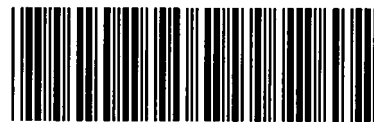


MAKE IT CHEAPER LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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MAKE IT CHEAPER LIMITED

COMPANY INFORMATION

DIRECTOR	J D Elliott
REGISTERED NUMBER	05949018
REGISTERED OFFICE	Aston House Cornwall Avenue London N3 1LF
TRADING ADDRESS	5th Floor Lloyds Chambers 1 Portsoken Street London E1 8BT
INDEPENDENT AUDITORS	Adler Shine LLP Chartered Accountants & Statutory Auditor Aston House Cornwall Avenue London N3 1LF

MAKE IT CHEAPER LIMITED

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MAKE IT CHEAPER LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

INTRODUCTION

The principal activity of the group is to make it easy for SMEs to save money on utilities, insurance and telecommunication. Make it Cheaper Limited ("MIC") is a subsidiary of Make it Cheaper Group Limited ("MIC Group"), and is specifically involved in utilities and telecommunications business areas.

BUSINESS REVIEW

The Make it Cheaper Group ("MIC Group" or the "Group") provides a comparison, switching and intermediary services for over 40,000 SMEs in the UK.

Our purpose is to "Put a Smile on the Face of British Businesses" and we achieve this by being trusted to make switching and saving easy.

Having met our milestone to save customers £500m, the Company is now targeting savings of £1bn as its next goal.

Highlights of the year included:

- o Revenues from continuing operations increased by 28%
- o MIC Group is the stand-out No.1 in the SME Energy TPI (third party intermediary) sector, as rated by Cornwall Energy Research
- o Consistently achieving a Customer Net Promoter Score of more than +65 compared to the highest reported NPS for a general utility providers of +15
- o Launching a pioneering energy buying service (Do It For You) where customers authorise MIC to manage their energy contract renewals for them
- o Implementing successful marketing campaigns to create an emotional connection with our audience: "Hey Boss" and "Smile"
- o Winning new exclusive partnership arrangements with leading organisations like the Federation of Small Businesses
- o Winning the TELCA 2016 Super Consultancy Award

Operating profit of £1,620,543 showed a significant advance on the previous year as the business continues to grow strongly based on a pipeline of previous sales renewing with increased retention rates and continuing success at attracting new customers.

In SME Energy our "Do It For You" service is being taken up by over half our energy customers. Customers rate the service highly – benefitting from knowing their contracts will be managed for them. The Group's Gold Supplier scheme ensures a consistently high level of support from our key energy suppliers and competitive pricing.

The Major Business Energy team, which deals with larger energy users, experienced significant growth in the year based around a value-for-money proposition. The Company has a policy of disclosing to business energy customers the fees it earns from suppliers.

During the year we continued to support regulatory improvements in the energy sector by making recommendations to Ofgem and the CMA to ensure customers obtain a fair deal from all energy market participants.

The business continues to grow strongly in all product areas as the Company continues on its journey to realise significant savings for SMEs with excellent customer service from a trusted partner. Looking to the future, we believe that there is a growing need for trusted intermediaries and that strong market growth, particularly in the SME sector, will continue.

MAKE IT CHEAPER LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

The Company continues to invest and develop our leadership team and this has resulted in strong commercial and operational performance. This year our people spent over 1200 days in a range of external training programmes. We continue to engage a wide group of staff in the future success of the business by issuing share options. Our internal staff engagement measure consistently places MIC among the ranks of the Best Companies to Work For scheme.

The Group is fortunate in having an Advisory Panel who work with the Executive Team on the strategic work streams: Loyalty, Multi-product, Omni-Channel and Proposition. The Panel comprises experienced business leaders with blue chip company experience, including a former FTSE100 CEO as well as experts in the fields of customer behaviour, marketing and technology.

PRINCIPAL RISKS AND UNCERTAINTIES

Key risks facing the business include competition, market and regulatory change, staff retention and information systems resilience. The Directors understand and regularly assess these risks.

Competition

The Company monitors competitor service offerings and pricing on a regular basis to ensure a market leading value for money proposition.

Regulatory Change

The Company actively communicates with market regulators about the factors that hold back many SMEs from switching and making savings.

Staff Retention

The Company spends significantly on training at all levels and in making MIC a fun place to work. eNPS scores are monitored closely.

Information Systems Resilience

The Company continually invests in its bespoke CRM and back office systems; is investing in moving more of its core information systems architecture offsite and/or into the "Cloud" and reviews its BCP on a regular basis.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company measures and monitors, on a weekly and monthly basis, a number of key performance indicators in identifying the progress being made towards achieving its strategic objectives. These include:

- Customer numbers
- Customer retention
- Products per customer
- Revenue: Yield within set maximum parameters
- Productivity
- EBITDA
- Operating cash flow
- Savings per customer
- Customer NPS
- Supply Meter Live rate
- Employee NPS

MAKE IT CHEAPER LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

This report was approved by the board on 29.12.16 . and signed on its behalf.



J D Elloitt
Director

MAKE IT CHEAPER LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The director presents his report and the financial statements for the year ended 31 March 2016.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,496,555 (2015 - £685,055).

Dividends declared in the year were £3,190,000 (2015 - £1,000,000) .

DIRECTOR

The director who served during the year was:

J D Elliott

FUTURE DEVELOPMENTS

The Company is set for significant further growth over the coming year based on an increased take-up of recently launched products and services and its strong renewals pipeline, with a majority of customers trusting Make It Cheaper to achieve continuous savings for them.

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

The auditors, Adler Shine LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20.12.16 and signed on its behalf.



J D Elliott
Director

MAKE IT CHEAPER LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

MAKE IT CHEAPER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MAKE IT CHEAPER LIMITED

We have audited the financial statements of Make It Cheaper Limited for the year ended 31 March 2016, set out on pages 8 to 30. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Director's responsibilities statement on page 5, the director is 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 Financial Reporting Council'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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Director's 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 March 2016 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 Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements.

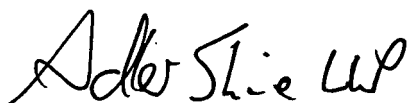
MAKE IT CHEAPER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MAKE IT CHEAPER 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christopher Taylor (Senior statutory auditor)

for and on behalf of
Adler Shine LLP

Chartered Accountants
Statutory Auditor

Aston House
Cornwall Avenue
London
N3 1LF

Date: 22 December 2016

MAKE IT CHEAPER LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Turnover	4	12,547,210	9,755,836
Cost of sales		(6,319,731)	(5,304,750)
GROSS PROFIT		6,227,479	4,451,086
Administrative expenses		(4,606,936)	(4,157,921)
Other operating income	5	-	340,000
OPERATING PROFIT	6	1,620,543	633,165
Interest receivable and similar income	9	3,693	113
Interest payable and expenses	10	(73,449)	(34,984)
PROFIT BEFORE TAX		1,550,787	598,294
Tax on profit	11	(54,232)	86,761
PROFIT FOR THE YEAR		1,496,555	685,055
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Movement on other reserves		79,010	87,434
OTHER COMPREHENSIVE INCOME FOR THE YEAR		79,010	87,434
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,575,565	772,489

MAKE IT CHEAPER LIMITED
REGISTERED NUMBER:05949018

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	13		591,903		246,505
Tangible assets	14		159,902		208,381
Investments	15		983,513		983,513
			1,735,318		1,438,399
CURRENT ASSETS					
Debtors	16	7,429,263		5,554,416	
Cash at bank and in hand	17	900,845		416,716	
		8,330,108		5,971,132	
Creditors: amounts falling due within one year	18	(9,088,656)		(4,722,326)	
NET CURRENT (LIABILITIES)/ASSETS			(758,548)		1,248,806
TOTAL ASSETS LESS CURRENT LIABILITIES			976,770		2,687,205
Creditors: amounts falling due after more than one year	19		(64,000)		(160,000)
			912,770		2,527,205
NET ASSETS			912,770		2,527,205
CAPITAL AND RESERVES					
Called up share capital	22		100		100
Other reserves	23		238,967		222,306
Profit and loss account	23		673,703		2,304,799
			912,770		2,527,205

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20.12.2016



J D Elliott
Director

The notes on pages 11 to 30 form part of these financial statements.

MAKE IT CHEAPER LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	100	222,306	2,304,799	2,527,205
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	1,496,555	1,496,555
Movement on other reserves	-	79,010	-	79,010
Dividends: Equity capital	-	-	(3,190,000)	(3,190,000)
Transfer to/from profit and loss account	-	-	62,349	62,349
Transfer between other reserves	-	(62,349)	-	(62,349)
TOTAL TRANSACTIONS WITH OWNERS	-	(62,349)	(3,127,651)	(3,190,000)
AT 31 MARCH 2016	100	238,967	673,703	912,770

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2014 (as previously stated)	100	126,506	2,934,295	3,060,901
Prior year adjustment	-	-	(306,185)	(306,185)
At 1 April 2014 (as restated)	100	126,506	2,628,110	2,754,716
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	685,055	685,055
Movement on other reserves	-	87,434	-	87,434
Dividends: Equity capital	-	-	(1,000,000)	(1,000,000)
Transfer to/from profit and loss account	-	-	(8,366)	(8,366)
Transfer between other reserves	-	8,366	-	8,366
TOTAL TRANSACTIONS WITH OWNERS	-	8,366	(1,008,366)	(1,000,000)
AT 31 MARCH 2015	100	222,306	2,304,799	2,527,205

The notes on pages 11 to 30 form part of these financial statements.

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. GENERAL INFORMATION

Make It Cheaper Limited ('the Company') is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is Aston House, Cornwall Avenue, London, N3 1LF.

The principal activity of the company is to make it easy for SMEs to save money on utilities and telecommunications.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 30.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Make it Cheaper Group Limited as at 31 March 2016 and these financial statements may be obtained from Aston House, Cornwall Avenue, London N3 1LF.

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents commissions earned and is recognised at the point at which a customer applies for a new supply contract. Commissions are calculated based on expected energy use by the business customer at agreed commission rates with the energy suppliers. At point of sale, provision is made for (i) possible variations between Expected Consumption and that used by suppliers for commission payment purposes where these differ, and (ii) contracts that may fail to go 'Live' with suppliers.

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Software development	-	4	years
Trademarks	-	4	years

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

L/Term Leasehold Property	-	25%	Straight line
Fixtures & fittings	-	25%	Straight line
Office equipment	-	25%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.14 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Profit and loss account is charged with fair value of goods and services received.

2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.18 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

(a) Revenue recognition

Energy procurement revenue is recorded at the fair value of the service provided, which is calculated using expected energy use of the business customer at agreed commission rates with the energy provider. The directors believe that, based on past performance, it can reliably measure commission income; however, there is inevitably a variability in these calculations for energy use by the business customer and this is taken into account when assessing the initial fair value. Historic data currently indicates that the variability is circa 10%. The variability can arise in two main instances. On contracts that run to maturity, variability arises due to under or over consumption against the initial estimate and in the second instance variability arises due to contracts ending prematurely.

The fair value estimate is to be reassessed on an ongoing basis to ensure it remains appropriate. The assessment of the variability is based on the maturing contract portfolio in the prior year and these are assumed to have similar characteristics to those that are still running. Contract lengths which over the life of the business have extended could introduce further variability. Should the assumptions on which commission income is calculated vary by more or less than 10% then there may be a material impact on reported revenues and profits.

(b) Share based payments

The Group has an equity-settled share based remuneration scheme for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments (shares) at the date of grant. The fair value of share options is estimated by using the Black-Scholes valuation model on the date of grant based on certain assumptions. Those assumptions are described in note 24 and include, among others, expected volatility, expected life of the options and number of options expected to vest.

(c) Property, plant and equipment

Property, plant and equipment are depreciated over the useful lives of the assets. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are reviewed annually for continued appropriateness. The carrying values are tested for impairment when there is an indication that the value of the assets might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would be based upon management's judgement. Future events could cause the assumptions to change; therefore, this could have an adverse effect on the future results of the Group.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Turnover	12,547,210	9,755,836
	<u>12,547,210</u>	<u>9,755,836</u>

All turnover arose within the United Kingdom.

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

5. OTHER OPERATING INCOME

	2016	2015
	£	£
Management fees receivable	-	340,000
	<u>-</u>	<u>340,000</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	81,489	105,578
Amortisation of intangible assets, including goodwill	340	(43,308)
Exchange differences	-	768
Defined contribution pension cost	99,850	47,094
	<u>99,850</u>	<u>47,094</u>

During the year, no director received any emoluments (2015 - £NIL).

7. AUDITORS' REMUNERATION

	2016	2015
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	54,403	50,177
	<u>54,403</u>	<u>50,177</u>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

8. EMPLOYEES

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	4,911,392	3,909,138
Social security costs	619,917	539,992
Cost of defined contribution scheme	99,850	47,094
	5,631,159	4,496,224

The average monthly number of employees, including the director, during the year was as follows:

	2016	2015
	No.	No.
Management	3	2
Sales	86	82
Finance	6	6
Marketing	16	11
Human resources	6	6
Operations	39	27
Information technology	12	6
	168	140

9. INTEREST RECEIVABLE

	2016	2015
	£	£
Other interest receivable	3,693	113
	3,693	113

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank interest payable	73,449	34,984
	73,449	34,984

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. TAXATION

	2016 £	2015 £
CORPORATION TAX		
Current tax on profits for the year	135,988	(70,825)
Adjustments in respect of previous periods	(82,442)	-
DEFERRED TAX		
Origination and reversal of timing differences	686	(15,936)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>54,232</u>	<u>(86,761)</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,550,787</u>	<u>598,294</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	310,157	125,642
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	22,570	96,252
Capital allowances for year in excess of depreciation	(28,292)	(69,349)
Adjustments to tax charge in respect of prior periods	(82,442)	-
Short term timing difference leading to an increase (decrease) in taxation	687	(15,936)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(147,846)	(219,749)
Other differences leading to a decrease in the tax charge	(20,153)	(2,161)
Group relief	(449)	(1,460)
TOTAL TAX CHARGE FOR THE YEAR	<u>54,232</u>	<u>(86,761)</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are proposed revisions to the corporation tax main rate to lower it to 19% for financial years 2017 to 2019 and further to 18% for financial year 2020.

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. DIVIDENDS

	2016 £	2015 £
Dividends on equity capital	3,190,000	<i>1,000,000</i>
	<u>3,190,000</u>	<u><i>1,000,000</i></u>

13. INTANGIBLE ASSETS

	Software £	Trademarks £	Total £
COST			
At 1 April 2015	292,214	-	292,214
Additions	441,703	5,445	447,148
At 31 March 2016	<u>733,917</u>	<u>5,445</u>	<u>739,362</u>
AMORTISATION			
At 1 April 2015	45,709	-	45,709
Charge for the year	101,410	340	101,750
At 31 March 2016	<u>147,119</u>	<u>340</u>	<u>147,459</u>
NET BOOK VALUE			
At 31 March 2016	<u>586,798</u>	<u>5,105</u>	<u>591,903</u>
<i>At 31 March 2015</i>	<u><i>246,505</i></u>	<u><i>-</i></u>	<u><i>246,505</i></u>

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

14. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Fixtures & fittings £	Office equipment £	Total £
COST OR VALUATION				
At 1 April 2015	279,591	78,284	421,263	779,138
Additions	-	5,060	27,950	33,010
At 31 March 2016	279,591	83,344	449,213	812,148
DEPRECIATION				
At 1 April 2015	137,862	66,027	366,868	570,757
Charge for period on owned assets	49,930	6,008	25,551	81,489
At 31 March 2016	187,792	72,035	392,419	652,246
NET BOOK VALUE				
At 31 March 2016	91,799	11,309	56,794	159,902
At 31 March 2015	141,729	12,257	54,395	208,381

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Short leasehold	91,799	141,729
	91,799	141,729

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 April 2015	983,513
At 31 March 2016	983,513
NET BOOK VALUE	
At 31 March 2016	983,513
At 31 March 2015	983,513

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

15. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
UK Power Limited	England and Wales	Ordinary	100 %	Online price comparison site for energy suppliers

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
UK Power Limited	2,296,885	892,304
	2,296,885	892,304

16. DEBTORS

	2016 £	2015 £
DUE AFTER MORE THAN ONE YEAR		
Prepayments and accrued income	1,603,000	1,570,969
	1,603,000	1,570,969
DUE WITHIN ONE YEAR		
Trade debtors	691,833	470,755
Amounts owed by group undertakings	43,817	76,307
Other debtors	53,257	62,481
Prepayments and accrued income	4,989,563	3,325,424
Deferred taxation	47,793	48,480
	7,429,263	5,554,416

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

17. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	900,845	416,716
	<u>900,845</u>	<u>416,716</u>

18. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Bank loans	400,000	900,000
Trade creditors	292,788	280,605
Amounts owed to group undertakings	2,740,076	1,365,900
Corporation tax	204,968	151,423
Taxation and social security	672,851	488,165
Other creditors	3,268,315	468,074
Accruals and deferred income	1,509,658	1,068,159
	<u>9,088,656</u>	<u>4,722,326</u>

Secured loans

The bank loans have been secured by a cross guarantee between Make it Cheaper Group Limited and Make it Cheaper Limited.

19. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Other creditors	64,000	160,000
	<u>64,000</u>	<u>160,000</u>

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

20. FINANCIAL INSTRUMENTS

	2016 £	2015 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	900,845	416,716
Financial assets that are debt instruments measured at amortised cost	7,224,159	5,438,041
	<u>8,125,004</u>	<u>5,854,757</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(6,081,536)	(3,989,300)
	<u>(6,081,536)</u>	<u>(3,989,300)</u>
Financial assets measured at amortised cost comprise of trade debtors, amounts due from group undertakings, staff loans and accrued revenue.		
Financial Liabilities measured at amortised cost comprise trade creditors, amounts due to group undertakings and bank loans.		

21. DEFERRED TAXATION

	2016 £	2015 £
At beginning of year	48,480	32,544
Charged to the profit or loss	(687)	15,936
AT END OF YEAR	<u>47,793</u>	<u>48,480</u>

The deferred tax asset is made up as follows:

	2016 £	2015 £
Share based payments	47,793	48,480
	<u>47,793</u>	<u>48,480</u>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

22. SHARE CAPITAL

	2016 £	2015 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each shares of £1 each	<u>100</u>	<u>100</u>

23. RESERVES

Other reserves

'Other reserves' have arisen from the share based payment charge. The shares over which the options were issued are that of the parent company, Make it Cheaper Group Limited. However, the services provided by the employees are within the subsidiary, Make it Cheaper Limited. Therefore, the charge is recognised in the profit and loss account and treated as a capital contribution from the parent entity within equity.

24. SHARE BASED PAYMENTS

Movements in the number of options outstanding and their weighted average exercise prices are as follows:

	Weighted average exercise price (pence) 2016	Number 2016	Weighted average exercise price (pence) 2015	Number 2015
Outstanding at the beginning of the year	7.19	94,171	5.18	77,015
Granted during the year	11.58	49,274	16.13	18,156
Prior year adjustment year	2.18	(19,450)		-
Expired during the year	17.97	(2,328)	14.62	(1,000)
OUTSTANDING AT THE END OF THE YEAR	<u>9.56</u>	<u>121,667</u>	<u>7.19</u>	<u>94,171</u>

The weighted average remaining contractual life of the options is 7.4 years (2015: 6.8 years).

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

SHARE BASED PAYMENTS (continues)

The following options over ordinary shares have been granted by the Company:

	Exercise price £	Exercise period (years)	Number of options
19 May 2011 (a)	2.83	10	61,676
19 May 2011 (b)	1.89	10	14,588
25 March 2013	14.62	10	19,417
25 June 2014	16.13	10	25,234
10 August 2015	19.49	10	29,237
25 September 2015	0.001	10	20,001

At the date of grant, the options were valued using the Black-Scholes option pricing model. The fair value per options granted and the assumptions used in the calculations were as follows:

	19 May 2011 (a)	19 May 2011 (b)	25 March 2013	25 June 2014	10 August 2015	25 September 2015
Expected volatility	50%	50%	50%	50%	50%	50%
Expected life (years)	4	4	4	2	2.5	2.5
Risk-free interest rate	0.54%	0.54%	0.67%	1.97%	0.97%	0.78%
Expected dividend yield	-	-	-	-	-	-
Non-market based vesting conditions	20%	20%	20%	20%	20%	20%
Fair value per option (£)	3.31	3.90	5.72	4.68	6.15	0.0003

The charge in the profit and loss for the share based payments during the year was £79,010 (2015: £87,434). The deferred tax liability arising on this for the same period was £687 (2015: deferred tax asset £15,937).

25. CONTINGENT LIABILITIES

The company has entered into an agreement whereby an amount of between £Nil and £500,000 will be payable to a third party depending on the value realised on any sale or listing of the group which occurs prior to 1 October 2018.

MAKE IT CHEAPER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

26. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £99,850 (2015: £47,094).

Included within other creditors is an amount of £22,860 (2015: £10,770) relating to outstanding pension liability.

27. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	197,238	71,611
Later than 1 year and not later than 5 years	245,570	442,808
	<u>442,808</u>	<u>514,419</u>

28. RELATED PARTY TRANSACTIONS

Included within other debtors at the balance sheet date is an amount of £7,968 (2015: £112,000) owed by Tecam Limited, against which a provision has been made in full. The directors, J D. Elliott and C.W. Cole are directors and shareholders of Tecam Limited.

Included within other debtors is an amount of £Nil (2015: £108,734) due from The Positive Ageing Company Limited, against which a provision has been made in full. The director, J D Elliott is a director of this company.

Included within other creditors is an amount of £780,752 (2015: £23,204) due to the director C Cole.

Included within other creditors is an amount of £1,007,024 (2015: £Nil) due to the director J Elloit.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

29. CONTROLLING PARTY

The company is a wholly owned subsidiary of Make It Cheaper Group Limited. The ultimate controlling party is the director J D Elliott by virtue of his majority shareholding in Make It Cheaper Group Limited.

The group consolidated accounts can be inspected at the registered office address of Make It Cheaper Group Limited being Aston House, Cornwall Avenue, London N3 1LF.

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

30. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.