

**Marketing VF Limited**

**Annual report and financial  
statements**

**Registered number 06951544**

**31 March 2015**

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## Strategic Report

The directors present the Strategic report, Directors' report, and financial statements for the year ended 31 March 2015.

### Principal activity

The Company's principal activity is digital marketing and publishing to generate high quality sales prospects for its clients.

The Company owns and develops its own websites and has invested considerable resources in developing its own scalable and highly efficient technology platform.

The Company operates in six main sectors including Business to Business product and services ("B2B"), Market Research, Relocations, Clean Tech, Healthcare, and Education, and conducts marketing activities across over 60 countries, with 50% of current year turnover generated outside the UK.

### Business review and Key Performance Indicators

During the year the Company expanded significantly, raising turnover 54% to £27,865,000 (2014: £18,147,000) exclusively through organic growth. Revenue grew across all six sectors, with particularly strong gains in B2B, Relocations, and Education. The highest rate of revenue growth was in the North American market, with revenues in the UK, the Company's largest single market, also up steeply, by 78%.

Gross profit improved even more sharply, by 72% to £13,925,000 (2014: £8,077,000) with average gross profit margins strengthening to 50% (2014: 45%), as key growth sectors continued to mature and scale.

Profit before tax grew 142% from £1,994,000 in 2014 to £4,830,000 in 2015, reflecting growing economies of scale from investments in the Company's technology platform and operational processes.

All six sectors were net profitable in the year, and underlying recurring EBITDA (excluding depreciation, interest, foreign exchange differences, and exceptional/non-recurring costs of £283,000) was £5,460,000, a significant step up from £2,423,000 in 2014.

Average headcount over the year was 193 (2014: 136) as the Company continued to invest in building its team of international digital marketing and publishing experts to help support current and future growth.

### Capital raising and expansion plans

The Company's vision is to help its customers succeed by being the world's number one resource for high quality prospects and customers in fast growing markets.

During 2015 100% of the share capital of the Company was acquired by Lock Bidco Limited. As part of this transaction funds advised by Bridgepoint Development Capital ("BDC") acquired a minority stake in the ultimate ownership of the Company. BDC's investment is anticipated to facilitate accelerated growth, potential acquisitions, and continued international expansion.

In June 2015 the Company opened its first overseas sales office, in Austin, Texas to accelerate US growth by facilitating direct access and closer relationships with US based customers.

In line with the Company's strategy, and the initiatives described above, the directors expect continued strong growth in the year ahead in both existing and new business areas, as well as in geographical scope.

### People and recruitment

The Company aims to employ the smartest people we can find with a wide range of interests and passions outside of work from all around the world, making for a richly diverse working environment.

Each member of staff receives a generous training budget, and the rapid growth of the Company has provided numerous opportunities for staff to develop and be promoted, and the directors expect this to continue. The Company conducts all recruitment in-house.

The Company achieved 10<sup>th</sup> place in the *Sunday Times Best Small Companies to Work for* (2014: 41<sup>st</sup> place), maintaining its three-star accreditation as an "Extraordinary" place to work.

## Strategic report *(continued)*

### Social responsibility

During the year the Company made charitable donations of £1,300 (2014: £2,383), principally to local charities serving the communities in which the Company operates.

In addition, the Company has a Corporate Social Responsibility Committee the objectives of which are to foster the Company's relationship with the local community, to fundraise for external charities, and help to improve the Company internally, for example improving the Company's green policy.

The Board of the ultimate owner of the Company has recently approved an Environmental, Social and Governance ('ESG') policy which includes the monitoring by the Company of key performance indicators designed to provide the directors with greater visibility of relevant ESG matters.

### Policy and practice on payment of creditors

The Company's policy is to pay suppliers in line with the terms of payment agreed with them when contracting for their products or services.

### Principal risks and uncertainties

The Company's activities expose it to a number of financial risks including credit risk, liquidity risk, and foreign exchange risk.

- Credit risk. The Company's credit risk is attributable primarily to its trade receivables which are presented net of allowances for doubtful receivables. The Company maintains a credit policy and procedures and has no significant concentration of credit risk.
- Liquidity risk. The Company monitors and manages its cash balances to ensure that sufficient funds are available for operations and investment. Operating cash flows are strong and cash at year end was £4,078,000 (2014: £2,502,000). In addition the Company can draw on a Group Revolving Credit Facility but was not overdrawn at any time during the year.
- Foreign exchange risk. The Company operates internationally and is exposed to foreign exchange risk relating primarily to US dollar and Euro receivables and payables. The Company actively monitors and manages its foreign currency exposures.

By order of the board



**Michael Teixeira**  
Director

28<sup>th</sup> August 2015

## Directors' report

### Research and development

The Company's technology platform is a key source of competitive advantage and scalability for the Company and is essential for delivering continued profit growth. This technology platform automates and optimises processes related to marketing and the efficient capture, qualification, and distribution of sales leads to clients. It also provides in-house analysts with rich data collected from marketing platforms and user activity from hundreds of thousands of new sales leads generated monthly.

The technology platform is proprietary to the Company and has been designed and developed entirely by the Company's directors and staff, who continue to advance it to meet business opportunities and the changing digital marketing landscape.

### Dividends

During the year to 31 March 2015 the Company paid interim dividends totalling £809.60 per share (£4,048,000). The directors do not recommend a further dividend.

### Directors

The directors who held office during the year were as follows:

J Hopkinson  
T Morgan  
T Sharpe  
M Teixeira  
S Venturi (resigned 16 February 2015)  
D Walton (resigned 16 February 2015)

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director 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 auditor is aware of that information.

### Auditor

Following a tender process in 2015, KPMG was appointed as the Company's external auditor commencing with the 2015 financial year.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**Michael Teixeira**  
Director

Ryland House  
Ryland Road  
London  
NW5 3EH

28<sup>th</sup> August 2015

## **Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

15 Canada Square  
London  
E14 5GL  
United Kingdom

## **Independent Auditor's report to the members of Marketing VF Limited**

We have audited the financial statements of Marketing VF Limited for the year ended 31 March 2015 set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 4, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements:

## **Independent Auditor's report to the members of Marketing VF 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.

**Mark Prince (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

**28** August 2015



**Profit and Loss Account**  
*for the year ended 31 March 2015*

	<i>Note</i>	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
<b>Turnover</b>	<b>2</b>	<b>27,865</b>	<b>18,147</b>
Cost of sales		<b>(13,940)</b>	<b>(10,070)</b>
<b>Gross profit</b>		<b>13,925</b>	<b>8,077</b>
Administrative expenses		<b>(9,113)</b>	<b>(6,103)</b>
<b>Operating profit</b>	<b>3</b>	<b>4,812</b>	<b>1,974</b>
Other interest receivable and similar income	<b>6</b>	<b>18</b>	<b>20</b>
<b>Profit on ordinary activities before taxation</b>	<b>3</b>	<b>4,830</b>	<b>1,994</b>
Tax on profit on ordinary activities	<b>7</b>	<b>1,190</b>	<b>(366)</b>
<b>Profit for the financial year</b>		<b>6,020</b>	<b>1,628</b>

There are no recognised gains or losses other than those stated above, therefore no separate statement of total recognised gains and losses has been presented.

All results derive from continuing operations.

A note on historical gains and losses has not been included in these financial statements as the results presented in the profit and loss account are prepared on an unmodified cost basis.

**Balance Sheet**  
*at 31 March 2015*

	<i>Note</i>	<b>2015</b> <b>£000</b>	<b>£000</b>	<b>2014</b> <b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Intangible assets	9		<b>314</b>		<b>587</b>
Tangible assets	10		<b>211</b>		<b>114</b>
			<hr/>		<hr/>
			<b>525</b>		<b>701</b>
<b>Current assets</b>					
Debtors	12	<b>6,247</b>		<b>3,565</b>	
Cash at bank and in hand		<b>4,078</b>		<b>2,502</b>	
		<hr/>		<hr/>	
<b>Creditors: amounts falling due within one year</b>	13	<b>10,325</b> <b>(5,189)</b>		<b>6,067</b> <b>(3,148)</b>	
		<hr/>		<hr/>	
<b>Net current assets</b>			<b>5,136</b>		<b>2,919</b>
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>5,661</b>		<b>3,620</b>
<b>Provisions</b>	14		<b>-</b>		<b>(15)</b>
			<hr/>		<hr/>
<b>Net assets</b>			<b>5,661</b>		<b>3,605</b>
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	15		<b>6</b>		<b>5</b>
Share premium	16		<b>83</b>		<b>-</b>
Profit and loss account	16		<b>5,572</b>		<b>3,600</b>
			<hr/>		<hr/>
<b>Shareholders' funds</b>	16		<b>5,661</b>		<b>3,605</b>
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 28<sup>th</sup> August 2015 and were signed on its behalf by:



**Michael Teixeira**  
*Director*

Company registered number: 06951544

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standard, and under the historical cost accounting rules.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Lock Topco Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

#### ***Going concern***

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the strategic report.

The Company meets its day to day working capital requirements through the active monitoring and management of the cash balance. Cash at year end was £4,078,000 (2014: £2,502,000).

The Company's forecasts show that the Company should be able to continue to generate strong operating cash flows. The directors therefore have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### ***Goodwill and negative goodwill***

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life. The estimated useful life of the group's goodwill is 3 years.

#### ***Intangible fixed assets and amortisation***

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Capitalised domain names and websites are included at cost and amortised to nil by equal annual instalments over their useful economic lives of 3 years.

#### ***Investments***

Investments in subsidiary undertakings, associates and joint ventures are stated at cost.

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

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	-	33% per annum
Office equipment	-	33% per annum
Computer equipment	-	33% per annum

## **Notes** *(continued)*

### **1 Accounting policies** *(continued)*

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling 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.

#### ***Leases***

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***Post-retirement benefits***

During the year the Company implemented a Personal Pension scheme which is a contract-based defined contribution scheme arranged by the Company and made up of a group of individual contracts between the employees and the pension provider. The assets of the scheme are therefore held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### ***Research and development expenditure***

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

#### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, with discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Turnover***

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised at the point when qualified sales prospects are delivered to clients.

#### ***Share based payments***

In 2011 to 2013 the company issued options over ordinary shares to certain employees under an Enterprise Management Incentive Scheme.

The Company has not applied the requirements of FRS20 Share-based Payment as the amounts are not material.

#### ***Dividends on shares presented within shareholders' funds***

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

## Notes (continued)

### 2 Analysis of turnover

	2015 £000	2014 £000
<i>By geographical market</i>		
Asia Pacific	2,478	1,899
Europe	5,960	5,449
Latin America	998	863
Middle East	240	308
North America	4,159	1,758
United Kingdom	14,030	7,870
	<u>27,865</u>	<u>18,147</u>

### 3 Notes to the profit and loss account

	2015 £000	2014 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation and other amounts written off tangible fixed assets:		
Owned	100	57
Amortisation of intangible assets	283	206
Hire of other assets - operating leases	233	176
Research and development expenditure	416	354
Net (profit)/loss on foreign currency translation	(18)	73
	<u></u>	<u></u>

#### *Auditor's remuneration:*

	2015 £000	2014 £000
Audit of these financial statements	11	19
	<u></u>	<u></u>

Research and development expenditure relates to the continuing development of the Company's proprietary technology platform and consists almost entirely of direct staff costs.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Lock Topco Limited.

### 4 Remuneration of directors

	2015 £000	2014 £000
Directors' remuneration	110	202
Social security costs	8	22
Company contributions to defined contribution pension schemes	1	-
	<u>119</u>	<u>224</u>

## Notes (continued)

### 4 Remuneration of directors (continued)

The remuneration of the highest paid director was £50,000 (2014: £52,000). During the year, the highest paid director exercised share options and received shares under a long term incentive scheme.

	Number of directors 2015	2014
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	4	-
The number of directors who exercised share options was	1	-

### 5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was as follows:

	Number of employees 2015	2014
Employees	193	136

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	5,989	3,982
Social security costs	682	452
Other pension costs	51	-
	6,722	4,434

### 6 Other interest receivable and similar income

	2015 £000	2014 £000
Other interest receivable	18	20

## Notes (continued)

### 7 Taxation

#### Analysis of (credit)/charge in period

	2015 £000	2014 £000
<i>UK corporation tax</i>		
Current tax on income for the period	-	361
Adjustments in respect of prior periods	(360)	-
<b>Total current tax</b>	<b>(360)</b>	<b>361</b>
<i>Deferred tax (see note 14)</i>		
Origination/reversal of timing differences	(829)	6
Adjustment in respect of previous years	-	(1)
Effect of tax rate change on opening balance	(1)	-
<b>Total deferred tax</b>	<b>(830)</b>	<b>5</b>
<b>Tax (credit)/charge on profit on ordinary activities</b>	<b>(1,190)</b>	<b>366</b>

#### Factors affecting the tax charge for the current period

The current tax (credit)/charge for the period is lower (2014: lower) than the standard rate of corporation tax in the UK (21%, 2014: 23%). The differences are explained below.

	2015 £000	2014 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	4,830	1,994
<b>Current tax at 21% (2014: 23%)</b>	<b>1,014</b>	<b>459</b>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	10	10
Other permanent differences	(2,110)	-
Losses carried back	324	-
Research and development relief	(109)	(101)
Group relief surrendered / (claimed)	-	(1)
Foreign tax credits	-	-
Adjustments to tax charge in respect of previous periods	(360)	-
Capital allowances for period in excess of depreciation	(17)	(6)
Other short term timing differences	3	-
Unrelieved tax losses and other deductions arising in the period	885	-
<b>Total current tax (credit)/charge (see above)</b>	<b>(360)</b>	<b>361</b>

#### Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

## Notes (continued)

### 8 Dividends

The aggregate amount of dividends comprises:

	2015 £000	2014 £000
Interim dividends paid in respect of the current year	4,048	500
	<u>4,048</u>	<u>500</u>

The aggregate amount of dividends proposed and not recognised as liabilities as at the year-end is nil (2014: nil).

### 9 Intangible fixed assets

	Domain names and websites £000	Goodwill £000	Total £000
<b>Cost</b>			
At beginning of year	326	540	866
Additions	10	-	10
	<u>336</u>	<u>540</u>	<u>876</u>
At end of year	<u>336</u>	<u>540</u>	<u>876</u>
<b>Amortisation</b>			
At beginning of year	176	103	279
Charged in year	105	178	283
	<u>281</u>	<u>281</u>	<u>562</u>
At end of year	<u>281</u>	<u>281</u>	<u>562</u>
<b>Net book value</b>			
At 31 March 2015	<u>55</u>	<u>259</u>	<u>314</u>
At 31 March 2014	<u>150</u>	<u>437</u>	<u>587</u>

In August 2013 the Company acquired the trade and assets of a business operating in similar markets, for £540,000. This is recognised as an intangible asset and is being amortised over a three year useful economic life.



## Notes (continued)

### 10 Tangible fixed assets

	Leasehold improvements £000	Computer equipment £000	Office equipment £000	Total £000
<b>Cost</b>				
At beginning of year	40	132	72	244
Additions	33	117	47	197
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	73	249	119	441
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At beginning of year	24	69	37	130
Charge for year	15	56	29	100
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	39	125	66	230
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
<b>At 31 March 2015</b>	<b>34</b>	<b>124</b>	<b>53</b>	<b>211</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	16	63	35	114
	<hr/>	<hr/>	<hr/>	<hr/>

### 11 Investments

The Company has two investments in subsidiaries as follows:

- The Company owns 100% of the ordinary share capital of Think Ahead Advice Limited (“Think Ahead”), a company incorporated in the United Kingdom at a cost of £2. Think Ahead previously traded as a broker of protection (insurance) products, acting as an Appointed Representative of a large protection network provider. Think Ahead Advice Limited is now inactive.
- The Company is the sole member (100% owner) of MVF US LLC (“MVF US”), a Limited Liability Company incorporated in the United States at a cost of nil. MVF US’s principal activity is to act as a sales office for Marketing VF Limited.

The Company does not have a shareholding in any other companies.

### 12 Debtors

	2015 £000	2014 £000
Trade debtors	4,422	3,071
Amounts owed by Group Companies	23	-
Other debtors	19	220
Prepayments and accrued income	423	274
Corporation tax receivable	545	-
Deferred tax asset (see note 14)	815	-
	<hr/>	<hr/>
	<b>6,247</b>	<b>3,565</b>
	<hr/>	<hr/>

## Notes (continued)

### 13 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	2,178	1,746
Amounts owed to Group Companies	598	-
Taxation and social security	985	559
Pension liability	10	-
Corporation tax payable	-	174
Accruals and deferred income	1,418	669
	<u>5,189</u>	<u>3,148</u>

### 14 Provisions for deferred tax

	2015 Deferred taxation £000	2014 Deferred taxation £000
Liability at beginning of year	(15)	(10)
Deferred tax credit/(charge) in the profit and loss account for the period	830	(5)
	<u>815</u>	<u>(15)</u>
Asset at end of year		

The elements of deferred taxation are as follows:

	2015 £000	2014 £000
Accelerated capital allowances	(30)	(15)
Short term timing differences	2	-
Tax losses carried forward and other deductions	843	-
	<u>815</u>	<u>(15)</u>

### 15 Called up share capital

	2015 £000	2014 £000
<i>Allotted, called up and fully paid</i>		
5,874 (2014: 5,000) Ordinary shares of £1 each	6	5
	<u>6</u>	<u>5</u>

## Notes (continued)

### 16 Reconciliation of shareholders' funds

	Share Capital £000	Share Premium £000	Profit and loss account £000	Total £000
At beginning of year	5	-	3,600	3,605
Profit for the year	-	-	6,020	6,020
Increase in share capital and share premium due to exercise of EMI share options	1	83	-	84
Dividends on shares classified in shareholders' funds	-	-	(4,048)	(4,048)
<b>At end of year</b>	<b>6</b>	<b>83</b>	<b>5,572</b>	<b>5,661</b>

### 17 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2015 Land and buildings £000	2014 Land and buildings £000
Operating leases which expire:		
Within one year	224	20
In the second to fifth years inclusive	-	392
Over five years	-	-
	<b>224</b>	<b>412</b>

Bank loans of companies in the group headed by Lock Topco Limited, totalling £12,000,000 at 31 March 2015 (2014: nil) are secured by a fixed and floating charge over the assets of the Company.

### 18 Pension scheme

#### *Defined contribution pension scheme*

During the year the Company implemented a Personal Pension scheme which is a contract-based defined contribution scheme arranged by the Company and made up of a group of individual contracts between the employees and the pension provider.

The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £50,869 (2014: nil).

Contributions amounting to £10,436 (2014: nil) were payable to the scheme and are included in creditors.

## Notes (continued)

### 19 Employee share schemes

#### Share based payments

Over the period 2011 to 2013 the Company issued options over ordinary shares to certain employees under an Enterprise Management Incentive Scheme. There were four issues, totalling 1,185 options at exercise prices of £1 to £152 per share. All options required a majority sale of the Company to take place and in addition certain options had performance conditions. All options were otherwise exercisable within 10 years.

The Company did not apply the requirements of FRS20 Share-based Payment as the amounts are not material.

During the year 100% of the share capital of the Company was purchased by Lock Bidco Limited in a transaction where there was a change in the ultimate control of the Company and as a result the options vested (subject to any performance conditions).

As a result, 874 options vested and were exercised at a total cost to the employees of £84,055 representing a weighted average cost per share of £96.17.

The remaining unexercised options (311 options) which related to employees who had left the company or to options where performance conditions were not met, were cancelled.

The 874 shares issued to employees were subsequently sold to Lock Bidco Limited.

At year end there are no outstanding share options and the company's EMI share option scheme has been closed.

### 20 Related party disclosures

The Company's ultimate controlling party is Lock Topco Limited, registered in the United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by Lock Topco Limited, incorporated in United Kingdom. The smallest group in which they are consolidated is that headed by Lock Bidco Limited, incorporated in United Kingdom. The consolidated financial statements of these groups are available to the public and may be obtained from Ryland House, Ryland Road, London NW5 3EH.

Within other debtors there is a loan balance of nil (2014: £207,000) due from Charterhouse Limited, a company which shares some common ownership with the Company. This transaction was undertaken on an arm's length basis.