

Company registered no: 07258459

Glide 2 Limited  
Annual Report and Financial Statements  
for the 15 month period ended 31 December 2014

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## **Glide 2 Limited**

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# **Glide 2 Limited**

## **Board of directors and advisers**

### **Directors**

J D Villarreal  
S S Krishan  
N H P Lloyd

### **Company number**

07258459

### **Registered office**

Alpha Tower  
Suffolk Street Queensway  
Birmingham  
B1 1TT

### **Bankers**

Barclays Bank PLC  
15 Colmore Row  
Birmingham  
B3 2BH

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

# **Glide 2 Limited**

## **Strategic report for the 15 month period ended 31 December 2014**

### **Introduction**

The directors present their Strategic report on the group ("Glide") for the 15 month period ended 31 December 2014.

### **Business Review**

The group is an energy and telecommunications group specialising in supplying tenants, landlords, letting agents and property investors in the UK and Glide's core proposition, through its main trading subsidiary Glide Utilities Ltd, is that it solves the problem of splitting bills in shared accommodation by billing each tenant individually. Glide believes it provides one of the best and simplest choices for students and young professionals living in shared accommodation in the UK and also provides landlords and agents with a simple way to offer rents inclusive of bills.

Glide has continued to improve its customer communication and processes to increase awareness of the amount of energy the customers use, thereby assisting the customers in managing their energy consumption.

Glide has grown its number of services provided to 24,000 at the end of December 2014 from 17,000 at September 13. Both the student and landlord market segments have experienced strong growth in turnover over a comparable period with revenues standing at £16.8m at the end of the 15 month period ended 31 December 2014.

Gross margins have softened in the period, primarily in respect of gas, which has reduced gross margin by £0.13m over the 15 month period.

This combined with Glide's additional investment of over £0.2m in its brand, customer service and infrastructure improvements has resulted in operating profit in line with expectations of £0.2m over the 15 month period (2103: £0.4m) before goodwill amortisation of £0.12m (2013: £0.09m).

The development of the business telecommunications services using hosted telephony and targeted at the SME market through its subsidiary G2 Voice Ltd, has proved complex due to the scale of the operation within a competitive marketplace. A decision was taken to dispose of the business in order to focus on the core business operated in Glide Utilities Ltd and this was achieved on the 28 May 2015.

The directors continue to manage the business prudently and the balance sheet remains strong with cash balances in excess of £2.3m (2013: £1.3m) as at 31 December 2014.

### **Future Developments**

Following a strong performance in the period to 31 December 2014, Glide is focussed on continued growth in market share and its service solutions continue to attract interest in the market.

Glide will continue to invest in its brand and customer service; the investment in the website, online portals and mobile apps will provide greater integration with its business systems and processes, thereby improving the overall customer experience. Glide will strive to enhance customer service through continued investment in its staff, training and business infrastructure and the directors are confident of further profitable growth.

## **Glide 2 Limited**

### **Strategic report for the 15 month period ended 31 December 2014**

#### **Principal Risks and Uncertainties**

The principal risks and uncertainties facing Glide are outlined below:

##### **Energy price volatility**

Glide's performance may be affected by fluctuations in wholesale energy prices. Glide's trading terms mitigates this risk by allowing business customers to fix their energy tariffs for terms of up to 24 months, thereby giving more certainty to their costs and to Glide's future revenue. For domestic customers, changes in wholesale energy prices could lead to pricing action being taken to increase tariffs which is provided for in the contractual terms.

##### **Financial risks**

The main financial risks are outlined and managed as noted in the Directors' report.

##### **Financial Key Performance Indicators**

The directors of Glide believe that analysis using key performance indicators, apart from the performance indicators noted in the Business Review above, is not necessary or appropriate for an understanding of the development or performance of the group.

This report was approved by the Board on 23 June 2015 and signed on its behalf by:



S S Krishan  
Director

# **Glide 2 Limited**

## **Directors' report for the 15 month period ended 31 December 2014**

The directors present their report and the financial statements for the 15 month period ended 31 December 2014.

### **Principal activities**

The principal activity of the group is that of distributing, trading and provision of utilities and telecommunications.

### **Results and dividends**

The trading results for the period and the group's financial position at the end of the period are shown in the attached financial statements. The directors have paid a dividend of £138,595 (2013: £113,396) in the financial period.

### **Directors**

The directors of the group who were in office during the period and up to the date of signing the financial statements were:

J D Villarreal  
S S Krishan  
C E Cattaneo (resigned on 30 June 2014)  
N H P Lloyd (appointed 6 April 2015)

### **Principal risks and uncertainties**

#### **Financial risks**

The group's principal financial instruments comprise hire purchase contracts and cash at bank. The main purpose of these financial instruments is to raise finance for the group's operations. The group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The group does not enter into derivative transactions

It is, and has been throughout the period under review, the group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the group's financial instruments are credit risk, interest rate risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

#### **Credit risk**

Due to the nature of the business, not all domestic customers are subject to credit vetting procedures. Business customers who wish to trade on credit terms are subject to credit vetting procedures using Creditsafe Business Solutions Ltd.

Credit risk for domestic customers is minimised through deposits taken at the start of the contract term and through payment plans set up to take payment in advance. The terms and conditions of tenant contracts are such that all tenants are jointly and severally liable for a property's debt.

#### **Interest rate risk**

The group's exposure to market risk for changes in interest rates relates primarily to the group's hire purchase contracts. The group manages this risk by negotiating contracts with fixed interest rates.

#### **Liquidity risk**

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of its cash reserves, bank facility and hire purchase contracts.

## **Glide 2 Limited**

### **Directors' report for the 15 month period ended 31 December 2014 (continued)**

#### **Directors' indemnity**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Company also purchased and maintained throughout the financial period directors' and officers' liability insurance in respect of itself and its directors.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, 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 period. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Provision of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that directors are aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that directors have taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditors is aware of that information.

## **Glide 2 Limited**

### **Directors' report for the 15 month period ended 31 December 2014 (continued)**

#### **Independent auditors**

PricewaterhouseCoopers LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the group receives notice under section 488(1) of the Companies Act 2006.

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



S S Krishan  
Director

23 June 2015



# **Independent auditors' report to the members of Glide 2 Limited**

## **Report on the financial statements**

### **Our opinion**

In our opinion, Glide 2 Limited's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2014 and of the group's profit and the group's and the company's cash flows for the 15 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **What we have audited**

Glide 2 Limited's financial statements comprise:

- the Consolidated and Company Balance sheet as at 31 December 2014;
- the Consolidated Profit and Loss Account for the period then ended;
- the Group and Company Cash Flow Statement for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### **Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

## **Independent auditors report to the members of Glide 2 Limited (continued)**

### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## **Responsibilities for the financial statements and the audit**

### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Financial Statements 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.



Neil Philpott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
24 June 2015

## Glide 2 Limited

### Consolidated profit and loss account for the 15 month period ended 31 December 2014

	Note	15 month period ended 31 December 2014 £	Year ended 30 September 2013 £
<b>Turnover</b>	2	16,754,598	10,043,187
Cost of sales		(12,815,578)	(7,545,830)
<b>Gross profit</b>		3,939,020	2,497,357
Administrative expenses		(3,839,182)	(2,172,880)
<b>Operating profit</b>	3	99,838	324,477
Interest receivable and similar income		25,951	9,055
Interest payable and similar charges		(3,251)	(2,961)
<b>Profit on ordinary activities before taxation</b>		122,538	330,571
Tax on profit on ordinary activities	5	(18,444)	(54,571)
<b>Profit for the financial period/year</b>	14	104,094	276,000

The notes on pages 14 to 26 form part of these financial statements.

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the result for the period/year as set out above.


There is no material difference between the profit on ordinary activities before taxation and the profit for the financial period/year stated above and their historic costs equivalents.

## Glide 2 Limited

### Consolidated balance sheet as at 31 December 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Intangible assets	6	567,630	675,425
Tangible assets	7	<u>285,534</u>	<u>198,320</u>
		853,164	873,745
<b>Current assets</b>			
Debtors	9	2,137,542	2,227,390
Cash at bank and in hand		<u>2,355,055</u>	<u>1,363,021</u>
		4,492,597	3,590,411
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,585,802)</u>	<u>(2,711,795)</u>
<b>Net current assets</b>		906,795	878,616
<b>Total assets less current liabilities</b>		1,759,959	1,752,361
<b>Creditors: amounts falling due after more than one year</b>	11	(23,264)	(723)
<b>Provisions for liabilities and charges</b>	12	<u>(43,078)</u>	<u>(23,520)</u>
<b>Net assets</b>		<u>1,693,617</u>	<u>1,728,118</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,394	1,394
Share premium account	14	691,230	691,230
Other reserves	14	922,070	922,070
Profit and loss account	14	<u>78,923</u>	<u>113,424</u>
<b>Total Shareholders' funds</b>		<u>1,693,617</u>	<u>1,728,118</u>

The financial statements on pages 9 to 26 were approved by the Board of Directors on 23 June 2015 and signed on its behalf by:



J D Villarreal  
Director

23 June 2015

The notes on pages 14 to 26 form part of these financial statements.

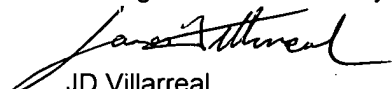
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## Glide 2 Limited

### Company balance sheet as at 31 December 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Investments	8	314,379	314,379
<b>Current assets</b>			
Debtors (Including £nil (2013: £53,890) due after more than one year)	9	398,696	514,615
Cash at bank and in hand		46,134	53,159
		<u>444,830</u>	<u>567,774</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(24,314)</u>	<u>(122,843)</u>
<b>Net current assets</b>		<u>420,516</u>	<u>444,931</u>
<b>Total assets less current liabilities</b>		<u>734,895</u>	<u>759,310</u>
<b>Net assets</b>		<u>734,895</u>	<u>759,310</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,394	1,394
Share premium account	14	691,230	691,230
Profit and loss account	14	42,271	66,686
<b>Total shareholders' funds</b>		<u>734,895</u>	<u>759,310</u>

The financial statements on pages 9 to 26 were approved by the Board of Directors on 23 June 2015 and signed on its behalf by:

  
JD Villarreal  
Director

23 June 2015

The notes on pages 14 to 26 form part of these financial statements.

Company no. 07258459

## Glide 2 Limited

### Group cash flow statement for the 15 month period ended 31 December 2014

	Note	15 month period ended 31 December 2014 £	Year ended 30 September 2013 £
<b>Cash flows from operating activities</b>	16	1,460,828	596,424
<b>Returns on investment and servicing of finance</b>			
Interest received		25,951	9,055
Interest paid		(3,251)	(2,961)
<b>Net cash generated from investments and servicing of finance</b>		22,700	6,094
<b>Taxation</b>		(19,266)	-
<b>Cash flows from capital investment</b>			
Sale of intangible fixed assets		-	891
Purchase of intangible fixed assets	6	(41,000)	(5,000)
Purchase of tangible fixed assets		(263,474)	(104,468)
<b>Net cash used in capital expenditure</b>		(304,474)	(108,577)
<b>Cash flows from financing activities</b>			
Equity dividends paid	15	(138,595)	(113,396)
Capital element of finance lease payments		(29,159)	(58,391)
<b>Net cash used in financing activities</b>		(167,754)	(171,787)
<b>Increase in net cash</b>		992,034	322,154

## Glide 2 Limited

### Company cash flow statement for the 15 month period ended 31 December 2014

	Note	15 month period ended 31 December 2014 £	Year ended 30 September 2013 £
<b>Cash flows from operating activities</b>	16	(63,992)	(70,249)
<b>Returns on investment and servicing of finance</b>			
Interest received		38,446	15,944
Interest paid		(2,884)	(12,029)
<b>Net cash generated from investments and servicing of finance</b>		35,562	3,915
<b>Cash flows from financing activities</b>			
Dividends received		160,000	200,000
Equity dividends paid	15	(138,595)	(113,396)
<b>Net cash used in financing activities</b>		21,405	86,604
<b>Increase in net cash</b>		(7,025)	20,270

# **Glide 2 Limited**

## **Notes to the financial statements for the 15 month period ended 31 December 2014**

### **1. Accounting policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis in accordance with the historical cost convention and with the applicable accounting standards in the United Kingdom and the Companies Act 2006. The principal accounting policies have remained unchanged from the prior year and are set out below:-

#### **1.2 Going concern**

The directors consider that the group has sufficient financial resources together with excellent relationships with its investors, suppliers and bankers. As a consequence, the directors believe the group is well placed to manage its business risks successfully.

The directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Basis of consolidation**

The group financial statements consolidate those of the company and of its subsidiary undertaking after eliminating intra group transactions and balances. The results of the subsidiary undertakings are included in the consolidated results from the date of acquisition, under the acquisition method of accounting. The subsidiary undertaking was acquired in a stepped transaction. Control was obtained at the date of the first transaction when 68% of the subsidiary was acquired and consequently the subsidiary has been consolidated from that date.

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit and loss account for the period dealt with in the financial statements of the company was a profit of £114,180 (2013 – Profit £200,487).

#### **1.4 Turnover**

Turnover comprises revenue recognised by the group in respect of goods and services attributable to distributing, trading and provision of utilities and telecommunications during the year, exclusive of Value Added Tax.

Turnover is recognised in the period that the service was provided on an accruals basis.



# **Glide 2 Limited**

## **Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)**

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

#### **1.5 Goodwill, intangible fixed assets and amortisation**

Goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation is provided at the following annual rates in order to waste off intangible assets over their useful economic life:

Goodwill	-	10% straight line
Other intangible fixed assets	-	33% straight line

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

Tangible fixed assets are stated at cost less accumulated 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:

Office equipment	-	33%- 67% straight line
Computer equipment	-	33% straight line

#### **1.7 Investments and merger relief**

Investments in subsidiaries are valued at cost less provision for impairment.

When applicable the company takes advantage of the merger relief provisions in Section 612 of the Companies Act 2006 when accounting for investments in subsidiary undertakings, whereby the cost of investment in the balance sheet of the company is calculated by reference to the nominal value of shares issued, plus cash consideration, rather than the fair value used upon consolidation. Where advantage of the merger relief provision is taken a merger reserve is recorded on consolidation to recognise the fair value of the consideration for the acquisition of subsidiary undertakings.

#### **1.8 Hire purchase contracts**

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets useful lives. The capital elements of future obligations under hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged to the profit and loss account over the period of the hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

#### **1.9 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.

## **Glide 2 Limited**

### **Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)**

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

##### **1.10 Taxation**

Current income tax assets and/or liabilities comprise those obligations to, or from, fiscal authorities relating to the current or prior reporting period, and are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to the current tax assets and liabilities are recognised as a component of tax expense in the profit and loss account.

##### **1.11 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 not discounted.

##### **1.12 Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### **2. Turnover**

The turnover and profit before tax are attributable to the one principal activity of the company and all turnover is generated within the United Kingdom.

## Glide 2 Limited

### Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)

#### 3. Operating profit

The operating profit is stated after charging:

	15 month period ended 31 December 2014 £	Year ended 30 September 2013 £
Amortisation - intangible fixed assets	148,795	100,476
Depreciation of tangible fixed assets:		
- owned by the group	181,793	77,252
- held under finance leases	26,694	10,678
Auditors' remuneration - fees payable to the group's auditors in respect of the audit of the financial statements	17,500	16,000
Auditors' remuneration - fees payable to the group's auditors in respect of other services	20,990	35,150
Operating leases - other	102,583	82,066
Operating leases – plant and machinery	<u>21,093</u>	<u>16,657</u>

Auditors fees for the company were £2,000 (2013 - £1,500).

#### 4. Employees

The monthly average number of persons employed by the company, including the directors, during the financial period/ year amounted to:

	15 month period ended 31 December 2014 No.	Year ended 30 September 2013 No.
Sales and marketing staff	14	12
Management and administrative staff	37	29
	<u>51</u>	<u>41</u>

The aggregate payroll costs of the above were:

	15 month period ended 31 December 2014 £	Year ended 30 September 2013 £
Wages and salaries	1,423,809	751,535
Social security costs	136,424	92,117
	<u>1,560,233</u>	<u>843,652</u>

## Glide 2 Limited

### Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)

#### 4. Employees (continued)

Remuneration in respect of directors was as follows:

	<b>15 month period ended 31 December 2014</b>	<b>Year ended 30 September 2013</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	<u>216,532</u>	<u>220,839</u>

Directors' emoluments include fees payable to Cattaneo LLP, a limited liability partnership under the control of CE Cattaneo.

Emoluments of the highest paid director:

	<b>15 month period ended 31 December 2014</b>	<b>Year ended 30 September 2013</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	<u>100,797</u>	<u>100,684</u>

#### 5. Tax on profit on ordinary activities

	<b>15 month period ended 31 December 2014</b>	<b>Year ended 30 September 2013</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge in the period/year</b>		
<b>Current Tax</b>		
UK Corporation tax on profits in the period	1,133	21,514
Adjustments in respect of prior periods	(2,247)	-
<b>Total current tax</b>	<u>(1,114)</u>	<u>21,514</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	13,207	50,290
Adjustments in respect of prior year of subsidiary	189	(17,737)
Adjustments in respect of prior periods	6,162	-
Effect of tax rate change on opening balance	-	504
<b>Total deferred tax (see note 12)</b>	<u>19,558</u>	<u>33,057</u>
<b>Tax on profit on ordinary activities</b>	<u>18,444</u>	<u>54,571</u>

# Glide 2 Limited

## Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)

### 5. Tax on profit on ordinary activities (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.8% (2013 - 20%) The differences are explained below:

	15 month period ended 31 December 2014	Year ended 30 September 2013
	£	£
Profit on ordinary activities before tax	122,538	330,567
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.8% (2013 - 20%)	26,713	66,113
<b>Effects of</b>		
Expenses not deductible for tax purposes	32,341	5,690
Capital allowances for year in excess of depreciation	(13,898)	(16,946)
Utilisation of tax losses and other deductions	913	(33,057)
Research and development uplift	(44,834)	-
Changes in tax rates	(102)	(33,344)
Adjustments in respect of prior periods	(2,247)	-
<b>Current tax charge for the year (see note above)</b>	<b>(1,114)</b>	<b>21,514</b>

### 6. Intangible fixed assets

	Other intangible fixed assets £	Goodwill £	Total £
<b>Group</b>			
<b>Cost</b>			
At 1 October 2013	38,700	936,537	975,237
Additions	41,000	-	41,000
Disposal	-	-	-
At 31 December 2014	<b>79,700</b>	<b>936,537</b>	<b>1,016,237</b>
<b>Accumulated amortisation</b>			
At 1 October 2013	11,237	288,575	299,812
Charge for the period	31,729	117,066	148,795
Disposal	-	-	-
At 31 December 2014	<b>42,966</b>	<b>405,641</b>	<b>448,607</b>
<b>Net book value</b>			
At 31 December 2014	<b>36,734</b>	<b>530,896</b>	<b>567,630</b>
At 30 September 2013	<b>27,463</b>	<b>647,962</b>	<b>675,425</b>

## Glide 2 Limited

### Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)

#### 7. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
<b>Group</b>			
<b>Cost</b>			
At 1 October 2013	258,418	209,085	467,503
Additions	212,565	83,136	295,701
At 31 December 2014	<b>470,983</b>	<b>292,221</b>	<b>763,204</b>
<b>Accumulated depreciation</b>			
At 1 October 2013	201,556	67,627	269,183
<b>Charge for the period</b>	155,270	53,217	208,487
At 31 December 2014	<b>356,826</b>	<b>120,844</b>	<b>477,670</b>
<b>Net book value</b>			
At 31 December 2014	<b>114,157</b>	<b>171,377</b>	<b>285,534</b>
At 31 September 2013	<b>56,862</b>	<b>141,458</b>	<b>198,320</b>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £	2013 £
<b>Group</b>		
Computer equipment	58,026	53,388

#### 8. Investments

	Investments in subsidiary companies £
<b>Company</b>	
<b>Cost and Net book value</b>	
At 1 October 2013 and 31 December 2014	<b>314,379</b>

The directors believe that the company value of the investments is supported by their underlying net assets.

Details of the principal subsidiaries can be found under note number 18.

## Glide 2 Limited

### Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)

#### 9. Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	-	53,890
<b>Due within one year</b>				
Trade debtors	1,831,450	2,033,365	-	-
Amounts owed by group undertakings	-	-	398,696	460,237
Other debtors	-	9,759	-	-
Social security and other taxes	-	28,595	-	-
Deferred tax asset (see note 12)	-	-	-	488
Prepayments and accrued income	306,092	155,671	-	-
	<u>2,137,542</u>	<u>2,227,390</u>	<u>398,696</u>	<u>514,615</u>

All amounts owed by group undertakings are unsecured. The two loans of £50,000 each, bear an annual interest rate of 10% per annum, the remaining balance is interest free, all are repayable on demand.

#### 10. Creditors Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Net obligations under hire purchase contracts	32,098	51,571	-	-
Trade creditors	1,791,056	1,520,363	-	-
Amounts owed to group undertakings	-	-	-	112,171
Corporation Tax	1,133	21,514	-	-
Other taxation and social security	37,053	28,045	17,865	7,960
Other creditors	762,000	615,473	-	2,712
Accruals and deferred income	962,462	474,829	6,449	-
	<u>3,585,802</u>	<u>2,711,795</u>	<u>24,314</u>	<u>122,843</u>

All amounts owed to group undertakings are unsecured and repayable on demand. The loan bears an annual interest rate of 10%.

# Glide 2 Limited

## Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)

### 11. Creditors Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Net obligations under hire purchase contracts	23,264	723	-	-
Amounts owed to group undertakings	-	-	-	-
	<u>23,264</u>	<u>723</u>	<u>-</u>	<u>-</u>

### Finance leases

Future minimum payments under finance leases are as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Net obligations under hire purchase contracts				
Within one year	32,098	54,532	-	-
In more than one year, but not more than five years	23,264	880	-	-
Total gross payments	55,362	55,412	-	-
Less finance charges included above	-	(3,118)	-	-
	<u>55,362</u>	<u>52,294</u>	<u>-</u>	<u>-</u>

### 12. Provisions for liabilities and charges

#### Deferred tax asset/(liability)

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
At beginning of period/year	(23,520)	9,537	488	1,434
Charge for during the period/year	(19,558)	(33,057)	(488)	(946)
At end of period/year	<u>(43,078)</u>	<u>(23,520)</u>	<u>-</u>	<u>488</u>

The deferred tax asset/(liability) is made up as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	(43,078)	(29,681)	-	-
Tax losses carried forward and other deductions	-	6,161	-	488
	<u>(43,078)</u>	<u>(23,520)</u>	<u>-</u>	<u>488</u>



# Glide 2 Limited

## Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)

### 13. Called up share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
56,800 (2013: 56,800) A Shares of £0.0125 each	710	710
54,700 (2013: 54,700) B Shares of £0.0125 each	684	684
	<u>1,394</u>	<u>1,394</u>

A and B ordinary shares have equal voting rights and rank pari-passu.

### 14. Reconciliation of movements in shareholders funds

	Share premium account £	Other reserves £	Profit and loss account £
<b>Group</b>			
At 1 October 2013	691,230	922,070	113,424
Profit for the year/period	-	-	104,094
Dividend paid	-	-	(138,595)
<b>At 31 December 2014</b>	<u>691,230</u>	<u>922,070</u>	<u>78,923</u>
		Share premium account £	Profit and loss account £
<b>Company</b>			
At 1 October 2013		691,230	66,686
Profit for the financial period		-	114,180
Dividend paid		-	(138,595)
<b>At 31 December 2014</b>		<u>691,230</u>	<u>42,271</u>

### 15. Dividends

	2014 £	2013 £
Equity - ordinary		
Final Paid: 124.3p (2013: 101.7p) per Shares of £0.0125 each	138,595	113,396
	<u>138,595</u>	<u>113,396</u>

## Glide 2 Limited

### Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)

#### 16. Reconciliation of operating profit to cash inflow/(outflow) from operating activities

	2014	2013
Group	£	£
Operating profit	99,838	324,477
Depreciation and amortisation charge	357,282	188,270
Decrease / (increase) in debtors	89,848	(169,380)
(Decrease)/ increase in creditors	913,860	253,057
	<u>1,460,828</u>	<u>596,424</u>

#### Reconciliation of net cash flow to movement in net funds

	2014	2013
Group	£	£
Increase in cash in the period	992,034	322,154
New finance leased assets	(32,227)	(64,065)
Cash outflow from settlement of hire purchase contracts	29,159	58,391
Movement in net funds in the period	<u>988,966</u>	<u>316,480</u>
Net funds at 1 October	<u>1,310,727</u>	<u>994,247</u>
<b>Net funds at 30 September</b>	<u><b>2,299,693</b></u>	<u><b>1,310,727</b></u>

#### Analysis of changes in net funds

	At 1 October 2013	Cash flow	Other non- cash changes	At 31 December 2014
Group	£	£	£	£
Cash in hand and at bank	1,363,021	992,034	-	<b>2,355,055</b>
Net obligations under hire purchase contracts:				
Due within 1 year	(51,571)	29,159	(9,686)	<b>(32,098)</b>
Due after 1 year	(723)	-	(22,541)	<b>(23,264)</b>
	<u>1,310,727</u>	<u>1,021,193</u>	<u>(32,227)</u>	<u><b>2,299,693</b></u>

	2014	2013
Company	£	£
Operating loss	(80,895)	(2,482)
Decrease / (increase) in debtors	115,431	(79,717)
(Decrease)/ increase in creditors	(98,528)	11,950
	<u>(63,992)</u>	<u>(70,249)</u>

# Glide 2 Limited

## Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)

### 16. Reconciliation of operating profit to cash inflow/(outflow) from operating activities (continued)

	2014	2013
Company	£	£
Increase in cash in the period	(7,025)	20,270
Movement in net funds in the period	(7,025)	20,270
Net funds at 1 October	53,159	32,889
<b>Net funds at 30 September</b>	<b>46,134</b>	<b>53,159</b>

### Analysis of changes in net funds

Company	At 1 October 2013 £	Cash flow £	Other non- cash changes £	At 31 December 2014 £
Cash in hand and at bank	53,159	(7,025)	-	46,134
	<u>53,159</u>	<u>(7,025)</u>	<u>-</u>	<u>46,134</u>

### 17. Operating lease commitments

	Land and Buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Group				
Expiry date:				
Within 1 year	-	-	1,241	9,992
Between 2 and 5 years	<u>67,926</u>	<u>82,066</u>	<u>20,605</u>	<u>8,136</u>

### 18. Principal subsidiaries

Company name	Country	Percentage shareholding	Description
Glide Utilities Limited	UK	100	Distributing, trading and provision of utilities and telecoms
G2 Voice Limited	UK	100	Provider of business communications
Glide Gas Limited	UK	100	Dormant
Glide 3 Limited	UK	100	Dormant

## Glide 2 Limited

### Notes to the financial statements for the 15 month period ended 31 December 2014 (continued)

#### 19. Related party transactions

As permitted by FRS 8, 'Related Party Disclosures', details of transactions with other group undertakings have not been disclosed within the financial statements.

CE Cattaneo is a director of Glide 2 Limited and Cattaneo LLP is under his control.

Premier Medical Properties Limited, Beauty and Laser Clinic and Mayfield Health Ltd are companies under the control of Dr K S Krishan, a close family member of S S Krishan.

During the period/year the group entered into the following related party transactions at arm's length.

2014	Debtors	Creditors	Purchases	Sales
	£	£	£	£
James Villarreal & Richard Price	-	-	-	3,072
Premier Medical Properties Limited	-	-	-	14,595
Dr K S Krishan	-	-	349	22,898
Beauty and Laser Clinic	-	-	-	368
Cattaneo LLP	-	-	20,000	-
Mayfield Health Ltd	-	-	-	16
S S Krishan	-	-	-	52

2013	Debtors	Creditors	Purchases	Sales
	£	£	£	£
J D Villarreal	36	-	-	30
Premier Medical Properties Limited	28	-	-	10,831
Dr K S Krishan	158	-	-	16,587
Beauty and Laser Clinic	61	-	-	162
Cattaneo LLP	-	8,000	30,560	728
Mayfield Health Ltd	15	-	-	132
S S Krishan	31	-	-	155

#### 20. Controlling party

Glide 2 Limited is not controlled by any one individual party.