

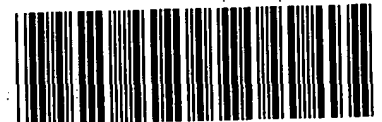
Registered number: 05949018

MAKE IT CHEAPER LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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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 2014

INTRODUCTION

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

BUSINESS REVIEW

The company provides a comparison, switching and broking service for over 30,000 SMEs in the UK.

During the year, the Company achieved one of its founding goals, by saving its SME customers over £500m accumulatively.

It also made achieved or exceeded budgeted performance in its key metrics:

- o Growing the MIC Customers acquired in our base beyond 30,000
- o Increasing our Customer Retention levels by 10%
- o Growing the number of services we help customers by 20%
- o Growing our revenues by 37%
- o Increasing our net profit margin before tax and exceptional items from -1.26% to 21.05%.
- o Consistently achieving a Customer Net Promoter Score of more than 65
- o Building on our employee satisfaction measures – including Sunday Times Best Place to Work

Strategy: our Make It Easy strategy was created and launched this year. Our purpose is "to make switching and saving easy" and our vision is "millions saved for thousands." This is our platform for growth for the next 5 years and is governed by a new management process which ensures we make consistent progress in executing our plans.

Our new non-energy services, including insurance, undertaken by fellow group companies experienced 150% growth, in line with expectations. The group's Insurance Business, Make It Cheaper Financial Services Ltd ("MICFS"), has been able to identify and excellent opportunity with MIC customers appearing to represent excellent risks for insurance. This will prove beneficial not only to MIC, MICFS and MIC Group, but also the customers of the group.

SME Energy: alongside continued customer acquisition and retention growth, we launched a series of unique propositions during the year, all in line with our Make It Easy strategy. They were well received by customers and suppliers, with high levels of take up. The company won the Consumer Champion and the Most Trusted awards at the energy industry TELCA awards.

Major Business energy: our team which deals with larger energy users experienced significant growth in the year of 61%, outperforming a sluggish market as reported by Cornwall Energy Research.

Team: we have formed an Operational Board, comprising CEO, COO, Operations Director and the leadership team. We continue to invest in our people with over 12 days spent this year on Leadership Development and coaching per senior staff member.

Advisory Panel: we now have a group of advisors who work with the Operational Board and Management on key Make It Easy initiatives. 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 currency fluctuations. The Directors understand and regularly assess these risks.

MAKE IT CHEAPER LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2014**

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
- EBITDA
- Savings per customer
- Customer NPS
- Yield per product sold
- Live rate
- Employee NPS

This report was approved by the board on *18 December 2014* and signed on its behalf.



J D Elliott
Director

18/12/14

MAKE IT CHEAPER LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

The director presents his report and the financial statements for the year ended 31 March 2014.

RESULTS

The profit for the year, after taxation, amounted to £1,743,910 (2013 - loss £123,554).

DIRECTOR

The director who served during the year was:

J D Elliott

FINANCIAL INSTRUMENTS

The company uses various financial instruments to develop the business. These include instruments such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise cash for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks.

The main risks arising from the company's financial instruments are market risk, liquidity risk, interest rate risk, cash flow and credit risk. The director constantly monitors the risks and uncertainties facing the company and is satisfied that there are no material risks and uncertainties facing the company and is satisfied that there are no material risks and uncertainties which have not been dealt with.

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.

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 and signed on its behalf.



J D Elliott
Director

Date: 18/12/14

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies 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 2014, set out on pages 7 to 22. 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 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 DIRECTOR AND AUDITORS

As explained more fully in the Director's responsibilities statement, 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 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 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 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 the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MAKE IT CHEAPER LIMITED

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

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: 19 December 2014

MAKE IT CHEAPER LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
TURNOVER	1	8,889,797	6,452,115
Cost of sales		(3,625,363)	(2,989,844)
GROSS PROFIT		5,264,434	3,462,271
Administrative expenses		(3,296,719)	(3,368,308)
Other operating income	2	78,816	-
Other operating charges		(175,000)	(175,000)
OPERATING PROFIT/(LOSS)	3	1,871,531	(81,037)
EXCEPTIONAL ITEMS	7		
Intercompany loan waived	7	327,593	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		2,199,124	(81,037)
Interest receivable and similar income		-	424
Interest payable and similar charges	6	(18,783)	(21,520)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,180,341	(102,133)
Tax on profit/(loss) on ordinary activities	8	(436,431)	(21,421)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,743,910	(123,554)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 10 to 22 form part of these financial statements.

MAKE IT CHEAPER LIMITED
REGISTERED NUMBER: 05949018

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	9		115,185		177,935
Investments	10		983,513		983,513
			<u>1,098,698</u>		<u>1,161,448</u>
CURRENT ASSETS					
Debtors	11	5,520,170		4,135,325	
Cash at bank and in hand		155		223,136	
		<u>5,520,325</u>		<u>4,358,461</u>	
CREDITORS: amounts falling due within one year	12	<u>(3,302,122)</u>		<u>(3,328,887)</u>	
NET CURRENT ASSETS			2,218,203		1,029,574
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,316,901</u>		<u>2,191,022</u>
CREDITORS: amounts falling due after more than one year	13		<u>(256,000)</u>		<u>(426,083)</u>
NET ASSETS			<u>3,060,901</u>		<u>1,764,939</u>
CAPITAL AND RESERVES					
Called up share capital	15		100		100
Other reserves	16		126,506		76,223
Profit and loss account	16		2,934,295		1,688,616
SHAREHOLDERS' FUNDS	17		<u>3,060,901</u>		<u>1,764,939</u>

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



J D Elliott
Director

Date: 18/12/14

The notes on pages 10 to 22 form part of these financial statements.

MAKE IT CHEAPER LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	19	730,618	734,656
Returns on investments and servicing of finance	20	(18,783)	(16,066)
Taxation	20	(238,280)	54,376
Capital expenditure and financial investment	20	(32,455)	(159,968)
Acquisitions and disposals	20	-	(983,513)
Equity dividends paid		(508,122)	(414,881)
CASH OUTFLOW BEFORE FINANCING		<u>(67,022)</u>	<u>(785,396)</u>
Financing	20	(252,500)	378,750
DECREASE IN CASH IN THE YEAR		<u><u>(319,522)</u></u>	<u><u>(406,646)</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £	2013 £
Decrease in cash in the year	(319,522)	(406,646)
Cash outflow from decrease in debt and lease financing	<u>252,500</u>	<u>(378,750)</u>
MOVEMENT IN NET DEBT IN THE YEAR	<u>(67,022)</u>	<u>(785,396)</u>
Net (debt)/funds at 1 April 2013	<u>(155,614)</u>	<u>629,782</u>
NET DEBT AT 31 MARCH 2014	<u><u>(222,636)</u></u>	<u><u>(155,614)</u></u>

The notes on pages 10 to 22 form part of these financial statements.

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

the comparative figures in the profit and loss account have been amended for consistency with the current year with regards to the classification of expenditure between cost of sales and administrative expenses.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax.

Turnover is recognised at the point at which a customer applies to switch a service, net of any subsequent failed switches.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Operating leases

Rentals 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.

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

1. ACCOUNTING POLICIES (continued)**1.6 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.8 Share based payments

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the options granted is recognised as an expense. The total amount to be expensed is determined by the fair value of the options granted, calculated by reference to the Black-Scholes option valuation model. At the end of each reporting period the entity revises its estimates of non-market vesting conditions and the number of options expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account with a corresponding adjustment to equity.

2. OTHER OPERATING INCOME

	2014 £	2013 £
Management fees receivable	78,816	-

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the company	95,205	104,232
Auditors' remuneration	31,925	39,506
Operating lease rentals: - other operating leases	84,248	112,857
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2013 - £NIL).

4. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,938,826	3,106,840
Social security costs	407,920	408,513
Other pension costs	38,122	19,024
	<u> </u>	<u> </u>
	<u>3,384,868</u>	<u>3,534,377</u>

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

	2014 No.	2013 No.
Management	5	5
Sales	59	62
Finance	5	1
Marketing	7	11
Human resources	5	3
Operations	13	18
Information technology	6	13
	<u> </u>	<u> </u>
	<u>100</u>	<u>113</u>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

5. EQUITY SETTLED SHARE-BASED PAYMENTS

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

Date	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

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
Expected volatility	50%	50%	50%
Expected life (years)	4	4	4
Risk-free interest rate	0.54%	0.54%	0.67%
Expected dividend yield	-	-	-
Non-market based vesting conditions	20%	20%	20%
Fair value per option (£)	3.31	3.90	5.72

The charge to the profit and loss for share based payments during the year was £60,174 (2013 - £40,794). The deferred tax asset arising on this for the same period was £33,571 (2013 - £10,855).

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

	Number of options 2014	Weighted average exercise price per share 2014	Number of options 2013	Weighted average exercise price per share 2013
At 1 April	95,651	5.08	96,086	3
Granted	-	-	19,417	14.62
Forfeited	(18,636)	4.68	(19,852)	4
Exercised	-	-	-	-
Expired	-	-	-	-
At 31 March	<u>77,015</u>	<u>5.18</u>	<u>95,651</u>	<u>5.08</u>

The weighted average remaining contractual life of the options is 7.51 years (2013 - 8.5 years).

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

6. INTEREST PAYABLE

	2014	2013
	£	£
On bank loans and overdrafts	18,783	16,490
Other interest payable	-	5,030
	<u>18,783</u>	<u>21,520</u>

7. EXCEPTIONAL ITEMS

	2014	2013
	£	£
Intercompany loan waived	<u>327,593</u>	<u>-</u>

8. TAXATION

	2014	2013
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the year	459,147	32,276
Deferred tax (see note 14)		
Origination and reversal of timing differences	(22,716)	(10,855)
Tax on profit/loss on ordinary activities	<u>436,431</u>	<u>21,421</u>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

8. TAXATION (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit/loss on ordinary activities before tax	2,180,341	(102,133)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	501,478	(24,512)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	24,151	61,096
Depreciation for year in excess of capital allowances	9,714	-
Capital allowances in excess of depreciation for the year	-	(489)
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(75,346)	-
Loss on disposal of fixed asset	-	210
Other adjustment	(850)	(1,109)
Group relief	-	(2,920)
Current tax charge for the year (see note above)	459,147	32,276

It has been announced that the main UK tax rate will drop to 21% effective from 1 April 2014. The impact of this subsequent corporation tax rate reduction will only be reflected as the relevant legislation is substantively enacted.

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

9. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures & fittings £	Office equipment £	Total £
Cost				
At 1 April 2013	103,919	69,105	377,286	550,310
Additions	-	-	32,455	32,455
At 31 March 2014	103,919	69,105	409,741	582,765
Depreciation				
At 1 April 2013	37,789	48,264	286,322	372,375
Charge for the year	25,980	11,258	57,967	95,205
At 31 March 2014	63,769	59,522	344,289	467,580
Net book value				
At 31 March 2014	40,150	9,583	65,452	115,185
At 31 March 2013	66,130	20,841	90,964	177,935

10. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2013 and 31 March 2014	983,513
Net book value	
At 31 March 2014	983,513
At 31 March 2013	983,513

Subsidiary undertakings

The following was a subsidiary undertaking of the company:

Name	Class of shares	Holding
UK Power Limited	Ordinary	100%

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

10. FIXED ASSET INVESTMENTS (continued)

Name	Business
UK Power Limited	Online price comparison site of energy suppliers

The aggregate of the share capital and reserves as at 31 March 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit £
UK Power Limited	880,784	283,017

11. DEBTORS

	2014 £	2013 £
Due after more than one year		
Prepayments and accrued income	1,412,170	685,940
Due within one year		
Trade debtors	447,677	392,747
Amounts owed by group undertakings	153,832	314,614
Other debtors and accrued income	229,979	195,247
Prepayments and accrued income	3,243,968	2,536,949
Deferred tax asset (see note 14)	32,544	9,828
	<u>5,520,170</u>	<u>4,135,325</u>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

**12. CREDITORS:
Amounts falling due within one year**

	2014	2013
	£	£
Bank loans and overdrafts	222,791	336,667
Trade creditors	343,225	461,164
Amounts owed to group undertakings	977,462	811,107
Corporation tax	459,997	239,130
Other taxation and social security	416,622	492,419
Other creditors	35,009	102,860
Accruals and deferred income	847,016	885,540
	<u>3,302,122</u>	<u>3,328,887</u>

The bank loans have been guaranteed by a limited guarantee provided by the director J D Elliott and C W Cole, a director of Make It Cheaper Group Limited, together with a guarantee given by the DTI.

Following the year end the bank loan was repaid and the personal guarantees provided by J D Elliott and C W Cole were removed.

**13. CREDITORS:
Amounts falling due after more than one year**

	2014	2013
	£	£
Bank loans	-	42,083
Other creditors	256,000	384,000
	<u>256,000</u>	<u>426,083</u>

14. DEFERRED TAX ASSET

	2014	2013
	£	£
At beginning of year	9,828	(1,027)
Released during year (P&L)	22,716	10,855
	<u>32,544</u>	<u>9,828</u>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

14. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	1,027	1,027
Share based payments	(33,571)	(10,855)
	<u>(32,544)</u>	<u>(9,828)</u>

15. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each shares of £1 each	<u>100</u>	<u>100</u>

16. RESERVES

	Other reserves £	Profit and loss account £
At 1 April 2013	76,223	1,688,616
Profit for the year		1,743,910
Dividends: Non-equity capital		(508,122)
Movement on other reserves	60,174	
Transfer between reserves	(9,891)	9,891
	<u>126,506</u>	<u>2,934,295</u>
At 31 March 2014		

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.

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	1,764,939	2,262,580
Profit/(loss) for the financial year	1,743,910	(123,554)
Dividends (Note 18)	(508,122)	(414,881)
Share based payments	60,174	40,794
	<hr/>	<hr/>
Closing shareholders' funds	3,060,901	1,764,939
	<hr/>	<hr/>

18. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	508,122	414,881
	<hr/>	<hr/>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit/(loss)	1,871,531	(81,037)
Exceptional items	327,593	-
Depreciation of tangible fixed assets	95,205	104,232
Loss on disposal of tangible fixed assets	-	875
Increase in debtors	(1,522,911)	(544,407)
Decrease/(increase) in amounts owed by group undertakings	160,782	(111,549)
(Decrease)/increase in creditors	(428,110)	1,131,552
Increase in amounts owed to group undertakings	166,355	194,196
Share based payments	60,173	40,794
	<hr/>	<hr/>
Net cash inflow from operating activities	730,618	734,656
	<hr/>	<hr/>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	-	424
Interest paid	(18,783)	(16,490)
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Net cash outflow from returns on investments and servicing of finance	(18,783)	(16,066)
	<hr/>	<hr/>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £	2013 £
Taxation		
Corporation tax	(238,280)	54,376
	<u>(238,280)</u>	<u>54,376</u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(32,455)	(159,968)
	<u>(32,455)</u>	<u>(159,968)</u>
	2014 £	2013 £
Acquisitions and disposals		
Purchase of fixed asset investments	-	(983,513)
	<u>-</u>	<u>(983,513)</u>
	2014 £	2013 £
Financing		
New secured loans	-	500,000
Repayment of loans	(252,500)	(121,250)
	<u>(252,500)</u>	<u>(121,250)</u>
Net cash (outflow)/inflow from financing	<u>(252,500)</u>	<u>378,750</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Cash at bank and in hand	223,136	(222,981)	-	155
Bank overdraft	-	(96,541)	-	(96,541)
	<u>223,136</u>	<u>(319,522)</u>	<u>-</u>	<u>(96,386)</u>
Debt:				
Debts due within one year	(336,667)	252,500	(42,083)	(126,250)
Debts falling due after more than one year	(42,083)	-	42,083	-
	<u>(155,614)</u>	<u>(67,022)</u>	<u>-</u>	<u>(222,636)</u>
Net debt	<u>(155,614)</u>	<u>(67,022)</u>	<u>-</u>	<u>(222,636)</u>

MAKE IT CHEAPER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

22. 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.

23. 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 £33,334 (2013 - £19,024).

Included within other creditors is an amount of £3,815 (2013 - £3,896) relating to an outstanding pension liability.

24. RELATED PARTY TRANSACTIONS

Included within other debtors at the balance sheet date is an amount of £208,810 (2013 - £166,346) owed by Tecam Limited, a company in which J D. Elliott and C.W. Cole are directors and shareholders.

Included within other creditors is an amount of £20,708 owed to The Positive Ageing Company Limited. The director, J D Elliott is a director of this company.

The company has taken advantage of the exemption in Financial Reporting Standards Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated accounts are prepared by the ultimate parent company.

25. ULTIMATE PARENT UNDERTAKING AND 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.