

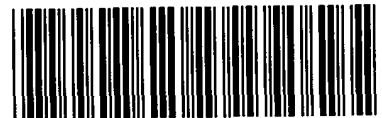
**GRADWEB LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2015**

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COMPANIES HOUSE

**GRADWEB LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

J Butler  
J Pratt  
K Harvey  
C Bostock  
M Smith  
B Jackson (resigned 31 August 2014)

**COMPANY SECRETARY**

J Butler

**REGISTERED NUMBER**

03907607

**REGISTERED OFFICE**

Newbury House  
20 Kings Road West  
Newbury  
Berkshire  
RG14 5XR

**ACCOUNTANTS**

James Cowper Kreston  
Chartered Accountants  
Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
Berkshire  
RG14 5UX

**GRADWEB LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JANUARY 2015**

The directors present their report and the financial statements for the year ended 31 January 2015.

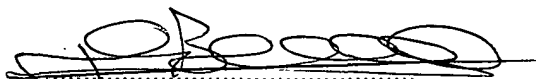
**DIRECTORS**

The directors who served during the year were:

J Butler  
J Pratt  
K Harvey  
C Bostock  
M Smith  
B Jackson (resigned 31 August 2014)

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

A handwritten signature in black ink, appearing to read 'J Butler', is written over a horizontal dotted line.

**J Butler**  
Director

Date: 27/10/2015

**GRADWEB LIMITED**

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF  
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF GRADWEB LIMITED  
FOR THE YEAR ENDED 31 JANUARY 2015**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Gradweb Limited for the year ended 31 January 2015 which comprise the Profit and loss account, the Balance sheet and the related notes from the company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/regulations](http://icaew.com/regulations).

This report is made solely to the Board of directors of Gradweb Limited, as a body, in accordance with the terms of our engagement letter dated 5 April 2005. Our work has been undertaken solely to prepare for your approval the financial statements of Gradweb Limited and state those matters that we have agreed to state to the Board of directors of Gradweb Limited, as a body, in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Gradweb Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Gradweb Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the company's assets, liabilities, financial position and profit. You consider that Gradweb Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Gradweb Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



**James Cowper Kreston**

Chartered Accountants

Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
Berkshire  
RG14 5UX

Date: 2/11/2015

**GRADWEB LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 2015**

|                                                      | Note | 2015<br>£             | 2014<br>£             |
|------------------------------------------------------|------|-----------------------|-----------------------|
| <b>TURNOVER</b>                                      | 1    | <b>3,829,556</b>      | 3,560,987             |
| Cost of sales                                        |      | <u>(919,956)</u>      | <u>(851,789)</u>      |
| <b>GROSS PROFIT</b>                                  |      | <b>2,909,600</b>      | 2,709,198             |
| Research and development expenditure                 |      | <u>(527,543)</u>      | <u>(294,295)</u>      |
| Administrative expenses                              |      | <u>(2,326,474)</u>    | <u>(1,911,389)</u>    |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | <b>55,583</b>         | 503,514               |
| Tax on profit on ordinary activities                 | 4    | <u>90,498</u>         | <u>84,187</u>         |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 | 12   | <u><b>146,081</b></u> | <u><b>587,701</b></u> |

The notes on pages 5 to 10 form part of these financial statements.

**GRADWEB LIMITED**  
**REGISTERED NUMBER: 03907607**

**BALANCE SHEET**  
**AS AT 31 JANUARY 2015**

|                                                       | Note | £                | 2015<br>£          | 2014<br>£      |
|-------------------------------------------------------|------|------------------|--------------------|----------------|
| <b>FIXED ASSETS</b>                                   |      |                  |                    |                |
| Tangible assets                                       | 5    |                  | 58,972             | 20,633         |
| <b>CURRENT ASSETS</b>                                 |      |                  |                    |                |
| Debtors                                               | 6    | 817,428          | 990,935            |                |
| Cash at bank                                          |      | 266,689          | 333,563            |                |
|                                                       |      | <u>1,084,117</u> | <u>1,324,498</u>   |                |
| <b>CREDITORS:</b> amounts falling due within one year | 7    | <u>(992,780)</u> | <u>(1,152,050)</u> |                |
| <b>NET CURRENT ASSETS</b>                             |      |                  | 91,337             | 172,448        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      |                  | <u>150,309</u>     | <u>193,081</u> |
| <b>PROVISIONS FOR LIABILITIES</b>                     |      |                  |                    |                |
| Deferred tax                                          | 10   |                  | <u>(7,334)</u>     | <u>(1,727)</u> |
| <b>NET ASSETS</b>                                     |      |                  | <u>142,975</u>     | <u>191,354</u> |
| <b>CAPITAL AND RESERVES</b>                           |      |                  |                    |                |
| Called up share capital                               | 11   |                  | 1,389              | 1,389          |
| Profit and loss account                               | 12   |                  | <u>141,586</u>     | <u>189,965</u> |
| <b>SHAREHOLDERS' FUNDS</b>                            |      |                  | <u>142,975</u>     | <u>191,354</u> |

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 January 2015 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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



.....  
**J Butler**  
 Director

Date: 27/10/2015

The notes on pages 5 to 10 form part of these financial statements.

## GRADWEB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2015

#### 1. ACCOUNTING POLICIES

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

The financial statements have been prepared under the historical cost convention and in accordance with the *Financial Reporting Standard for Smaller Entities (effective April 2008)*.

##### 1.2 Turnover

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

Where there are continuing obligations, suitable policies are adopted to match revenue and costs and to defer income over the period of the obligations.

Turnover also includes the sale of intellectual property rights.

##### 1.3 Tangible fixed assets and depreciation

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

|                     |                     |
|---------------------|---------------------|
| Fixtures & fittings | - 25% straight line |
| Computer equipment  | - 33% straight line |

##### 1.4 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.

##### 1.5 Research and development

Research and development expenditure is written off in the year in which it is incurred.

##### 1.6 Pensions

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

##### 1.7 Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## GRADWEB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2015

#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 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

#### 2. PROFIT

The profit is stated after charging:

|                                                                  | 2015<br>£         | 2014<br>£         |
|------------------------------------------------------------------|-------------------|-------------------|
| Depreciation of tangible fixed assets:<br>- owned by the company | 14,687            | 14,931            |
| Pension costs                                                    | 21,268            | -                 |
| Equipment leasing (operational)                                  | 4,314             | 3,814             |
|                                                                  | <u>          </u> | <u>          </u> |

#### 3. DIRECTORS' REMUNERATION

|                        | 2015<br>£         | 2014<br>£         |
|------------------------|-------------------|-------------------|
| Aggregate remuneration | 261,644           | 258,297           |
|                        | <u>          </u> | <u>          </u> |

During the year retirement benefits were accruing to 2 directors (2014 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £116,487 (2014 - £106,549).

**GRADWEB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

**4. TAXATION**

|                                                         | 2015<br>£       | 2014<br>£       |
|---------------------------------------------------------|-----------------|-----------------|
| <b>Analysis of tax charge/(credit) in the year/year</b> |                 |                 |
| <b>Current tax</b>                                      |                 |                 |
| UK corporation tax charge on profit for the year/year   | (71,296)        | 25,349          |
| Adjustments in respect of prior periods                 | (24,809)        | (111,868)       |
| <b>Total current tax</b>                                | <u>(96,105)</u> | <u>(86,519)</u> |
| <b>Deferred tax (see note 10)</b>                       |                 |                 |
| Origination and reversal of timing differences          | 5,607           | 2,332           |
| <b>Tax on profit on ordinary activities</b>             | <u>(90,498)</u> | <u>(84,187)</u> |

**5. TANGIBLE FIXED ASSETS**

|                           | Fixtures &<br>fittings<br>£ | Computer<br>equipment<br>£ | Total<br>£     |
|---------------------------|-----------------------------|----------------------------|----------------|
| <b>Cost</b>               |                             |                            |                |
| At 1 February 2014        | 41,949                      | 160,936                    | 202,885        |
| Additions                 | 36,510                      | 17,846                     | 54,356         |
| Disposals                 | (24,251)                    | -                          | (24,251)       |
| <b>At 31 January 2015</b> | <u>54,208</u>               | <u>178,782</u>             | <u>232,990</u> |
| <b>Depreciation</b>       |                             |                            |                |
| At 1 February 2014        | 30,235                      | 152,017                    | 182,252        |
| Charge for the year       | 8,005                       | 8,012                      | 16,017         |
| On disposals              | (24,251)                    | -                          | (24,251)       |
| <b>At 31 January 2015</b> | <u>13,989</u>               | <u>160,029</u>             | <u>174,018</u> |
| <b>Net book value</b>     |                             |                            |                |
| <b>At 31 January 2015</b> | <u>40,219</u>               | <u>18,753</u>              | <u>58,972</u>  |
| <b>At 31 January 2014</b> | <u>11,714</u>               | <u>8,919</u>               | <u>20,633</u>  |

**6. DEBTORS**

|                           | 2015<br>£      | 2014<br>£      |
|---------------------------|----------------|----------------|
| Trade debtors             | 456,414        | 766,643        |
| Directors' loan accounts  | 175,000        | 4,610          |
| R&D tax credit            | 71,296         | -              |
| Corporation tax repayable | 24,809         | 111,868        |
| Other debtors             | 89,909         | 107,814        |
|                           | <u>817,428</u> | <u>990,935</u> |

**GRADWEB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

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

|                                    | 2015<br>£      | 2014<br>£        |
|------------------------------------|----------------|------------------|
| Trade creditors                    | 217,238        | 293,199          |
| Corporation tax                    | -              | 25,349           |
| Other taxation and social security | 184,208        | 382,127          |
| Deferred income                    | 479,402        | 405,184          |
| Director's loan account            | 65,000         | -                |
| Accruals                           | 31,932         | 46,191           |
| Other creditors                    | 15,000         | -                |
|                                    | <u>992,780</u> | <u>1,152,050</u> |

**8. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £21,268 (2014 - £nil).

**9. OPERATING LEASE COMMITMENTS**

At 31 January 2015 the company had annual commitments under non-cancellable operating leases as follows:

|                         | 2015<br>£      | 2014<br>£     |
|-------------------------|----------------|---------------|
| <b>Expiry date:</b>     |                |               |
| Within 1 year           | 120            | 1,638         |
| Between 2 and 5 years   | 22,689         | 46,276        |
| After more than 5 years | 170,316        | -             |
|                         | <u>192,725</u> | <u>47,914</u> |

**10. DEFERRED TAXATION**

|                            | 2015<br>£    | 2014<br>£    |
|----------------------------|--------------|--------------|
| At beginning of year/year  | 1,727        | (605)        |
| Charge for year/year (P&L) | 5,607        | 2,332        |
|                            | <u>7,334</u> | <u>1,727</u> |
| At end of year/year        | <u>7,334</u> | <u>1,727</u> |

The provision for deferred taxation is made up as follows:

|                                | 2015<br>£    | 2014<br>£    |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | 7,334        | 1,727        |
|                                | <u>7,334</u> | <u>1,727</u> |

**GRADWEB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

**11. SHARE CAPITAL**

|                                           | 2015<br>£    | 2014<br>£    |
|-------------------------------------------|--------------|--------------|
| <b>Allotted, called up and fully paid</b> |              |              |
| 1,389 Ordinary shares of £1 each          | <u>1,389</u> | <u>1,389</u> |

**12. RESERVES**

|                           | Profit and<br>loss account<br>£ |
|---------------------------|---------------------------------|
| At 1 February 2014        | 189,965                         |
| Profit for the year       | 146,081                         |
| Dividends: Equity capital | (194,460)                       |
| At 31 January 2015        | <u>141,586</u>                  |

**13. DIVIDENDS**

|                                  | 2015<br>£      | 2014<br>£      |
|----------------------------------|----------------|----------------|
| Dividends paid on equity capital | <u>194,460</u> | <u>402,810</u> |

**14. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES**

As at 31 January 2015 the following amounts were owed by / (to) the directors in respect of directors' loan accounts. The amounts detailed below were the maximum amounts outstanding during the year. The loans are bearing at the rate of 10% on the anniversary of the loan being received and repayable on demand.

|           | 2015<br>£      | 2014<br>£    |
|-----------|----------------|--------------|
| J Butler  | 70,000         | -            |
| J Pratt   | (65,000)       | -            |
| K Harvey  | 70,000         | -            |
| C Bostock | 35,000         | 4,360        |
| Total     | <u>110,000</u> | <u>4,360</u> |

**15. RELATED PARTY TRANSACTIONS**

During the year, Gradweb sold intellectual property rights to a company under common control, Talentsee Limited for consideration of £100,000.

**GRADWEB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

**16. TRANSACTIONS WITH DIRECTORS**

During the year £194,460 (2014: £402,810) dividends were paid to directors of the company.

|           | 2015<br>£      | 2014<br>£      |
|-----------|----------------|----------------|
| J Butler  | 70,000         | 145,000        |
| J Pratt   | 35,000         | 72,500         |
| K Harvey  | 70,000         | 145,000        |
| C Bostock | 19,460         | 40,310         |
|           | <u>194,460</u> | <u>402,810</u> |