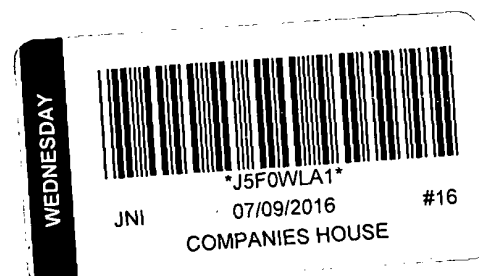


COMPANY REGISTRATION NUMBER: NI046322

Seopa Ltd
Financial Statements
29 February 2016



AUBREY CAMPBELL & COMPANY
Chartered accountant & statutory auditor
631 Lisburn Road
Belfast
BT9 7GT

Seopa Ltd

Financial Statements

Year ended 29 February 2016

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Seopa Ltd

Strategic Report *(continued)*

Year ended 29 February 2016

In accordance with best practice as prescribed in the Companies Act 2006, this report, addressed to, and written for, the members of Seopa Limited has been compiled with the aim of providing a fair review of our business development, performance and position at the current time.

We aim to present a view that is balanced, comprehensive and consistent with the size and complexity of our business, in light of the risks and uncertainties facing our business.

Fair Review of the Company's Business

We are Seopa Limited, a leading provider of price comparison engines which can be fully integrated on to any website, based in Belfast, Northern Ireland.

We also operate insurance comparison brands Quotezone.co.uk and CompareNI.com which generate over 2,000,000 quotes per year.

Our focus during the period was establishing the foundations for future business growth, developing and maintaining relationships with existing customers, and improving our in-house computer software.

Key Performance Indicators

The Companies Act requires that a fair review of the business contains financial and, where applicable, non-financial key performance indicators (KPIs). We consider that our financial KPIs are those that communicate to the members the financial performance and strength of the company as a whole. These KPIs comprise:

- Return on capital employed
- Company turnover
- Company gross profit percentage

Return on Capital Employed

Return on Capital Employed (ROCE) represents the efficiency with which the Company's capital is being utilised to generate revenue. The period under review saw a number of changes in the overall group structure, and in order to encourage growth into the future, substantial investments were made to establish operations in Romania and in human capital. Accordingly, ROCE for the Company (excluding interest) for 2016 was 30%, compared to 46% in 2015..

Company Turnover

The Director is pleased to report that revenues have grown, from £9,908,123 in 2014/15, to £10,706,087 during the period under review, an increase of £797,964.

Company Gross Profit Percentage

As a result of increasing efficiencies reducing costs during the period, excluding advertising costs, Seopa Ltd returned gross profit of 48.4%, compared with 44.3% in 2015.

Seopa Ltd

Strategic Report *(continued)*

Year ended 29 February 2016

Principal Risks and Uncertainties of the Business

The Director considers that the Company faces the following risks on a day to day basis:

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. Although the Company has no intention to sell in the short-term, its investment in property is exposed to price risk as fluctuations in the property market may affect its value.

The Company's listed investments total £4,042,921 (at fair value). Although our portfolio is exposed to price risk, this is managed and reviewed regularly, and remains within the company's risk appetite.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other, by failing to discharge an obligation. Deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures (details of the Company's debtors are shown in Note 14 to the financial statements).

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. By making cash generation a priority via cash collection targets, the Company has sought to mitigate this risk substantially.

Cash flow risk is the risk of exposure to variability in cash flows, as a result of, for example, seasonality. The nature of the Company's business does not lend itself to this risk – despite this, the Director and key staff are aware that the Company cannot operate efficiently unless cash collection is monitored, and costs are reviewed and managed.

Through prudent financial management the company has also enhanced its liquidity position which the directors will use to finance the trading operations of the company and strengthen future growth.

This report was approved by the board of directors on 7 September 2016 and signed on behalf of the board by:



Mr G R Wilson
Director

Registered office:
Blackstaff Studios Floor 2
8-10 Amelia Street
Belfast
Co. Antrim
BT2 7GS

Seopa Ltd

Director's Report

Year ended 29 February 2016

The director presents his report and the financial statements of the company for the year ended 29 February 2016.

Director

The director who served the company during the year was as follows:

Mr G R Wilson

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Future developments

The director aims to maintain the management policies which have resulted in the companies substantial growth in recent years. They consider that the next year will show a further significant growth in sales from continuing operations.

Financial instruments

Details of financial instruments are provided in the strategic report.

Research and development

Research and development plays a vital role in supporting Seopa's activities, with constant development of new and appreciably improved processes and products through the resolution of technological uncertainty.

Overseas branches

Seopa Ltd maintains and operates a branch in Timisoara, Romania.

Director's responsibilities statement

The director is responsible for preparing the strategic report, 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.

Seopa Ltd

Director's Report *(continued)*

Year ended 29 February 2016

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 them 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.

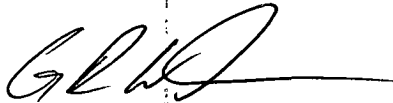
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 7 September 2016 and signed on behalf of the board by:



Mr G R Wilson
Director

Registered office:
Blackstaff Studios Floor 2
8-10 Amelia Street
Belfast
Co. Antrim
BT2 7GS

Seopa Ltd

Independent Auditor's Report to the Shareholder of Seopa Ltd

Year ended 29 February 2016

We have audited the financial statements of Seopa Ltd for the year ended 29 February 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

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 29 February 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Seopa Ltd

Independent Auditor's Report to the Shareholder of Seopa Ltd *(continued)*

Year ended 29 February 2016

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.



John Magee (Senior Statutory Auditor)

For and on behalf of
Aubrey Campbell & Company
Chartered accountant & statutory auditor

631 Lisburn Road
Belfast
BT9 7GT

7 September 2016

Seopa Ltd

Statement of Income and Retained Earnings

Year ended 29 February 2016

	Note	2016 £	2015 £
Turnover	3	10,706,087	9,908,123
Cost of sales		5,522,289	5,516,877
Gross profit		5,183,798	4,391,246
Distribution costs		479,690	465,707
Administrative expenses		2,451,073	1,340,337
Other operating income		1,972	44,836
Loss on impairment or disposal of operations		95,000	—
Operating profit	4	2,160,007	2,630,038
Other interest receivable and similar income		3,549	5,007
Amounts written off investments	8	130,000	85,000
Profit on ordinary activities before taxation		2,033,556	2,550,045
Tax on profit on ordinary activities	9	440,649	484,776
Profit for the financial year and total comprehensive income		1,592,907	2,065,269
Dividends paid and payable	10	(1,124,329)	(976,025)
Retained earnings at the start of the year (as previously reported)		5,588,601	4,504,874
Prior period adjustments		—	(5,517)
Retained earnings at the start of the year (restated)		5,588,601	4,499,357
Retained earnings at the end of the year		6,057,179	5,588,601

All the activities of the company are from continuing operations.

The notes on pages 10 to 24 form part of these financial statements.

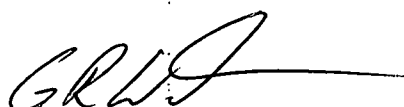
Seopa Ltd

Statement of Financial Position

29 February 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	11	100,832	5,683
Tangible assets	12	416,219	72,493
Investments	13	—	95,000
		<u>517,051</u>	<u>173,176</u>
Current assets			
Debtors	14	3,930,193	2,850,364
Financial Assets measured at Fair Value through Profit or Loss	15	4,042,921	2,968,996
Cash at bank and in hand	16	499,609	856,631
		<u>8,472,723</u>	<u>6,675,991</u>
Creditors: amounts falling due within one year	17	<u>2,935,166</u>	<u>1,263,133</u>
Net current assets		<u>5,537,557</u>	<u>5,412,858</u>
Total assets less current liabilities		<u>6,054,608</u>	<u>5,586,034</u>
Provisions			
Taxation including deferred tax	19	(2,581)	(2,577)
Net assets		<u>6,057,189</u>	<u>5,588,611</u>
Capital and reserves			
Called up share capital	22	10	10
Profit and loss account	23	6,057,179	5,588,601
Shareholder funds		<u>6,057,189</u>	<u>5,588,611</u>

These financial statements were approved by the board of directors and authorised for issue on 7 September 2016, and are signed on behalf of the board by:



Mr G R Wilson
Director

Company registration number: NI046322

The notes on pages 10 to 24 form part of these financial statements.

Seopa Ltd

Statement of Cash Flows

Year ended 29 February 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the financial year		1,592,907	2,065,269
<i>Adjustments for:</i>			
Depreciation of tangible assets		10,270	12,028
Amortisation of intangible assets		4,751	793
Amounts written off investments		130,000	85,000
Other interest receivable and similar income		(3,549)	(5,007)
Loss/(gains) on disposal of other investments		126,075	(107,335)
Tax on profit on ordinary activities		440,649	484,776
Accrued (income)/expenses		(52,842)	88,879
<i>Changes in:</i>			
Trade and other debtors		(1,079,829)	113,778
Trade and other creditors		296,847	(50,813)
Provisions and employee benefits		—	(4,889)
Cash generated from operations		1,465,279	2,682,479
Interest received		3,549	5,007
Tax paid		(413,664)	(560,248)
Net cash from operating activities		<u>1,055,164</u>	<u>2,127,238</u>
Cash flows from investing activities			
Purchase of tangible assets		(353,996)	(3,031)
Purchase of intangible assets		(99,900)	—
Acquisition of subsidiaries		(130,000)	(85,000)
Proceeds from sale of subsidiaries		95,000	—
Purchases of other investments		(1,073,925)	(1,307,335)
Proceeds from sale of other investments		(126,075)	107,335
Net cash used in investing activities		<u>(1,688,896)</u>	<u>(1,288,031)</u>
Cash flows from financing activities			
Proceeds from borrowings		352,889	(300)
Dividends paid		(1,124,329)	(976,025)
Net cash used in financing activities		<u>(771,440)</u>	<u>(976,325)</u>
Net decrease in cash and cash equivalents		(1,405,172)	(137,118)
Cash and cash equivalents at beginning of year		785,552	922,670
Cash and cash equivalents at end of year	16	<u>(619,620)</u>	<u>785,552</u>

The notes on pages 10 to 24 form part of these financial statements.

Seopa Ltd

Notes to the Financial Statements

Year ended 29 February 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 March 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 28.

Revenue recognition

Turnover is stated net of trade discounts, VAT and similar taxes and derives from the provision of services falling within the company's ordinary activities.

Income tax

Full provision for deferred tax assets and liabilities is provided at current tax rates on differences that arise between the recognition of gains and losses in the financial statements and their recognition in the tax computation, except for differences arising on the revaluation of fixed assets (if no commitment to sell), or gains on any asset sold that will benefit from rollover relief.

Goodwill

Goodwill is the difference between the fair value of the consideration given on the acquisition of a business and the aggregate fair value of the separate net assets acquired.

Goodwill is amortised through the profit and loss account in equal instalments over its estimated economic life over 5 years on a straight line basis.

Goodwill is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill is taken into consideration when that part of the business which caused the initial entry is subsequently sold or closed, in determining the profit or loss on the disposal.

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

2. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Website Development Costs

Website development costs are capitalised if, and only if, the technical feasibility of completing the website is proven so that it will be available for use, there is a clear intention to complete the website and use it, the company is able to use the website, it is probable that the website will generate probable future economic benefits, the company possesses adequate technical, financial and other resources to complete the development and to use the website, and the expenditure attributable can be measured reliably during development of the website. In all other instances, all such costs are expended to against revenue in the period in which the costs are incurred.

Investment Properties

Certain of the Company's properties are held for long-term investment. Investment properties are accounted for as follows:

- Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.
- Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account accumulated in the profit and loss reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

2. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	-	5% straight line
Plant & Machinery	-	25% reducing balance
Fixtures & Fittings	-	25% reducing balance

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

2. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

3. Turnover

Turnover arises from:

	2016	2015
	£	£
United Kingdom	<u>10,706,087</u>	<u>9,908,123</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. Operating profit

Operating profit or loss is stated after charging/(crediting):

	2016	2015
	£	£
Amortisation of intangible assets	4,751	792
Depreciation of tangible assets	10,270	12,028
Loss/(gains) on disposal of other investments	126,075	(107,335)
Research and development expenditure written off	–	(200,000)
Defined contribution plans expense	<u>106,303</u>	<u>94,062</u>

5. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>4,000</u>
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	<u>33,834</u>	<u>37,515</u>

6. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2016	2015
	No.	No.
Management staff	5	5
Administration & technical staff	26	22
	<u>31</u>	<u>27</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	1,352,030	750,019
Social security costs	173,911	58,247
Other pension costs	106,303	94,062
	<u>1,632,244</u>	<u>902,328</u>

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

7. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	8,055	7,934
Company contributions to defined contribution pension plans	40,000	40,833
	<u>48,055</u>	<u>48,767</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2016	2015
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

8. Amounts written off investments

	2016	2015
	£	£
Impairment of investments in associates	<u>130,000</u>	<u>85,000</u>

9. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	457,000	462,502
Adjustments in respect of prior periods	(26,635)	—
Group Relief	10,288	22,844
Total current tax	<u>440,653</u>	<u>485,346</u>
Deferred tax:		
Origination and reversal of timing differences	(4)	(570)
Tax on profit on ordinary activities	<u>440,649</u>	<u>484,776</u>

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

9. Tax on profit on ordinary activities *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>2,081,377</u>	<u>2,550,045</u>
Profit on ordinary activities by rate of tax	416,275	535,509
Effective rate of tax difference	1,927	3,710
Temporary timing differences	75,242	(3,750)
Permanent timing differences	2,446	2,377
Enhanced tax credits	(25,915)	(52,500)
Under/Over provision prior year	(29,322)	–
Deferred tax movement	(4)	(570)
Tax on profit on ordinary activities	<u>440,649</u>	<u>484,776</u>

10. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Equity dividends on ordinary shares	<u>1,124,329</u>	<u>976,025</u>

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

11. Intangible assets

	Goodwill £
Cost	
At 1 March 2015	7,104
Additions	99,900
At 29 February 2016	107,004
Amortisation	
At 1 March 2015	1,421
Charge for the year	4,751
At 29 February 2016	6,172
Carrying amount	
At 29 February 2016	100,832
At 28 February 2015	5,683

Goodwill is being amortised as follows:

- Goodwill arising on the acquisition of Acrux is being amortised evenly over the directors' estimate of its useful life of 5 years; and
- Goodwill arising on the acquisition of the 'technical know-how and profit earning ability for search engine optimisation' from Greg Wilson is being amortised evenly over the directors' estimate of its useful life of 5 years.

Amortisation of intangible fixed assets is included in administrative expenses.

12. Tangible assets

	Land and buildings £	Plant and machinery £	Website £	Investment Property £	Total £
Cost					
At 1 Mar 2015	–	77,136	253,544	65,000	395,680
Additions	348,925	5,071	–	–	353,996
At 29 Feb 2016	348,925	82,207	253,544	65,000	749,676
Depreciation					
At 1 Mar 2015	–	69,643	253,544	–	323,187
Charge for the year	1,509	8,761	–	–	10,270
At 29 Feb 2016	1,509	78,404	253,544	–	333,457
Carrying amount					
At 29 Feb 2016	347,416	3,803	–	65,000	416,219
At 28 Feb 2015	–	7,493	–	65,000	72,493

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

12. Tangible assets *(continued)*

Freehold Property

Freehold property relates to offices acquired from where the business operates.

Leasehold Property

In accordance with FRS 102, section 16 'Investment Properties', disclosure relating to property owned by company is required.

- the fair value of the property is determined using values of similar properties in the area, which have been sold within a recent timescale.

- No valuation by an independent valuer has been undertaken in the current or previous financial year.

13. Investments

	Shares in group undertakings £
Cost	
At 1 March 2015	400,000
Additions	130,000
Disposals	(530,000)
At 29 February 2016	—
Impairment	
At 1 March 2015	305,000
Disposals	(435,000)
Impairment losses	130,000
At 29 February 2016	—
Carrying amount	
At 29 February 2016	—
At 28 February 2015	95,000

Investments in associates and joint ventures

The investment in Apricot Insurance Services Ltd requires disclosure in accordance with FRS 102, section 9 'Accounting for Investment in Associates'.

9.27 (a) The statements are separate financial statements; and

(b) Seopa Ltd accounts for investment in associate companies using the 'cost less impairment method'.

On the 30th June 2015, Seopa Ltd sold its investment in Apricot Insurance Services Ltd. Prior to this, Seopa had held 100% (2015: 100%) of the issued share capital of the company. After the sale of shares, Seopa held NIL% of the issued share capital in the company.

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

14. Debtors

	2016 £	2015 £
Trade debtors	1,239,878	1,103,476
Amounts owed by group undertakings	–	(21,442)
Prepayments and accrued income	1,133,376	880,734
Corporation tax repayable	–	102,596
Other debtors	1,556,939	785,000
	<u>3,930,193</u>	<u>2,850,364</u>

Included within trade debtors is an amount of £509,885 (2015 - £509,885) which is expected to be recoverable after more than one year.

Other debtors of £1,556,939 (2015 - £785,000) are expected to be recoverable after more than one year.

An impairment loss of £61,196 (2015: £68,517) was recognised against trade debtors.

15. Financial assets measured at fair value through profit or loss

	2016 £	2015 £
Other investments	<u>4,042,921</u>	<u>2,968,996</u>

In accordance with FRS 102, section 11 'Basic Financial Instruments' the financial assets measured at fair value through profit and loss are measured at their 'surrender value' with all gains or losses brought through the statement of Comprehensive Income.

At cost, the value of the assets is £4,050,000 (2015 - £2,850,000). During the year, a further £1,200,000 was invested into the fund.

During the year, there was an overall fair value loss of £126,075 (2015 - £107,335 fair value gain).

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016 £	2015 £
Cash at bank and in hand	499,609	856,631
Bank overdrafts	(1,119,229)	(71,079)
	<u>(619,620)</u>	<u>785,552</u>

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

17. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	1,119,229	71,079
Trade creditors	335,694	156,970
Accruals and deferred income	904,661	957,503
Corporation tax	26,989	—
Social security and other taxes	140,954	73,079
Director loan accounts	357,391	4,502
Other creditors	50,248	—
	<u>2,935,166</u>	<u>1,263,133</u>

The company has a bank overdraft facility which is secured against investments within the company, with an outstanding amount of £1,119,229 (2015: £NIL) at the year end. Interest is applied at a rate of 2.9% EAR plus Bank of England base rate.

18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 20)	<u>(2,581)</u>	<u>(2,577)</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	<u>(4)</u>	<u>(570)</u>

19. Provisions

	Deferred tax (note 19) £
At 1 March 2015	(2,577)
Other movements 1	(4)
At 29 February 2016	<u>(2,581)</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £106,303 (2015: £94,062).

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	4,042,921	2,968,996
Financial assets measured at amortised cost	<u>4,495,277</u>	<u>3,701,682</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,833,758)</u>	<u>(161,473)</u>

In accordance with FRS 102, section 11 'Basic Financial Instruments' the financial assets measured at fair value through profit and loss are measured at their 'surrender value' with all gains or losses brought through the statement of Comprehensive Income.

22. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

23. Reserves

Called-up share capital - represents the nominal value of shares that have been issued

Profit and loss account - includes all current and prior period retained profits and losses.

24. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Later than 5 years	<u>-</u>	<u>50,516</u>

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

25. Disclosure of limitation of auditors liability

The company has entered into a liability limitation agreement with its auditor, Aubrey Campbell and Company, on the following basis:

(a) the maximum aggregate amount of the auditor's liability to the company shall not exceed the sum of seven times the fees payable (excluding expenses and value added tax) under the engagement letter agreed for the financial period, or £30,000, whichever is the lesser amount.

(b) the agreement was passed by a resolution of the company's shareholders on 7th September 2016.

26. Director's advances, credits and guarantees

During the year, there were no advances, credits or guarantees given to the director of the company (2015: NIL).

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

27. Related party transactions

The company was under the control of Mr G. Wilson for the period under review. Mr Wilson is also a director.

During the year Mr Wilson utilised his director's current account to pay various expenses. At the balance sheet date the company owed Mr Wilson £357,391 (2015 - £4,502).

During the course of the year the company lent £54,000 (2015 - £40,000) to Dogleap Construction Limited, a business owned by Mr Wilson's father. At the balance sheet date the company was owed £839,000 (2015 - £785,000) by Dogleap Construction Limited.

The company leased office premises from Mr Wilson, with £37,440 (2015 - £39,312) being charged to the profit and loss account in the year under review. At the balance sheet date no amounts remained outstanding. In February 2016, Seopa Ltd purchased the office premises from Mr. Wilson for £247,979. This sale/purchase was undertaken at the full commercial rate, with a professional, independent valuation being sought prior to the sale taking place.

During the period under review, the company advanced funds to, and paid expenses on behalf of G Wilson Developments Limited, a company owned by Mr Wilson. Advances paid to G Wilson Developments amounted to £717,939 (2015: £169,873) on an interest free basis, and £NIL(2015: £209,443) was repaid to Seopa Ltd. At the balance sheet date the company was owed £1,227,824 (2015 - £509,885) by G Wilson Developments Limited.

During the year, the company sold its shares in Apricot Insurance Services Limited, which was a wholly owned subsidiary of the company. The sale occurred on the 30 June 2015 and was sold to Mr Wilson, for £NIL consideration.

To the date of sale, Apricot Insurance Services Limited, was paid £12,977 (2015: £20,156) in exchange for group relieved tax losses. At the balance sheet date, Apricot Insurance Services Limited was owed £31,731 (2015: £21,442). Seopa Ltd has availed of the exemption to disclose transactions between wholly owned subsidiaries in accordance with FRS 102. However, from 1 July 2015, Apricot was no longer a subsidiary and until the end of the financial year, Apricot purchased services from Seopa Ltd in the normal course of business amounting to £10,962 (2015: £18,914).

On the 1 July 2015, 100% of the ordinary share capital was transferred to Seopa Holdings Limited by way of a 'share for share' exchange. Mr Wilson owns 100% of the ordinary share capital of Seopa Holdings Limited.

28. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 March 2014.

Seopa Ltd

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

28. Transition to FRS 102 *(continued)*

Reconciliation of equity

	1 March 2014			28 February 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	183,594	–	183,594	173,805	(629)	173,176
Current assets	5,548,473	–	5,548,473	6,675,991	–	6,675,991
Creditors: amounts falling due within one year	(1,229,189)	–	(1,229,189)	(1,258,244)	(4,889)	(1,263,133)
Net current assets	4,319,284	–	4,319,284	5,417,747	(4,889)	5,412,858
Total assets less current liabilities	4,502,878	–	4,502,878	5,591,551	(5,517)	5,586,034
Provisions	2,006	–	2,006	2,577	–	2,577
Net assets	4,504,884	–	4,504,884	5,594,128	(5,517)	5,588,611
Capital and reserves	4,504,884	–	4,504,884	5,594,128	(5,517)	5,588,611

Reconciliation of profit or loss for the year

No transitional adjustments were required.

Short-term compensated absences

Prior to the adoption of FRS 102, Seopa Ltd did not make provision for holiday pay earned but not taken before the year end. FRS 102 requires the cost of short-term compensated absences to be recognised when employees render the service that increases their entitlement.

Consequently, an additional accrual of £4,889 at the 28 February 2015 has been made to reflect this. The provision at 29 February 2016 had increased to £7,121, with the increase in provision of £2,232 being charged to profit and loss in the year ended 29 February 2016.

Amortisation Policy

Prior to the adoption of FRS 102, Seopa Ltd amortised goodwill over 20 years. As a definite lifespan cannot be ascertained for the goodwill, a policy of writing off the goodwill over 5 years has been adopted.

Consequently, an additional £628 of amortisation at the 28 February 2015 has been recognised to reflect this.