucy Sharman-Munday**  
*Director*

5 New Street Square  
London  
EC4A 3TW

15 September 2015

## **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 period. 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 are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing those 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.

## **Independent auditor's report to the members of Eagle Eye Solutions (North) Limited**

We have audited the financial statements on pages 8 to 17. 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 auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 5, 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 <http://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 30 June 2015 and of its 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.

**Eagle Eye Solutions (North) Limited**  
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**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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Graham Bond FCA (Senior Statutory Auditor)  
For and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Ninth Floor  
3 Hardman Street  
Manchester  
M3 3HF  
15 September 2015

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**Profit and loss account**  
**for the Year ended 30 June 2015**

	Note	Year ended 30 June 2015 £000	10 month period ended 30 June 2014 £000
Turnover – discontinued operations	2	-	1,813
Cost of sales		-	(935)
<b>Gross profit</b>		-	878
Administrative expenses, excluding waivers of intercompany loans		-	(3,013)
Waiver of intercompany loan		-	10,156
Waiver of intercompany loan		(1,444)	-
<b>Administrative expenses</b>		(1,444)	7,143
<b>Operating (loss)/profit</b>	3	(1,444)	8,021
Interest receivable	4	-	1
Interest payable	4	-	(2)
<b>(Loss)/profit on ordinary activities before taxation</b>		(1,444)	8,020
Tax on (loss)/profit on ordinary activities	6	-	150
<b>(Loss)/profit on ordinary activities after taxation for the financial period</b>	13	(1,444)	8,170

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

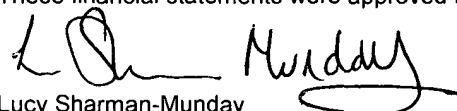


**Eagle Eye Solutions (North) Limited**  
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**Balance sheet**  
**as at 30 June 2015**

	Note	2015 £000	2014 £000
<b>Fixed assets</b>			
Intangible assets	7	-	2,140
Tangible assets	8	-	43
		-	2,183
<b>Current assets</b>			
Debtors	9	-	611
Cash at bank and in hand		-	82
		-	693
<b>Creditors: Amounts falling due within one year</b>			
Trade and other creditors	10	-	(1,248)
<b>Net current liabilities</b>		-	(555)
<b>Total assets less current liabilities</b>		-	1,628
<b>Provisions</b>	11	-	(184)
<b>Net assets</b>		-	1,444
<b>Capital and reserves</b>			
Called up share capital	12	11	11
Share premium account	13	1,765	1,765
Capital redemption reserve	13	1	1
Profit and loss account	13	(1,777)	(333)
<b>Shareholders' funds</b>	14	-	1,444

These financial statements were approved by the Board on 15 September 2015 and signed on its behalf by

  
 Lucy Sharman-Munday  
 Director

## **Notes to the financial statements**

### **1 Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

#### **Going concern**

These financial statements have been prepared on a going concern basis. On 1 July 2014 the trade, assets (except cash) and liabilities (except amounts owed to group undertakings) of the Company were transferred to Eagle Eye Solutions Limited at their net book value. The Company's ultimate parent undertaking, Eagle Eye Solutions Group plc, has indicated that it will continue to provide further financial support as necessary for at least 12 months from the date of approval of these financial statements. On this basis, the directors feel it is appropriate to continue to prepare the financial statements on a going concern basis.

#### **Turnover**

Turnover represents the fair value of consideration receivable by the Company for services provided, net of value added tax. The Company's revenue streams include monthly service fees, set up and activation fees, licence fees and transaction fees depending on the type and delivery of service.

Turnover for transaction fees is recognised at the point of service delivery and when collection of the resulting receivable is reasonably assured. Monthly service and licence fees are recognised over the period of the agreement. Set up and activation fees are generally recognised when the relevant service is available to the customer. Where components of a single invoice are separately identifiable, such as set up and monthly service fees, turnover is measured separately for each component in accordance with the recognition policies above.

#### **Intangible fixed assets**

Intangible fixed assets comprise development costs and intellectual property. They are capitalised at cost and amortised on a straight line basis over a three year period, based upon the directors' estimate of their useful economic lives. Provision is made for any impairment.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided to write down the cost to the residual value over the assets' estimated useful economic lives on a straight line basis with the following lives:

Computer equipment	3 years
Office furniture and fittings	3 to 5 years

#### **Impairment testing**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is recognised for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell, and value in use based on an internal discounted cash flow valuation. Any impairment loss is charged pro rata to the assets in the cash-generating unit.

#### **Leasing**

Leases are classified according to the substance of the transaction. A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases. Rentals paid under operating leases are charged to the profit and loss account over the period of the lease.

#### **Taxation**

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made in full, without discounting, for deferred tax in accordance with FRS 19. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

#### **Pensions**

The Company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

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**Research and development**

Expenditure on research is written off in the period in which it is incurred, except where such expenditure is recoverable from third parties. Development costs incurred are capitalised when all the following conditions are satisfied:

- completion of the product is technically feasible so that it will be available for use or sale;
- the Company intends to complete the product and use or sell it;
- the Company has the ability to use or sell the product;
- the product is commercially viable and will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete development of the product; and
- the expenditure attributable to the product during its development can be measured reliably.

Development costs comprise all directly attributable costs, including employee costs incurred on software development along with an appropriate portion of relevant overheads. Development costs not meeting the criteria for capitalisation are written off as incurred. Development costs are capitalised at cost and amortised on a straight line basis based upon the directors' estimate of their useful economic lives (3 years).

**Financial liabilities and equity**

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 Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**Cash flow statement**

The Company has taken advantage of the exemption from preparing a cash flow statement in accordance with FRS 1 (Revised) on the basis that the ultimate parent undertaking has prepared a consolidated cash flow statement.

**2 Turnover**

In the directors' opinion, all turnover was derived from the Company's principal activity which related to the provision of services. The Company's turnover was generated mainly in the UK. Greater than 90% of the Company's turnover was derived from customers located in the UK in the 10 month period ended 30 June 2014 and hence no geographical analysis is presented.

### 3 Operating (loss)/profit

	Year ended 30 June 2015	10 month period ended 30 June 2014
	£000	£000
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	-	202
Amortisation of intangible assets	-	860
Impairment of intangible assets	-	279
Impairment of tangible assets	-	42
Operating lease rentals- land and buildings	-	126
Auditor's remuneration-audit services <sup>(1)</sup>	-	-
Directors' emoluments	-	369
Research and development	-	235

<sup>(1)</sup> Auditor's remuneration for audit and non-audit services has been borne by the parent company.

### 4 Interest receivable and payable

	Year ended 30 June 2015	10 month period ended 30 June 2014
	£000	£000
Interest receivable on short term bank deposits	-	1
Interest payable	-	(2)

### 5 Particulars of staff

The average number of persons employed, including directors, during the period was:

	Year ended 30 June 2015	10 month period ended 30 June 2014
	No	No
Technical	-	9
Sales and administration	-	19
	-	28

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**Particulars of staff (continued)**

The aggregate payroll costs of these persons was:

	Year ended 30 June 2015	10 month period ended 30 June 2014
	£000	£000
Wages and salaries	-	1,026
Social security costs	-	124
Pension costs- defined contribution plan	-	27
Less: amounts capitalised	-	(243)
	-	934

**Directors' remuneration**

Remuneration of directors during the period was as follows:

	Year ended 30 June 2015	10 month period ended 30 June 2014
	£000	£000
Salary	-	347
Pension costs- defined contribution plan	-	22
	-	369

Directors are remunerated for their services to the Eagle Eye Solutions Group plc group by another group undertaking.

The remuneration of the highest paid director during the period was:

	Year ended 30 June 2015	10 month period ended 30 June 2014
	£000	£000
Salary	-	93
Pension costs- defined contribution plan	-	3
	-	96

Retirement benefits are accruing to no (2014: 3) directors in respect of defined contribution schemes.

## 6 Taxation

	Year ended 30 June 2015	10 month period ended 30 June 2014
	£000	£000
<b>Current tax</b>		
UK Corporation tax at 20.75% (2014: 22.40%)	-	(2)
<b>Deferred tax</b>		
In respect of current period	-	(127)
Changes in tax rate	-	(21)
	-	(148)
<b>Tax credit on (loss)/profit on ordinary activities</b>	-	(150)
<b>Tax reconciliation</b>		
(Loss)/profit on ordinary activities before taxation	(1,444)	8,020
Tax using the UK corporation tax rate of 20.75% (2014: 22.40%)	(300)	1,797
Intercompany waiver	-	(2,275)
Intercompany waiver	300	-
Difference between depreciation and capital allowances	-	184
Creation of tax losses	-	292
<b>Current tax credit</b>	-	(2)

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**7 Intangible assets**

	Intellectual property £000
<b>Cost</b>	
At 1 July 2014	19,227
Disposals	(19,227)
<b>At 30 June 2015</b>	-
<b>Amortisation</b>	
At 1 July 2014	17,087
Disposals	(17,087)
<b>At 30 June 2015</b>	-
<b>Net book value</b>	
<b>At 30 June 2015</b>	-
At 30 June 2014	2,140

**8 Tangible fixed assets**

	Computer equipment £000	Office furniture and fittings £000	Total £000
<b>Cost</b>			
At 1 July 2014	1,858	258	2,116
Disposals	(1,858)	(258)	(2,116)
<b>At 30 June 2015</b>	-	-	-
<b>Depreciation</b>			
At 1 July 2014	1,820	253	2,073
Disposals	(1,820)	(253)	(2,073)
<b>At 30 June 2015</b>	-	-	-
<b>Net book value</b>			
<b>At 30 June 2015</b>	-	-	-
At 30 June 2014	38	5	43

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**9 Debtors**

	2015 £000	2014 £000
Trade debtors	-	425
Prepayments and accrued income	-	186
	-	611

**10 Trade and other creditors**

	2015 £000	2014 £000
Trade creditors	-	382
Other taxes and social security	-	93
Amounts owed to group undertakings	-	480
Other creditors	-	1
Accruals and deferred income	-	292
	-	1,248

All amounts owed to group undertakings at 30 June 2014 were owed to Eagle Eye Solutions Group plc.

**11 Provisions**

	2015 £000	2014 £000
Deferred tax		
Accelerated capital allowances and intellectual property	-	184

Movement in deferred tax:

	Total £000
Provision at 1 July 2014	184
Transfer of trade and assets to Eagle Eye Solutions Limited	(184)
Provision at 30 June 2015	-

No deferred tax asset was recognised for unused tax losses of £8.3 million as at 30 June 2014 as the timing of their recovery was considered uncertain. The unused tax losses were included in the trade and assets of the Company transferred to Eagle Eye Solutions (North) Limited on 1 July 2014.

**12 Share capital**

	2015 £	2014 £
<b>Authorised</b>		
5,000,000 Ordinary shares of 1p each	50,000	50,000
<b>Allotted, called up and fully paid</b>		
1,058,800 Ordinary shares of 1p each	10,588	10,588



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**13 Reserves**

	Share premium £000	Capital redemption £000	Profit and loss account £000	Total £000
Balance at 1 July 2014	1,765	1	(333)	1,433
Retained loss for the financial period	-	-	(1,444)	(1,444)
<b>Balance at 30 June 2015</b>	<b>1,765</b>	<b>1</b>	<b>(1,777)</b>	<b>(11)</b>

**14 Reconciliation of movement in shareholders' funds**

	Year ended 30 June 2015 £000	10 month period ended 30 June 2014 £000
(Loss)/profit for the financial period	(1,444)	9,457
FRS 20 share option credit	-	(1,287)
<b>Net movement in shareholders' funds</b>	<b>(1,444)</b>	<b>8,170</b>
Opening shareholders' funds/(deficit)	1,444	(6,726)
<b>Closing shareholders' funds</b>	<b>-</b>	<b>1,444</b>

**15 Financial commitments**

The Company had annual commitments under non-cancellable operating leases for office and server sites and server equipment at 30 June as follows:

	2015 £000	2014 £000
Expiring within one year	-	50

**16 Related party transactions**

The directors have taken advantage of the exemption in FRS 8 and have not disclosed transactions with group undertakings. There have been no other related party transactions in either the current or prior period.

**17 Ultimate holding company**

The immediate and ultimate parent company is Eagle Eye Solutions Group plc, a company incorporated in England and Wales. Copies of the group financial statements can be obtained from Companies House which contain information on the ultimate controlling party of the Company.