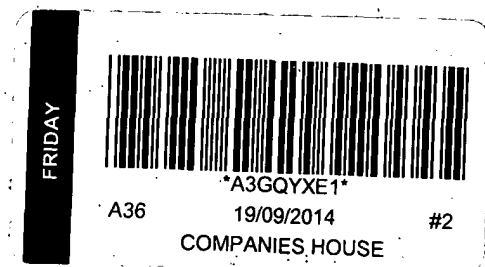


Company Registration No. 05653869

CONTENT GURU LIMITED

Annual Report and Financial Statements

for the Year ended 31 May 2014



CONTENT GURU LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

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CONTENT GURU LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S Z Taylor (Chairman)
P M Taylor
J P Taylor

SECRETARY

P M Taylor

REGISTERED OFFICE

Radius Court
Eastern Road
Bracknell
Berkshire
RG12 2UP

BANKERS

Barclays Bank
Crowthorne Branch
Bracknell Group
PO Box 61
Bracknell
Berkshire
RG12 1GS

SOLICITORS

Osborne Clarke
Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1AX

AUDITOR

Deloitte LLP
Reading

CONTENT GURU LIMITED

STRATEGIC REPORT

For the year ended 31 May 2014

The directors present their Strategic report and the affairs of the Company for the year ended 31 May 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company continues to be the provision of Cloud Communications Integration™ services, which are services that connect people or internet-enabled devices to information systems using Cloud platforms.

Its core Communications Integration product is its Cloud Contact Centre portfolio, which it sells predominantly in the UK to both enterprise and public sector customers. Services are run on its storm® Cloud platforms. The Company sells both indirectly and directly. Simpler products are typically sold indirectly via a reseller network and more complex 'high-touch' solutions, which involve a much higher amount of consultancy, directly. There has not been any significant change in the principal activity during the year.

STRATEGIC REVIEW

The directors are pleased to be able to report a profit before tax of £718,913 (2013: £696,763) which is at the desired level for the business, balancing profits against continued investment to ensure good growth continues. Details of the profit for the year are stated in the Profit and Loss Account on page 10, together with the Notes on pages 13 to 16. The position of the Company at the year-end is set out in the Balance Sheet on page 11 and in the related Notes on pages 16 to 19.

The directors are pleased to report that revenues from recurring Cloud fees increased by 12.6% compared with the previous fiscal year as a result of both new business and the expansion of services to existing customers. Overall turnover saw an increase of 23% and gross profit ended at 28.7% compared with 29.7% in the previous year. The key target for the coming fiscal year is to increase revenues from recurring seat and usage fees by over 20%.

Administrative expenses increased from £1,607,196 to £2,019,463 during the year. Within the UK the Company is increasing the number of indirect channels-to-market and the number of direct custom-services customers it engages with. It has increased the size and capability of its storm UK platforms and enlarged its operations and sales teams to manage associated new operational and sales demands. These have resulted in increased administrative expenses. For the coming fiscal year it is envisaged that administrative expenses will increase again, to cope with sales growth and to build the pipeline for further sales growth.

Summarising the accounts:

- Turnover – This increased by 23% to £9,542,267 from £7,761,376.
- Gross profit – This increased by 19% from £2,303,959 to £2,738,376.
- Retained profit – Retained profit transferred to reserves is £557,303.

In parallel with UK activities, the Company is setting up sister companies, which are financially independent, but owned by the same shareholders. These will increase geographical coverage for storm services. A Dutch entity, Content Guru BV, has been formed, with its own storm Netherlands platform and a local sales and support team. During the next fiscal year a new US entity, with its own storm platform and sales and support team will be established. This geographical expansion will enable the Company to take on more global projects from multi-national corporations, in partnership with its sister companies.

CONTENT GURU LIMITED

STRATEGIC REPORT (continued)

For the year ended 31 May 2014

KEY PERFORMANCE INDICATORS

The Company's Key Performance Indicator for its operations is the growth achieved in recurring seat and usage fees for its Cloud products. An example of a seat fee is a contact centre agent paying a monthly licence charge to use storm's CONTACT product. An example of a usage fee is a commission charged whenever a payment is processed through storm's LOCK payment product.

PRINCIPAL RISKS AND UNCERTAINTIES

The Cloud marketplace in general is growing strongly and the Cloud Contact Centre offers significant growth potential. It is estimated by organisations such as Gartner, that the global contact centre marketplace is worth \$22bn per annum but only around 8% is currently serviced by Cloud solutions. The Company feels the contact centre marketplace offers significant growth opportunities and this will be supplemented with complementary services, such as payments services, that can be cross- and up-sold into that marketplace. So in general the directors feel very confident about the market that the Company operates in.

A key risk for the business has been its dependence on Vodafone as its largest reseller route-to-market. The relationship with Vodafone was formed when it acquired Cable&Wireless Worldwide, which was the Company's main UK reseller. Vodafone undertook a strategic review and evaluated whether to stop selling storm services completely, whether it could replace them with its own in-house services or whether it should continue its relationship with the Company. It has decided to continue its relationship with the Company and will be signing a new five-year extension to its existing contract, with rolling options beyond that. Due to uncertainty surrounding Vodafone's commitment to storm during its evaluation process, the Company brought on a number of new resellers, such as Panasonic, and brought on additional direct customers. The directors are excited about working with Vodafone and expect to see an increase in new customers brought on through that channel during the second half of the fiscal year as it promotes the solution more heavily within its organisation. The Company expects revenues generated by Vodafone as a percentage of the Company's overall revenues to fall as it focuses on new channels to market and growing its high-value direct customer base.

The directors will work to ensure that the Company does not become overly dependent on a single reseller. From an organisational perspective the Company has been growing at a strong rate in terms of its revenues and the number of colleagues that it employs. A major internal focus will be on ensuring that the organisation is able to manage its growth carefully. Much good infrastructure is already in place to enable this to occur. A good Quality Management System (QMS) is in place and the Company is certified to both ISO9001 and ISO27001. The QMS covers security as well as knowledge credentials for new hires and formal training processes. The Company needs to ensure that it continues to hire high-calibre colleagues and does not compromise its standards because of growth pressures.

One technical area of risk that continues to be monitored is with sister company Redwood Technologies Limited ("Redwood"), which supplies the technology for the Company's storm platforms. Redwood has a small number of hardware and software suppliers that it feels are financially at risk. It has developed replacements for those suppliers in-house to reduce that risk. Redwood will continue to keep the Company informed of any other perceived risks in its supply chain.

CONTENT GURU LIMITED

STRATEGIC REPORT (continued) **For the year ended 31 May 2014**

CORPORATE AND SOCIAL RESPONSIBILITY

The Company aims to ensure that its colleagues work in a happy and secure environment. It manages work-skills and Health and Safety training through its Quality Management System. Weekly team leader updates and quarterly all-company updates in conjunction with internal newsletters are designed to ensure that colleagues are informed about the status of the Company and can provide feedback on suggested business improvements or areas of concern. Externally the Company is involved with a number of organisations to ensure it has good general input regarding business or environmental matters. It is a member of the Thames Valley Chamber of Commerce and contributes to the Thames Valley Local Enterprise Partnership (LEP) as well as being a founder member and organiser of Berkshire Community Foundation's Business Philanthropy Club. One of its directors, Sean Taylor, is a Trustee of Berkshire Community Foundation and it is a member of the CBI (Confederation of British Industry) and has directors sitting on the CBI's Enterprise Forum and Intellectual Property committees. The Company also sponsors the Annual King's College, University of London Content Guru Prize for Best Performance in Strategic Management.

FUTURE DEVELOPMENTS

The Company has built considerable financial resources through a policy of measured and profitable expansion and the directors believe that the Company is well prepared for the coming financial year.

The Company will continue to invest in its storm platforms and looks forward to launching new Cloud Contact Centre products during the year.

Overall, with the increased sales engagement expected from Vodafone, with very significant new resellers such as Panasonic on board, with increased high-margin direct sales and with the continued geographical expansion of storm, the directors are very confident about the growth potential of the business.

Approved by the Board of Directors and signed on behalf of the Board



S Z Taylor
Chairman
17 September 2014

CONTENT GURU LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year to 31 May 2014.

RESULTS AND DIVIDENDS

The Company continues to make good progress, as detailed more fully in the Strategic Report. The directors are confident that the Company will continue to build on its success in the coming year.

Profit after tax for the financial year amounted to £557,303 (2013: 523,275). No dividends were proposed or paid during the year (2013: Nil). The statutory results for the year are set out on page 11.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks including in relation to price, credit, and liquidity risk. The Company's primary goal is to continue a policy of sustainable and controlled growth allied to an acceptable level of profitability. The Company believes these objectives can best be met by securing long-term relationships with customers who recognise the high value added nature of the Company's services.

Price risk

The Company is not exposed to significant price risk in its operational purchases, since it has negotiated long term agreements with its key suppliers in order to minimise unforeseen price movements.

Credit risk

The Company's principal financial assets are bank balances and trade receivables. Bank balances are held only with UK banks and bad debt risk is minimised by dealing mainly with blue-chip companies. The Company has a high concentration of receivables from certain customers, which it monitors closely in order to reduce exposure to any risk of bad debt.

Liquidity risk

The Company has been investing in infrastructure and staff resources for a number of years and ensures it has sufficient liquidity for operational and capital requirements by way of regular cash flow projections.

DIRECTORS

The directors who have held office during the period under review, and to the date of this report, are detailed on page 1.

GOING CONCERN

The Company has strong net assets and is profit making, as noted in the Strategic Report. Having considered the risks and the uncertainties in the current economic environment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual report and accounts.

CONTENT GURU LIMITED

DIRECTORS REPORT (continued)

AUDITOR

Each person who is a director at the date of approval of this report confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the special provisions of s418 of the Companies Act 2006.

~~Deloitte LLP has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.~~

Approved by the Board of Directors
And signed on behalf of the Board



S Z Taylor
Chairman
17 September 2014

CONTENT GURU LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 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; 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.

CONTENT GURU LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONTENT GURU LIMITED

We have audited the financial statements of Content Guru Limited for the year ended 31 May 2014 which comprise the Profit and Loss Account, Balance Sheet, cash flow statement and the related notes 1 to 15. 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 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 company's affairs as at 31 May 2014 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CONTENT GURU LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONTENT GURU 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, 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.



John Clennett (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, UK
17 September 2014

CONTENT GURU LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 May 2014

	Note	2014 £	2013 £
TURNOVER	2	9,542,267	7,761,376
Cost of sales		(6,803,891)	(5,457,417)
GROSS PROFIT		<u>2,738,376</u>	<u>2,303,959</u>
Administrative expenses		(2,019,463)	(1,607,196)
OPERATING PROFIT		<u>718,913</u>	<u>696,763</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	718,913	696,763
Tax charge on profit on ordinary activities	5	(161,610)	(173,488)
PROFIT AFTER TAX, TRANSFERRED TO RESERVES		<u>557,303</u>	<u>523,275</u>

All results are from continuing operations.

There are no other gains or losses recognised in either period other than those shown in the profit and loss account; accordingly no statement of total recognised gains and losses has been prepared.

CONTENT GURU LIMITED

BALANCE SHEET 31 May 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	6	740,986	734,057
Intangible assets	7	41,967	57,426
		<u>782,953</u>	<u>791,483</u>
CURRENT ASSETS			
Debtors	8	2,438,748	2,088,242
Inventory	9	16,502	37,739
Cash at bank and in hand		751,365	645,003
		<u>3,206,615</u>	<u>2,770,984</u>
CREDITORS: amounts falling due within one year	10	<u>(2,581,347)</u>	<u>(2,711,549)</u>
NET CURRENT ASSETS		<u>625,268</u>	<u>59,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,408,221</u>	<u>850,918</u>
CAPITAL AND RESERVES			
Called up share capital	12	750	750
Capital redemption reserve	13	250	250
Profit and loss account	13	1,407,221	849,918
SHAREHOLDERS' FUNDS		<u>1,408,221</u>	<u>850,918</u>

These financial statements of Content Guru Limited, registered number 05653869, were approved by the Board of Directors and authorised for issue on 17 September 2014.

Signed on behalf of the Board of Directors



S Z Taylor
Director

CONTENT GURU LIMITED

CASH FLOW STATEMENT For the year ended 31 May 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	1	578,252	866,128
Taxation		(180,515)	(56,000)
Capital expenditure		(291,375)	(411,302)
Financing	2	-	(85,000)
Increase in cash in the period		<u>106,362</u>	<u>313,826</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the period		106,362	313,826
Net funds at 1 June		<u>645,003</u>	<u>331,177</u>
Net funds at 31 May		<u>751,365</u>	<u>645,003</u>

Note 1

Reconciliation of operating profit to Net Cash Inflow from operating activities

	2014 £	2013 £
Operating profit	718,913	696,763
Depreciation and amortisation	299,905	291,527
Decrease in stocks	21,237	43,579
Increase in debtors	(350,506)	(784,454)
(Decrease)/Increase in creditors	<u>(111,297)</u>	<u>618,713</u>
Net cash inflow from operating activities	<u>578,252</u>	<u>866,128</u>

Note 2

Financing

Shares buy back and cancellation	<u>-</u>	<u>(85,000)</u>
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CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS For the year ended 31 May 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. They have been applied consistently throughout the current and preceding period.

Going concern

The Company has made good progress in the year ended 31 May 2014, and the directors expect this to continue in the coming year.

Having considered the risks and the uncertainties in the current economic environment, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its useful life, as follows:

Computer equipment	20% straight-line
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Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and any provision for impairment. Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its useful life, as follows:

Licenses	20% straight-line
----------	-------------------

Turnover

Turnover represents amounts receivable for services net of VAT. Turnover is derived from four main sources, provision of professional services, hosting fees, transaction fees and the sale of hardware.

Professional services fees are typically consultancy and development fees associated with the provision of services. Professional services fees are charged on a per-day basis and recognised as work is performed.

Hosting fees represent licence fees to access a service feature such as a management information reporting interface and are typically charged and recognised over the hosting period.

Transaction fees represent fees received for the use of a service such as making a payment by phone and are typically charged and recognised on a per-time or per-use basis.

Hardware sales represent ad hoc sales of hardware such as servers that are installed at a customer site or data centre as part of the delivery of a service. These sales are recognised on the delivery of the hardware to customers' requested delivery locations.

Inventory

Inventory and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 May 2014

1. ACCOUNTING POLICIES (continued)

marketing, selling and distribution costs. Provision is made for obsolete, slow-moving or defective items where appropriate.

Foreign currencies

Transactions in foreign currencies are recorded using the average rate of exchange for the month at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

Current UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. TURNOVER

The Company's entire turnover is attributable to the principal activity of the provision of cloud-based communications services for use by clients in enterprise and public services sectors.

Turnover attributable to geographical markets outside the United Kingdom amounted to £1,200,809 for the year ended 31 May 2014 (2013: £259,490). All other turnover (£8,341,458; 2013: £7,501,886) was derived wholly within the United Kingdom

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2014 £	2013 £
Depreciation of tangible owned assets	278,734	270,641
Amortisation of intangible owned assets	21,171	20,886
Auditors' remuneration	16,250	14,750

None of the directors received any emoluments from the Company during the year.

The directors were remunerated by Redwood Technologies Limited, a related party. Professional and licence fees of £2,350,000 (2013: £2,203,200) were paid to Redwood Technologies Limited in the year. It is impractical to split these fees further and apportion a charge to represent directors' emoluments.

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) For the year ended 31 May 2014

4. STAFF COSTS

Staff costs incurred during the year were made up as follows:

	2014 £	2013 £
Salaries and wages	1,117,557	847,101
Social security costs	131,475	84,950
Pension costs	4,597	1,410
	<u>1,253,629</u>	<u>933,461</u>

Average number of persons employed

	No.	No.
Administration and Finance	3	2
Sales and Marketing	10	7
Technical Support	19	14
	<u>32</u>	<u>23</u>

Additional employee services have been supplied and remunerated by Redwood Technologies Limited, a related company.

5. TAXATION

The tax charge on the profit on ordinary activities for the period was as follows:

	2014 £	2013 £
Current taxation:		
UK Corporation tax on profits for the period	149,377	189,060
Adjustment for previous year	(5,656)	(504)
Total current tax	<u>143,721</u>	<u>188,556</u>
Deferred taxation:		
Origination/(Reversal) of timing differences	<u>17,889</u>	<u>(15,068)</u>
Tax on profit on ordinary activities	<u>161,610</u>	<u>173,488</u>

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) For the year ended 31 May 2014

5. TAXATION (CONTINUED)

The actual tax charge differs from the standard rate for the reasons set out in the following reconciliation.

	2014 £	2013 £
Current taxation reconciliation:		
Profit on ordinary activities before tax	718,913	696,763
Current tax at 22.67% (2013: 23.87%)	162,946	166,059
<i>Effects of:</i>		
Capital allowances for period above depreciation and amortisation	(14,356)	18,757
Expenses not eligible for tax purposes	787	4,244
Adjustment for previous year	(5,656)	(504)
Total current tax charge	143,721	188,556

6. TANGIBLE FIXED ASSETS

	Computer equipment Total £
Cost	
At 1 June 2013	1,520,669
Additions	285,663
At 31 May 2014	1,806,332
Accumulated depreciation	
At 1 June 2013	786,612
Charge for the year	278,734
At 31 May 2014	1,065,346
Net book value	
At 31 May 2014	740,986
At 31 May 2013	734,057

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) For the year ended 31 May 2014

7. INTANGIBLE FIXED ASSETS

	Licenses Total £
Cost	
At 1 June 2013	104,429
Additions	5,712
At 31 May 2014	110,141
Accumulated amortisation	
At 1 June 2013	47,003
Charge for the year	21,171
At 31 May 2014	68,174
Net book value	
At 31 May 2014	41,967
At 31 May 2013	57,426

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	1,192,056	1,354,874
Amounts receivable from related companies	652,880	276,789
Prepayments and accrued income	593,812	456,579
	2,438,748	2,088,242

9. INVENTORY

	2014 £	2013 £
Finished goods and goods for resale	16,502	37,739

There is no material difference between the balance sheet value of the inventory and its replacement cost.

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) For the year ended 31 May 2014

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	683,191	238,554
Amount owed to related company	586,246	1,042,939
Corporation tax (note 5)	149,377	186,171
Deferred tax (note 11)	30,495	12,606
Other creditors including taxation and social security	118,828	218,406
Accruals and deferred income	1,013,210	1,012,873
	<u>2,581,347</u>	<u>2,711,549</u>

11. PROVISION FOR DEFERRED TAXATION

	2014 £	2013 £
At 1 June	12,606	27,674
Deferred tax charge/(credit) for the period	17,889	(15,068)
At 31 May	<u>30,495</u>	<u>12,606</u>

	2014 £	2013 £
Deferred tax is provided as follows:		
Accelerated capital allowances	<u>30,495</u>	<u>12,606</u>
At 31 May	<u>30,495</u>	<u>12,606</u>

12. SHARE CAPITAL

	2014 £	2013 £
Called up, allotted and fully paid Ordinary shares of £1 each	<u>750</u>	<u>750</u>

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) For the year ended 31 May 2014

13. RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Called up share capital £	Capital redemption reserve	Profit and loss account £	Total 2014 £	Total 2013 £
Balance at 1 June	750	250	849,918	850,918	412,643
Profit for the financial period	-	-	557,303	557,303	523,275
Shares buy back and cancellation	-	-	-	-	(85,000)
Balance at 31 May	750	250	1,407,221	1,408,221	850,918

14. RELATED PARTY TRANSACTIONS

At 31 May 2014, the Company owed an amount of £586,246 to Redwood Technologies Limited, a company which has the same directors and shareholders as Content Guru Limited (2013: £861,677).

Redwood Technologies Limited provided equipment amounting to £1,134,788 (2013: £1,033,564) and professional services and licenses amounting to £2,350,000 (2013: £2,203,200) to the Company during the period.

During the year the Company provided equipment and services amounting to £238,489 to Radius Communications Ltd, a company which has the same directors and shareholders as Content Guru Ltd (2013: £Nil). The Company is owed £292,041 by Radius Communications Ltd at 31 May 2014 (2013: £Nil).

The Company has guaranteed facilities provided by Barclays Bank to Redwood Technologies Limited.

The Company is owed an amount of £360,839 at 31 May 2014 (2013: £95,527) by Content Guru BV, a related company and £Nil by Redwood Technologies Ltd (2013: £181,262).

15. CONTROLLING PARTY

It is the opinion of the directors that the Company is controlled by the Board of Directors in accordance with the voting rights applicable to the equity shareholdings.