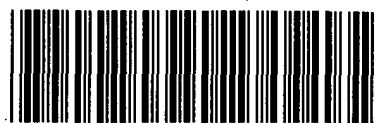


Company Registration No. 05653869

CONTENT GURU LIMITED

**Annual Report and Financial Statements
for the Period ended 31 December 2014**

TUESDAY



L4HXVC2J

LD3

13/10/2015

#36

COMPANIES HOUSE

CONTENT GURU LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

CONTENTS	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	5
Statement of directors' responsibilities	7
Independent auditor's report	8
Profit and loss account	10
Balance sheet	11
Cash Flow statement and Notes	12
Notes to the accounts	13

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
Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

CONTENT GURU LIMITED

STRATEGIC REPORT

The directors present their Strategic report and the affairs of the Company for the period ended 31 December 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 its services predominantly through an indirect channel of resellers. There has not been any significant change in the principal activity during the period.

STRATEGIC REVIEW

The directors are pleased to be able to report a profit before tax of £935,171 (31 May 2014: £718,913). It should be noted that the increase in pre-tax profit has been achieved during a 7-month accounting period versus last year's 12-month period. As always profits have been balanced against continued investment to ensure good growth continues. Details of the profit for the period 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 period-end is set out in the Balance Sheet on page 11 and in the related Notes on pages 16 to 20.

The directors are pleased to report that revenues from recurring Cloud seat fees increased like-for-like by 14.8% compared with the previous fiscal year. This is the result of both new business and the expansion of services to existing customers.

A focus on churning out high-revenue-low-margin contracts and replacing them with higher-margin seat and usage fee contracts resulted in overall gross profit increasing 58% like-for-like, whilst decreasing turnover in like-for-like by 9%. Gross profit ended at 49.8% compared with 28.7% in the previous period. The key target for the coming fiscal year is to increase revenues from recurring seat and usage fees by over 20%.

Like-for-like administrative expenses increased by 34.8% during the period. Within the UK the Company is increasing the number of indirect channels-to-market to increase revenues and provide additional resilience in its sales. 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 decreased like-for-like by 9%.
- Gross profit – This increased like-for-like by 58%.
- Retained profit – Retained profit transferred to reserves is £736,320.

CONTENT GURU LIMITED

STRATEGIC REPORT (continued)

The Company has a number of sister companies, which are financially independent, but owned by the same shareholders. These include a Dutch entity, Content Guru BV, with its own storm Netherlands platform and a local sales and marketing team and engineering services team. During the next financial year it is planned that the Company and its sister companies in the UK, the USA, Germany and Asia Pac will be moved to sit under the control of a group-controlling company. This will make the management of the companies more efficient.

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 Company feels the Cloud Contact Centre marketplace offers significant growth opportunities (due to the low percentage of customers that have currently moved to cloud deployments) and this will be supplemented with complementary services, such as payments services, that can be cross- and up-sold into that marketplace.

A key risk for the business has been its dependence on Vodafone as its largest reseller route-to-market. At the time of writing this report a new five-year extension to its contract with the Company, with the ability to extend on a year-by-year basis has been signed. As a consequence the pipeline of sales opportunities with Vodafone has increased as its sales teams have confidence in the long-term future of the relationship. In parallel the Company has established contracts with other resellers, which will result in additional revenues and improved sales resilience.

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 (quality) and ISO27001 (security). 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 low risk is the Company's dependence on sister company Redwood Technologies Limited ("Redwood") for the core technology of its storm platforms. Redwood has replaced a number of hardware components from suppliers that it was concerned posed a supply risk with in-house developed software equivalents. Redwood will continue to keep the Company informed of any other perceived risks in its supply chain.

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 either directly with line managers and directors or anonymously through a suggestions box.

Externally the Company is involved with a number of organisations to ensure it has good general input regarding business or environmental matters. It contributes to a number of local and international charities and is 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. The company is a member of the CBI (Confederation of British Industry) and has directors sitting on the CBI's Enterprise Forum and Intellectual Property committees. Within the education environment the Company also sponsors the Annual King's College, University of London Content Guru Prize for Best Performance in Strategic Management.

CONTENT GURU LIMITED

STRATEGIC REPORT (continued)

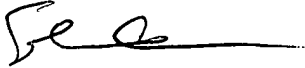
FUTURE DEVELOPMENTS

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 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
2 October 2015

CONTENT GURU LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period to 31 December 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 period amounted to £736,320 (31 May 2014: £557,303). The directors propose a dividend be paid in respect of the period of £133.33 per eligible ordinary share, amounting to £100,000 (31 May 2014: nil). The statutory results for the period are set out on page 10.

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-add 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
2 October 2015

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 period ended 31 December 2014 which comprise the Profit and Loss Account, Balance Sheet, cash flow statement and the related notes 1 to 16. 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 December 2014 and of its profit for the period 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 period 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
2 October 2015

CONTENT GURU LIMITED

PROFIT AND LOSS ACCOUNT

For the period ended 31 December 2014

	Note	7 month period ended 31 December 2014 £	12 month year ended 31 May 2014 £
TURNOVER	2	5,066,072	9,542,267
Cost of sales		(2,542,922)	(6,803,891)
GROSS PROFIT		2,523,150	2,738,376
Administrative expenses		(1,587,979)	(2,019,463)
OPERATING PROFIT		935,171	718,913
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	935,171	718,913
Tax charge on profit on ordinary activities	5	(198,851)	(161,610)
PROFIT AFTER TAX, TRANSFERRED TO RESERVES		736,320	557,303

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 December 2014

	Note	31 December 2014 £	31 May 2014 £
FIXED ASSETS			
Tangible assets	6	531,964	740,986
Intangible assets	7	35,369	41,967
		<u>567,333</u>	<u>782,953</u>
CURRENT ASSETS			
Debtors	8	2,916,934	2,438,748
Inventory	9	2,652	16,502
Cash at bank and in hand		409,589	751,365
		<u>3,329,175</u>	<u>3,206,615</u>
CREDITORS: amounts falling due within one year	10	<u>(1,751,967)</u>	<u>(2,581,347)</u>
NET CURRENT ASSETS		<u>1,577,208</u>	<u>625,268</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,144,541</u>	<u>1,408,221</u>
CAPITAL AND RESERVES			
Called up share capital	12	750	750
Capital redemption reserve	13	250	250
Profit and loss account	13	2,143,541	1,407,221
SHAREHOLDERS' FUNDS		<u>2,144,541</u>	<u>1,408,221</u>

These financial statements of Content Guru Limited, registered number 05653869, were approved by the Board of Directors and authorised for issue on 2 October 2015

Signed on behalf of the Board of Directors



S Z Taylor
Director

CONTENT GURU LIMITED

CASH FLOW STATEMENT

For the period ended 31 December 2014

	Note	7 month period ended 31 December 2014 £	12 month year ended 31 May 2014 £
Net cash (outflow)/inflow from operating activities	1	(277,431)	578,252
Taxation		(150,000)	(180,515)
Capital expenditure		(147,585)	(291,375)
Proceeds from disposal of fixed assets		233,240	-
(Decrease)/Increase in cash in the period		<u>(341,776)</u>	<u>106,362</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash in the period		(341,776)	106,362
Net funds at 1 June		<u>751,365</u>	<u>645,003</u>
Net funds at 31 December / 31 May 2014		<u><u>409,589</u></u>	<u><u>751,365</u></u>

Note 1

Reconciliation of operating profit to Net Cash Inflow from operating activities

	7 month period ended 31 December 2014 £	12 month year ended 31 May 2014 £
Operating profit	935,171	718,913
Depreciation and amortisation	129,964	299,905
Decrease in inventory	13,850	21,237
Increase in debtors	(478,186)	(350,506)
Decrease in creditors	<u>(878,230)</u>	<u>(111,297)</u>
Net cash (outflow)/inflow from operating activities	<u><u>(277,431)</u></u>	<u><u>578,252</u></u>

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS

For the period ended 31 December 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 period ended 31 December 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
--------------------	-------------------

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, seat fees, usage 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.

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

Usage 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.

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) **For the period ended 31 December 2014**

1. ACCOUNTING POLICIES (continued)

Inventory

Inventory is 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 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.

Pensions

Contributions made by the company to money purchase pension schemes are charged to profit and loss as they arise. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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 £391,194 for the period ended 31 December 2014 (31 May 2014: £1,200,809). All other turnover (£4,674,878; 31 May 2014: £8,341,458) was derived wholly within the United Kingdom

Sales to related parties in the period ended 31 December 2014 were £777,430 (31 May 2014: £739,921).

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) For the period ended 31 December 2014

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	7 month period ended 31 December 2014 £	12 month year ended 31 May 2014 £
Depreciation of tangible owned assets	116,781	278,734
Amortisation of intangible owned assets	13,182	21,171
Auditors' remuneration	9,673	16,250

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

The directors were remunerated by Redwood Technologies Limited, a related party. Professional and licence fees of £1,166,665 (31 May 2014: £2,350,000) were paid to Redwood Technologies Limited in the period. It is impractical to split these fees further and apportion a charge to represent directors' emoluments.

4. STAFF COSTS

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

	7 month period ended 31 December 2014 £	12 month year ended 31 May 2014 £
Salaries and wages	894,651	1,117,557
Social security costs	107,555	131,475
Pension costs	3,938	4,597
	<u>1,006,144</u>	<u>1,253,629</u>

Average number of persons employed

	No.	No.
Administration and Finance	4	3
Sales and Marketing	11	10
Technical Support	24	19
	<u>39</u>	<u>32</u>

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

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) For the period ended 31 December 2014

5. TAXATION

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

	7 month period ended 31 December 2014 £	12 month year ended 31 May 2014 £
Current taxation:		
UK Corporation tax on profits for the period	186,788	149,377
Adjustment for previous year	(259)	(5,656)
Total current tax	186,529	143,721
Deferred taxation:		
Origination of timing differences	12,322	17,889
Tax on profit on ordinary activities	198,851	161,610

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

	7 month period ended 31 December 2014 £	12 month year ended 31 May 2014 £
Current taxation reconciliation:		
Profit on ordinary activities before tax	935,171	718,913
Current tax at 21% (31 May 2014: 22.67%)	196,386	162,946
Effects of:		
Capital allowances for period above depreciation and amortisation	(12,918)	(14,356)
Expenses not eligible for tax purposes	3,320	787
Adjustment for previous year	(259)	(5,656)
Total current tax charge	186,529	143,721

The UK corporation tax rate was reduced to 21% from 23% with effect from 1 April 2014. A further reduction in the UK tax rate to 20%, effective from 1 April 2015 was substantively enacted in the UK Finance Act 2013. As the new rate of 20% had been substantively enacted at the balance sheet date any deferred tax balances are recorded at that rate. Further reductions in the rate were announced in the Summer Budget 2015, including a reduction to 19% effective from 1 April 2017 and 18% from 1 April 2020. As these changes have not yet been substantively enacted, they have not yet been reflected in the tax provision number.

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) For the period ended 31 December 2014

6. TANGIBLE FIXED ASSETS

	Computer equipment Total £
Cost	
At 1 June 2014	1,806,332
Additions	141,000
Transfers	(366,003)
	<hr/>
At 31 December 2014	1,581,329
Accumulated depreciation	
At 1 June 2014	1,065,346
Charge for the period	116,781
Transfers	(132,762)
	<hr/>
At 31 December 2014	1,049,365
Net book value	
At 31 December 2014	<hr/> 531,964 <hr/>
At 31 May 2014	<hr/> 740,986 <hr/>

All disclosed transfers were made to Content Guru BV at a net book value of £233,241.

7. INTANGIBLE FIXED ASSETS

	Licenses Total £
Cost	
At 1 June 2014	110,141
Additions	6,585
	<hr/>
At 31 December 2014	116,726
Accumulated amortisation	
At 1 June 2014	68,174
Charge for the period	13,183
	<hr/>
At 31 December 2014	81,356
Net book value	
At 31 December 2014	<hr/> 35,369 <hr/>
At 31 May 2014	<hr/> 41,967 <hr/>

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) For the period ended 31 December 2014

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2014 £	31 May 2014 £
Trade debtors	825,821	1,192,056
Amounts receivable from related companies	1,549,007	652,880
Prepayments and accrued income	542,106	593,812
	<u>2,916,934</u>	<u>2,438,748</u>

9. INVENTORY

	31 December 2014 £	31 May 2014 £
Finished goods and goods for resale	<u>2,652</u>	<u>16,502</u>

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

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2014 £	31 May 2014 £
Trade creditors	207,726	683,191
Amount owed to related company	261,926	586,246
Corporation tax	185,906	149,377
Deferred tax (note 11)	42,817	30,495
Other creditors including taxation and social security	146,757	118,828
Accruals and deferred income	906,835	1,013,210
	<u>1,751,967</u>	<u>2,581,347</u>

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued) For the period ended 31 December 2014

11. PROVISION FOR DEFERRED TAXATION

	31 December 2014 £	31 May 2014 £
At 1 June	30,495	12,606
Deferred tax charge for the period	12,322	17,889
At 31 December 2014 / 31 May 2014	<u>42,817</u>	<u>30,495</u>

	31 December 2014 £	31 May 2014 £
Deferred tax is provided as follows:		
Accelerated capital allowances	42,817	30,495
At 31 December 2014 / 31 May 2014	<u>42,817</u>	<u>30,495</u>

12. SHARE CAPITAL

	31 December 2014 £	31 May 2014 £
Called up, allotted and fully paid Ordinary shares of £1 each	<u>750</u>	<u>750</u>

13. RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Called up share capital	Capital redemption reserve £	Profit and loss account £	Total 31 December 2014 £	Total 31 May 2014 £
Balance at 1 June	750	250	1,407,221	1,408,221	850,918
Profit for the financial period	-	-	736,320	736,320	557,303
Balance at 31 December / 31 May	<u>750</u>	<u>250</u>	<u>2,143,541</u>	<u>2,144,541</u>	<u>1,408,221</u>

CONTENT GURU LIMITED

NOTES TO THE ACCOUNTS (continued)

For the period ended 31 December 2014

14. RELATED PARTY TRANSACTIONS

At 31 December 2014, the Company owed an amount of £261,926 to Redwood Technologies Limited, a company which has the same directors and shareholders as Content Guru Limited (31 May 2014: £586,246).

Redwood Technologies Limited provided equipment amounting to £303,272 (31 May 2014: £1,134,788) and professional services and licenses amounting to £1,166,665 (31 May 2014: £2,350,000) to the Company during the period. The Company provided professional services amounting to £189,389 (31 May 2014: £739,921) to Redwood Technologies Limited during the period.

During the period the Company provided equipment and services amounting to £498,467 to Radius Communications Ltd, a company which has the same directors and shareholders as Content Guru Ltd (31 May 2014: £238,489). The Company is owed £641,645 by Radius Communications Ltd at 31 December 2014 (31 May 2014: £292,041).

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

During the period the Company provided services amounting to £89,574 to Content Guru BV, a company which has the same directors and shareholders as Content Guru Ltd (31 May 2014: £nil). The Company is owed an amount of £906,788 at 31 December 2014 (31 May 2014: £360,839) by Content Guru BV.

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.

16. POST BALANCE SHEET EVENTS

The proposed dividend of £133.33 per ordinary share (31 May 2014: nil) was approved by the Board of Directors and paid on 27 April 2015.