

Company Number
02027199

**Metaskil Limited (formerly Quindell
Resourcing Limited)**

FINANCIAL STATEMENTS

for the year ended 31 December 2014



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Officers and Professional Advisors

Directors

Mr M Sargeant
Mr M Williams

Secretary

Mr E Walker

Registered Office

1 Barnes Wallis Road, Segensworth East
Fareham, Hampshire, PO15 5UA

Bankers

National Westminster Bank Plc
13 Market Place
Reading, RG1 2EG

Auditor

KPMG LLP
Gateway House, Tollgate
Chandlers Ford, SO53 3TG

Solicitor

Dorsey & Whitney
199 Bishopsgate
London, EC2M 3UT

Strategic Report

Business Review

The principal activity of the Company continues to be the provision of a range of management consulting and staffing services to third party clients and other companies within the Watchstone Group Plc group.

Key performance indicators

Throughout 2014 the Board used a number of measures to determine the performance of the Company. The principal such key performance indicators are:

• Revenue:	£3.6 million	(2013: £2.2 million)
• Gross profit %	11.8%	(2013: 9.3%)
• Adjusted EBITDA (note 5):	£47,000	(2013: £1,000)
• Adjusted Profit Before Taxation (note 5):	£47,000	(2013: £1,000)

Principal risks and uncertainties

The Company is exposed to a number of risks and uncertainties which could have a material impact on its long term performance. The Directors have identified those which they regard as being the principal risks and these are set out below.

Technological change

The markets for the Company's services can be affected by technological changes, resulting in the introduction of new products, evolving industry standards and changes to customer behaviour and expectations. The Company regularly monitors trends in technological advancement so as to anticipate and plan for future changes and maintains close relationships with businesses and organisations which it believes will keep it to the forefront of product and service development on a sustained basis.

Key personnel and resources

The success of the Company depends to a large extent upon its executive management team and its ability to recruit and retain high calibre individuals at all relevant levels within the organisation. The Company will continue to seek to mitigate this resource risk by investing in and developing staff training programmes, competitive reward and compensation packages, incentive schemes and succession planning.

Liquidity risk

The Company expects to manage liquidity within its cash capacity. The Company actively forecasts, manages and reports its working capital requirements, including conducting sensitivity analyses on a regular basis to ensure that it has sufficient funds for its operations.

Market conditions

Market conditions, including general economic conditions and their effect on exchange rates, interest rates and inflation rates, may impact the ultimate value of the Company regardless of its operating performance. The Company also faces competition from other organisations, some of which may have greater resources than the Company, or be more established in a particular territory or product area. The Company's strategy is to target a balance of markets, offering a range of tailored or specialised products and services.

By order of the Board



Mark P Williams
Director

Directors' Report

The Directors present their report and the audited Financial Statements for the year ended 31 December 2014.

Change of name

The Company changed its name to Metaskil Limited from Quindell Resourcing Limited on 7 September 2015, and had previously changed its name to Quindell Resourcing Limited from Metaskil Limited on 31 December 2013.

Dividends

The Directors do not recommend the payment of a final dividend (2013: £nil).

Directors and Company Secretary

The names of the current Directors are shown on page 3. The Directors who served during the year are as follows:

Mr I Faulkner (resigned 9 March 2014)
Mr L Moore (resigned 29 May 2015)
Mr M Sargeant (appointed 29 May 2015)
Mr R Terry (resigned 25 November 2014)
Mr M Williams (appointed 29 May 2015)

Mr E Walker was appointed as Company Secretary on 30 June 2014 and Mr I Farrelly resigned on that date.

Branches outside the UK

The Company does not have any branches outside of the UK.

Disabled persons policy

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate retraining is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Future developments

The Company continues to operate in the same markets with the same products.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company is also part of the Watchstone (formerly Quindell) Group of companies (the "Group"), and as such has a degree of reliance on the Group for its working capital. The Group has available to it considerable financial resources, and a robust balance sheet.

The Directors have reviewed the working capital requirements of the company and no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern have been identified. Consequently, as a result of the Company's own position, being combined with that of the Group, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and 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 IFRSs as adopted by the EU 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 Company and of their profit or loss for that period. In preparing the 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 they have been prepared in accordance with IFRSs as adopted by the EU, 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 its 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.

Auditor

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

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that:

- a) so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) each director has taken all the 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.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board



Mark P Williams
Director

Independent Auditor's Report to the members of Metaskil Limited (formerly Quindell Resourcing Limited)

We have audited the financial statements of Metaskil Limited for the year ended 31 December 2014 set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 6, 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.

Basis for qualified opinion on financial statements

The financial statements of the company for the years ended 31 December 2012 and 2013 were not audited on the basis that that this company took advantage of an audit exemption under sections 479A to 479C of the Companies Act 2006 that exists when a parent company gives a guarantee of the liabilities as at the balance sheet date.

In carrying out the audit for the year ended 31 December 2014, we have not been able to obtain sufficient appropriate audit evidence about the balance sheet of the company as at 31 December 2012 which is the start of the comparative period, since that date is prior to the time we were initially engaged as auditor for the company. As a result the evidence available to us in respect of the profit and loss account for the year ended 31 December 2013 was limited and we were unable to satisfy ourselves as to the account balances by other audit procedures. Any adjustments would have a consequential effect on the company's profit for the year ended 31 December 2013.

Qualified 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 December 2014. In our opinion, except for the possible effect solely on the comparative information for the year ended 31 December 2013 of the matter described in the basis for qualified opinion on financial statements paragraph, the financial statements:

- give a true and fair view of the company's profit for the year ended 31 December 2014; and
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters 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.

Matters on which we are required to report by exception

In respect solely of the limitation on our work, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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; and
- certain disclosures of directors' remuneration specified by law are not made.

William Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Gateway House
Tollgate
Chandlers
Eastleigh
SO53 3TG

Financial Statements

Statement of Comprehensive Income

for the year ended 31 December 2014

	Note	2014 £'000	2013 (unaudited) £'000
Revenue		3,609	2,237
Cost of sales		(3,184)	(2,030)
Gross profit		425	207
Administrative expenses			
- Normal		(378)	(206)
Total administrative expenses		(378)	(206)
Operating profit	6	47	1
Profit before taxation		47	1
Taxation	8	(9)	-
Profit for the year from continuing operations		38	1
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Comprehensive income for the year		38	1

The notes on pages 12 to 22 form an integral part of these financial statements.

Statement of Financial Position

as at 31 December 2014

	Note	2014 £'000	2013 (unaudited) £'000
Non-current assets			
Property, plant and equipment	9	-	-
Current assets			
Trade and other receivables	10	3,596	2,632
Cash	11	70	48
		3,666	2,680
Total assets			
Current liabilities			
Trade and other payables	12	(3,629)	(2,680)
Corporation tax		-	-
		(3,629)	(2,680)
Non-current liabilities			
Deferred tax liabilities	14	-	(1)
		-	(1)
Total liabilities		(3,629)	(2,681)
Net assets/(liabilities)		37	(1)
Equity			
Share capital	15	52	52
Share premium account	16	49	49
Retained earnings		(64)	(102)
Total equity		37	(1)

The notes on pages 12 to 22 form an integral part of these financial statements.

The Financial Statements of Metaskil Limited (formerly Quindell Resourcing Limited), registered number 02027199, on pages 9 to 22 were approved and authorised for issue by the Directors on 22 January 2016 and signed on its behalf by:



Mark P Williams
Director

Statement of Changes in Equity

for the year ended 31 December 2014

	Share capital £'000	Share premium account £'000	Retained earnings £'000
At 1 January 2014 (unaudited)	52	49	(102)
Profit for the year	-	-	38
At 31 December 2014	52	49	(64)
At 1 January 2013 (unaudited)	52	49	(103)
Profit for the year (unaudited)	-	-	1
At 31 December 2013 (unaudited)	52	49	(102)

Cash Flow Statement

for the year ended 31 December 2014

	Note	2014 £'000	2013 (unaudited) £'000
Cash flows from operating activities			
Cash generated from operations before tax	18	32	102
Corporation tax paid		(10)	-
Cash generated from operating activities		22	102
Net increase in cash and cash equivalents	19	22	102
Cash and cash equivalents at the beginning of the year	19	48	(54)
Cash and cash equivalents at the end of the year	11	70	48

The notes on pages 12 to 22 form an integral part of these financial statements.

Notes to the Financial Statements

1. General information

Metaskil Limited (formerly Quindell Resourcing Limited) is a company registered and domiciled in the United Kingdom. The Financial Statements are presented in pounds sterling, to the nearest thousand, as this is the currency of the primary economic environment in which the Company operates. The address of the registered office is 1 Barnes Wallis Road, Segensworth East, Fareham, Hampshire, PO15 5UA. The nature of the Company's operations and its principal activities are set out on page 4.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations adopted by the European Union ("EU"). The Financial Statements have been prepared under the historical cost convention. A summary of the significant Company accounting policies, which have been applied consistently across the Company, is set out below. The Company has reviewed its accounting policies in accordance with IAS 8 and determined that they are appropriate for the Company and have been consistently applied.

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company is also part of the Watchstone (formerly Quindell) Group of companies (the "Group"), and as such has a degree of reliance on the Group for its working capital. The Group has available to it considerable financial resources, and a robust balance sheet.

The Directors have reviewed the working capital requirements of the company and no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern have been identified. Consequently, as a result of the Company's own position, being combined with that of the Group, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Revenue recognition

The Company is in the Solutions Division of the Quindell Plc Group and receives income through Software Initial Licence Fee, Software as a Service ("SaaS"), consulting fees, management charges, membership fees, e-commerce revenues, click fees and other success based one-time fees. Intellectual property rights ("IPR") or distribution rights to IPR are sold and recognised on the delivery of IPR or granting of the rights to the customer. When selling software, new solution sales typically involve software licences being sold together with Post Customer Support ("PCS") services and/or implementation services. Where the commercial substance of such a combination is that the individual components operate independently of each other and fair values can be attributed to each of the components, each are then recognised in accordance with their respective policies described below. Where it is not possible to attribute reliable fair values to two or more components, these are viewed as a combination and revenue is recognised on the combined revenue streams as the combined service is delivered using the percentage of completion method. Provisions for estimated losses on uncompleted contracts are recorded in the year in which such losses become probable, based on contract cost estimates.

The revenue recognition policies for separately identifiable revenue streams are as follows:

Initial licence fees, SaaS and other success based one-time fees

Revenues are recognised when pervasive evidence of an arrangement exists, delivery has occurred, the licence or other one-time fee is fixed or determinable, the collection of the fee is reasonably assured, no significant obligations with regard to success, installation or implementation of the software or service remain, and customer acceptance, when applicable, has been obtained. On certain SaaS contracts where there are fixed and contracted term lengths and no other services are required to be performed during the remainder of the contract, receivables under the contracts are recognised at the point of sale.

Maintenance, hosting and other PCS services

Maintenance, hosting and PCS services are billed on a periodic basis in advance. The Company recognises revenue on these services evenly over the period of the contract.

Solution delivery implementation services

Revenues for all fixed fee contracts are recognised on a percentage complete basis. The Company calculates the percentage to complete by comparing the number of man days utilised at the period end with the total number of man days required to complete the project. Project plans are reviewed on a regular basis with any losses recognised immediately in the period in which such losses become probable based on contract cost estimates.

Marketing expenses

Marketing expenses are expensed in the period in which they are incurred.

Operating profit

Operating profit is profit stated before finance income, finance expense and tax.

Retirement benefit costs

The Company provides pension arrangements to certain of its full time UK employees through a money purchase (defined contribution) scheme. Contributions and pension costs are based on pensionable salary and are charged as an expense as they fall due. The Company has no further payment obligations once the contributions have been paid. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Foreign currency translation

The functional and presentational currency of the Company is pounds sterling. Transactions denominated in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date, with any gains or losses being included in net profit or loss for the year.

Impairment of tangible fixed assets

At each Statement of Financial Position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. The recoverable amount is the higher of the asset's value in use and its fair value less costs to sell. Value in use is calculated using cash flow projections for the asset

(or group of assets where cash flows are not identifiable for specific assets) discounted at a pre-tax discount rate based on the Company's cost of capital adjusted to reflect current market assessment of time value of money and the risk specific to the asset or cash-generating unit. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write off the cost less estimated residual values over their estimated useful lives as follows:

- Plant and equipment: 20%-33⅓% per annum reducing balance

Residual value is based on the estimated amount that would currently be obtained from disposal.

Estimated residual values and useful economic lives are reviewed annually and adjusted where necessary.

Leases

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

Trade receivables

Trade receivables are held at amortised cost less any impairment provisions and this equates to their recoverable value. Movements in the impairment provision relating to credit risk are recognised within administrative expenses as bad debt expenses.

Trade payables

Trade payables do not carry any interest and are stated at their fair value.

Cash and cash equivalents

Cash in the Statement of Financial Position comprises cash at banks and in hand. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Taxation including deferred tax

The tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised in equity in which case it is

recognised in equity. The current tax is based on taxable profit for the year calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is provided using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. In principle deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Share capital

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. Adoption of new and revised Standards

In the current year, the following new and revised Standards and Interpretations have been adopted:

Standards, amendment and interpretations affecting the financial statements adopted by the Company

There are no new standards, amendments or interpretations adopted by the Company that have a material impact on the financial statements for this year. The Company adopted IFRSs 10, 11 and 12 in the year ended 31 December 2013 and those accounts detail the restatements made as a result of the adoption of those standards.

Standards, amendments and interpretations not significantly affecting the reported results nor the financial position

Amendment to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendment to IAS 36	Disclosures required on the recoverable amount of CGUs
Amendment to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting

New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, as follows:

Amendment to IAS 19	Defined Benefit Plans: Employee Contributions
IFRS 14	Regulatory Deferral Accounts
Amendment to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendment to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to IAS 16 and IAS 41	Agriculture: Bearer Plants
Amendment to IAS 27	Equity Method in Separate Financial Statements
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the Consolidation Exception
Amendment to IAS 1	Disclosure Initiative
IFRS 9	Financial Instruments

The following standard has not been applied in preparing these financial statements:

IFRS 15	'Revenue from contracts with customers'.
	This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer

obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

The standard is expected to be effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted subject to EU endorsement.

The Company is assessing the impact of IFRS 15.

principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The key management judgements together with assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. Critical accounting judgements and key sources of estimation uncertainty

As set out in the basis of preparation note, in the preparation of these Financial Statements the Board has taken into account all available information in the application of its accounting policies and in forming judgments. In the process of applying the Company's accounting policies, management has made a number of judgements, and the preparation of financial statements in conformity with generally accepted accounting

Recognition of revenue

Revenues are recognised in-line with the delivery and receipt of services to and for our customers. Each revenue type is considered separately and revenue is recognised when the customer has received the service, the amount of revenue can be reliably measured and conversion of the revenue in to cash or other economic benefit can be assured. These considerations are applied to both ongoing core service activities and one off contracts that are entered into.

5. Key performance indicators

		2014	2013
	Note	£'000	(unaudited) £'000
Revenue:			
Solutions Division revenue	2	3,609	2,237
Total revenue		3,609	2,237
Adjusted EBITDA:			
Profit before taxation		47	1
Depreciation	9	-	-
Adjusted EBITDA		47	1
Adjusted profit before taxation			
Profit before taxation		47	1
Adjusted profit before taxation		47	1

6. Operating profit

The operating profit for the year is stated after charging:

	2014	2013
	£'000	(unaudited) £'000
Operating lease rentals	16	43
Net foreign exchange losses	2	-
Staff costs (note 7)	472	549

The Company was not subject to audit in the prior year. Audit fees of £3,754 in the current year were borne by its parent, Watchstone Group Plc (formerly Quindell Plc).

7. Employee and staff costs

The average number of employees during the year including directors was as follows:

	2014	2013
	Number	(unaudited) Number
Back office management and administration	8	9
	8	9

The remuneration of the directors was as follows:

	2014	2013
	£'000	(unaudited) £'000
Emoluments	30	142

The emoluments of the highest paid director were £30,000 (2013: £142,000). No retirement benefits were accruing under any schemes in respect of any of the directors (2013: one director). One of the Directors received £1,000 (2013: £5,000) remuneration in connection with contributions to pension. The cost of certain of the directors was borne by other group companies in both 2014 and 2013.

Total employee costs were as follows:

	2014	2013
	£'000	(unaudited) £'000
Wages and salaries	412	472
Social security costs	43	55
Pension costs	17	22
	472	549

8. Taxation

	2014 £'000	2013 (unaudited) £'000
The taxation charge/(credit) comprises:		
Current tax:		
- Current year	10	-
Total current tax	10	-
Deferred tax:		
- Current year	(1)	-
Total deferred tax	(1)	-
Taxation	9	-

Income tax for the UK is calculated at the standard rate of UK corporation tax of 21.5% (2013: 23.25%) on the estimated assessable profit for the year. The total charge for the year can be reconciled to the accounting profit as follows:

	2014 £'000	2013 (unaudited) £'000
Profit on ordinary activities before tax	47	1
Tax at 21.50% (2013: 23.25%) thereon	10	-
Effect of:		
Adjustments to tax charge in respect of prior periods	(1)	-
Total tax charge for the year	9	-

Factors affecting future tax charges

The March 2013 UK Budget Statement proposed further reductions to the main UK Corporation Tax rate to 21% from 1 April 2014 and 20% from 1 April 2015. These had been substantively enacted at the balance sheet date and, therefore, the effect of them is included in these Financial Statements. Accordingly, the deferred tax balance has been calculated using a rate of 20%. No further changes to future tax rates were announced in the March 2014 Budget Statement on 19 March 2014 or in the March 2015 Budget Statement on 18 March 2015. In the July 2015 Budget Statement, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

9. Property, plant and equipment

	Plant and equipment £'000	Total £'000
Cost		
At 1 January 2013 (unaudited)	22	22
At 1 January 2014 (unaudited) and 31 December 2014	22	22
Depreciation		
At 1 January 2013 (unaudited)	22	22
At 1 January 2014 (unaudited) and 31 December 2014	22	22
Net book value		
31 December 2014	-	-
31 December 2013 (unaudited)	-	-

There were no material commitments for the acquisition of property, plant or equipment at either 31 December 2014 or 31 December 2013.

10. Trade and other receivables

	2014	2013 (unaudited)
	£'000	£'000
Trade receivables (net of impairment provision)	117	202
Amounts due from related parties (note 23)	3,466	2,309
Prepayments	5	34
Accrued income	8	87
	3,596	2,632

The directors consider that the net carrying amount of Trade receivables approximates to their fair value.

11. Cash and cash equivalents

Cash and cash equivalents comprise the following for the purposes of the cash flow statement:

	2014	2013 (unaudited)
	£'000	£'000
Cash	70	48
	70	48

Cash and cash equivalents comprise cash held by the Company. The carrying amount of these assets approximates to their fair value.

12. Trade and other payables

	2014	2013 (unaudited)
	£'000	£'000
Current liabilities		
Trade payables	230	9
Amounts due from related parties (note 23)	3,223	2,539
Payroll and other taxes including social security	77	27
Accruals	88	101
Other liabilities	11	4
	3,629	2,680

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates to their fair value.

13. Contingent liabilities

The Company routinely enters into a range of contractual arrangements in the ordinary course of events which can give rise to claims or potential litigation against group companies. It is the Company's policy to make specific provisions at the Statement of Financial Position date for all liabilities which, in the opinion of the Directors, are expected to result in a significant loss.

All such matters are periodically assessed with the assistance of external professional advisers, where appropriate, to determine the likelihood of the Company incurring a liability and to evaluate the extent to which a reliable estimate of any liability can be made.

In the opinion of the Directors, the Company does not have any contingent liabilities at the Statement of Financial Position date.

14. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior year.

	Accelerated capital allowances £'000	Total £'000
At 1 January 2013 (unaudited) and 1 January 2014 (unaudited)	1	1
Credit to Income Statement	(1)	(1)
At 31 December 2014	-	-

At the Statement of Financial Position date, there are unrecognised deferred tax assets of £nil (2013: £nil). Deferred tax balances for Statement of Financial Position purposes are analysed as follows:

	2014 £'000	2013 (unaudited) £'000
Deferred tax liability falling due after one year	-	1
	-	1

15. Share capital

	2014		2013 (unaudited)	
	Number 000's	Nominal value £'000	Number 000's	Nominal value £'000
52,083 issued and fully paid shares:	52	52	52	52
At the start and end of the year	52	52	52	52

The Company has one class of Ordinary Shares of one pound each which carry no right to fixed income.

16. Share premium account

The share premium account represents the fair value of the share consideration over and above the share's nominal value of £1 per share.

17. Operating lease commitments

At the Statement of Financial Position date the Company had outstanding commitments for minimum lease payments due under non-cancellable operating leases, which expire as follows:

	Land and buildings		Plant and equipment	
	2014	2013 (unaudited)	2014	2013 (unaudited)
	£'000	£'000	£'000	£'000
Expiring:				
Within one year	-	16	4	4
Between two and five years	-	-	4	9
	-	16	8	13

18. Cash flow from operating activities

	2014 £'000	2013 (unaudited) £'000
Operating profit	47	1
Adjustments for:		
Depreciation of property, plant and equipment	-	-
Operating cash flows before movements in working capital and provisions	47	1
Increase in trade and other receivables	(964)	(316)
Increase in trade and other payables	949	417
Cash generated from operations before tax	32	102

19. Reconciliation of net cash flow to movement in net funds

	1 January (unaudited) £'000	Cash flow movements £'000	Non-cash movements £'000	31 December £'000
2014				
Cash	48	22	-	70
Net funds	48	22	-	70
2013 (unaudited)				
Cash	8	40	-	48
Overdrafts and bank loans	(62)	62	-	-
Cash and cash equivalents	(54)	102	-	48
Net funds	(54)	102	-	48

20. Financial instruments

Carrying value and fair value

The accounting classification of each class of the Company's financial assets and liabilities, together with their fair values is as follows:

	Loans and receivables £'000	Other liabilities £'000	Total carrying value £'000	Total fair value £'000
At 31 December 2014				
Trade and other receivables	3,583		3,583	3,583
Trade and other payables		(3,530)	(3,530)	(3,530)
Cash and cash equivalents	70		70	70
At 31 December 2013 (unaudited)				
Trade and other receivables	2,511		2,511	2,511
Trade and other payables		(2,575)	(2,575)	(2,575)
Cash and cash equivalents	48		48	48

The fair values of financial assets and liabilities are determined as follows:

- The fair value of cash and cash equivalents and bank overdraft is equivalent to the carrying value due to the short-term nature of those instruments
- The fair value of other financial assets and liabilities with standard terms and conditions is determined in relation to estimated discounted cash flows to net present values

Cash and cash equivalents classified as loans and receivables mainly comprise investments in AAA/AA bank deposits which can be withdrawn without notice.

Financial risk management

The Company's financial instruments comprise borrowings, cash and liquid resources and various items such as trade debtors and trade creditors that arise from its operations. The main purpose of these financial instruments is to manage the Company's operations.

Fair value estimation

Certain assets and liabilities, as separately disclosed in these financial statements, are carried at fair value. Fair value is determined by a valuation method which is categorised as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Liquidity risk

The Company generates funds from operations which are managed centrally within its group.

The following are the contractual maturities of financial liabilities:

	Carrying amount £'000	Contractual cash flows £'000	Less than 1 year £'000	Between 1-5 years £'000
Non-derivative financial liabilities				
2014				
Trade and other payables	3,530	(3,530)	(3,530)	-
	3,530	(3,530)	(3,530)	-
2013 (unaudited)				
Trade and other payables	2,575	(2,575)	(2,575)	-
	2,575	(2,575)	(2,575)	-

Credit risk

The Company is not subject to significant concentration of credit risk with exposure spread over many companies. Policies are maintained to ensure that the Company enters into sales contracts that are tailored to the customers' respective credit risk. The credit quality of the Company's trade receivables is considered by management to be good as the exposure to a concentration of debt from a small number of individual end customers is low.

The average credit period taken on sales of services is 42 days (2013: 46 days). No interest is charged on the receivables balances. The Company does not hold any collateral or other credit enhancements over these balances nor has the legal right of offset with any amounts owed by the Company to the receivables counterparty.

The carrying amount of financial assets represents the maximum credit exposure. At the reporting date the principal financial assets were:

	Note	2014 £'000	2013 (unaudited) £'000
Non-derivative financial assets			
Trade and related parties receivables	10	3,583	2,511
Cash and cash equivalents	11	70	48
		3,653	2,559

The maximum exposure to credit risk for trade receivables at the reporting date all related to the UK (2013: all related to the UK) and the carrying amounts of trade receivables are all denominated in Sterling (2013: all are denominated in Sterling).

The ageing of loans and other receivables at 31 December 2014 was as follows:

	2014		2014	2013	2013	2013
	Gross	Impairment	Net	(unaudited)	(unaudited)	(unaudited)
	£'000	£'000	£'000	Gross	Impairment	Net
				£'000	£'000	£'000
Under 1 year	3,583	-	3,583	2,511	-	2,511
	3,583	-	3,583	2,511	-	2,511

There is £nil allowance for impairment (2013: £nil) in respect of loans and other receivables, and £nil movement during the year (2013: £nil). The allowance has been determined by reference to the recoverability of specific due and overdue debts. The creation and reversal of provisions for impaired trade receivables where they arise are included in administrative expenses in the Income Statement. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

21. Dividends

The Directors do not propose the payment of a dividend for the year ended 31 December 2014 (2013: £nil).

22. Ultimate parent company and controlling party

The immediate parent company is Metaskil Group Limited. The ultimate controlling party of the Company and the parent company of the smallest group to consolidate these Financial Statements is Watchstone Group Plc (formerly Quindell Plc). Copies of the consolidated accounts of Watchstone Group Plc (formerly Quindell Plc) can be obtained by writing to the Company Secretary at 1 Barnes Wallis Road, Segensworth East, Fareham, Hampshire PO15 5UA.

23. Related party transactions

Transactions with companies within the Watchstone group:

	Sales and recharges made to		Receivable/(payable)	
	2014	2013	2014	2013
	£'000	(unaudited) £'000	£'000	(unaudited) £'000
Immediate parent	500	500	(2,870)	(2,539)
Ultimate parent	-	-	(125)	150
Fellow subsidiaries	1,401	360	3,466	2,159
Fellow subsidiaries	-	-	(228)	-