

**Hasgrove Limited**  
**Financial Statements**  
**For the Year Ended**  
**31 December 2014**

**CHAMPION ACCOUNTANTS LLP**  
Chartered Accountants and Statutory Auditor  
1 Worsley Court  
High Street  
Worsley  
Manchester  
M28 3NJ

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# **Hasgrove Limited**

## **Financial Statements**

**Year Ended 31 December 2014**

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<b>CONTENTS</b>	<b>PAGES</b>
Officers and Professional Advisers	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Independent Auditor's Report to the Members	6 to 7
Group Profit and Loss Account	8
Group Balance Sheet	9
Company Balance Sheet	10
Group Cash Flow Statement	11 to 12
Notes to the Financial Statements	13 to 25

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# **Hasgrove Limited**

## **Officers and Professional Advisers**

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### **The Board of Directors**

P A Sanders  
G L F Taylor

### **Company Secretary**

P A Sanders

### **Registered Office**

4th Floor  
Station House  
Stamford New Road  
Altrincham  
Cheshire  
WA14 1EP

### **Auditor**

Champion Accountants LLP  
Chartered Accountants and Statutory Auditor  
1 Worsley Court  
High Street  
Worsley  
Manchester  
M28 3NJ

# Hasgrove Limited

## Strategic Report

### Year Ended 31 December 2014

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The directors present their strategic report for Hasgrove Limited for the year ended 31 December 2014.

#### OVERVIEW AND STRATEGY

Following on from the sale of Amaze in 2013, the current year saw a continuing focus within the group resulting in the sale of both Landmarks SA and The Chase Creative Consultants Limited ("The Chase"). Landmarks, which is based in Brussels and comprises seven people was sold to the management team on 6 August 2014. The consideration for the sale was modest with an upfront payment of €9,999 plus an effective earn-out capped at €100,000, reflecting the fact that Landmarks lost its largest client towards the end of 2013. On 31 December 2014, the company disposed of The Chase Creative Consultants Limited for £1,403,512 satisfied by a pre-disposal dividend of £780,809, a payment of £382,159 and deferred consideration of £240,544 payable in 10 quarterly instalments commencing in March 2015.

Of the total number of shares in issue at the beginning of the year of 11,354,173, 1,163,149 were held by Interel Holdings SA, the purchaser of the Interel group of companies from Hasgrove in 2011. These shares were used to satisfy the final element of the deferred consideration on the sale of Interel and were cancelled by Hasgrove in April 2014 thereby reducing the share capital to 10,191,024. The company also completed a further share buy-back in November 2014 which resulted in the buy-back and cancellation of a further 2,187,985 shares so that the number of ordinary shares in issue at the end of the year was 8,003,039.

Following the above disposals, the final remaining trading subsidiary is Odyssey Interactive Limited ("Interact") which the Board believes offers good growth potential.

#### OPERATIONAL REVIEW

##### Interact

Interact is a leading global supplier of intelligent social intranet software. Companies using Interact Intranet report improved efficiency, greater productivity, increased employee engagement, better decision-making and cost savings.

Interact delivered revenues of £4.9m (2013: £3.6m) and operating profits before central costs of £0.66m (2013: £0.35m).

In spite of the increased sales, operating profits did not increase to the same extent due in part to the following:

- significant investment in product development of £793k (2013: £731k).
- net write-off of previously capitalised Research & Development of £93k (2013: net credit of £85k).

Interact continues to benefit from its entry into the US market in early 2012 and the growth of the enterprise social network marketplace. In August 2014, the Board's confidence in the US opportunity resulted in Interact establishing a subsidiary in the US which currently employs nine people in addition to five contractors, with offices in New York and Dallas.

# Hasgrove Limited

## Strategic Report *(continued)*

**Year Ended 31 December 2014**

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### FINANCIAL RESULTS

The results for the Group are presented based on the continuing operations of Interact..

The Group's revenue was £5,362k and operating loss was £571k, after a loss on sale of The Chase of £287k and a loss from discontinued operations of £416k. Loss before tax was £577k.

The Group's year end cash position was £2.1m (31 December 2013: £2.7m) following the completion of the second buy-back of shares in November.

### RISKS

The principal risk facing the group relates to any unforeseen changes in software development which could have an adverse impact on the group's software sales. However, the Board and management teams are closely involved in the group's businesses on a day to day basis and are appropriately qualified and experienced to identify and deal with any such issues that may arise.

Signed by order of the directors

  
P A Sanders  
Company Secretary

Approved by the directors on 9 July 2015

# Hasgrove Limited

## Directors' Report

### Year Ended 31 December 2014

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The directors present their report and the financial statements of the group for the year ended 31 December 2014.

#### RESULTS AND DIVIDENDS

The loss for the year following the sale of The Chase amounted to £519k.

#### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The directors consider the main risks that arise from the group's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks on a regular basis.

#### DIRECTORS

The directors who served the company during the year were as follows:

P A Sanders  
G L F Taylor

#### DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 the group and of the profit or loss of the group for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Hasgrove Limited

## Directors' Report *(continued)*

**Year Ended 31 December 2014**

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### AUDITOR

Champion Accountants LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has 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.

Registered office:  
4th Floor  
Station House  
Stamford New Road  
Altrincham  
Cheshire  
WA14 1EP

Signed by order of the directors



P A Sanders  
Company Secretary

Approved by the directors on 9 July 2015



# **Hasgrove Limited**

## **Independent Auditor's Report to the Members of Hasgrove Limited**

### **Year Ended 31 December 2014**

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We have audited the group and parent company financial statements ("the financial statements") of Hasgrove Limited for the year ended 31 December 2014 which comprise the Group Profit and Loss Account, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 group's and parent company's affairs as at 31 December 2014 and of the group's loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# Hasgrove Limited

## Independent Auditor's Report to the Members of Hasgrove Limited *(continued)*

**Year Ended 31 December 2014**

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### 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Anthony Flanagan FCA

(Senior Statutory Auditor)

For and on behalf of

CHAMPION ACCOUNTANTS LLP

Chartered Accountants and Statutory Auditor

1 Worsley Court  
High Street  
Worsley  
Manchester  
M28 3NJ

9 July 2015

# Hasgrove Limited

## Group Profit and Loss Account

Year Ended 31 December 2014

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	Note	2014 £	2013 (as restated) £
<b>Group Turnover</b>	<b>2</b>	<b>5,361,608</b>	<b>4,596,072</b>
Cost of sales		<u>(2,778,200)</u>	<u>(2,483,726)</u>
<b>Gross Profit</b>		<b>2,583,408</b>	<b>2,112,346</b>
Net operating expenses		<u>(2,451,902)</u>	<u>(2,385,651)</u>
(Loss)/Profit on disposal of subsidiary		<u>(286,535)</u>	<u>1,808,593</u>
(Loss)/Profit from discontinued operations		<u>(415,851)</u>	<u>376,822</u>
<b>Operating (Loss)/Profit</b>	<b>3</b>	<b>(570,880)</b>	<b>1,912,110</b>
Interest payable and similar charges	<b>6</b>	<u>(6,388)</u>	<u>(31,212)</u>
<b>(Loss)/Profit on Ordinary Activities Before Taxation</b>		<b>(577,268)</b>	<b>1,880,898</b>
Tax on profit on ordinary activities	<b>7</b>	<u>58,689</u>	<u>116,971</u>
<b>(Loss)/Profit for the Financial Year</b>		<b><u>(518,579)</u></b>	<b><u>1,997,869</u></b>

The group has no recognised gains or losses other than the results for the year as set out above.

The results for the group for the year to 31 December 2013 have been restated to exclude the results of The Chase Creative Consultants Limited and Landmarks SA both of which were disposed of during the year

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 13 to 25 form part of these financial statements.


# Hasgrove Limited

## Group Balance Sheet

31 December 2014

	Note	2014 £	2013 £
<b>Fixed Assets</b>			
Intangible assets	10	3,678,327	4,955,033
Tangible assets	11	<u>182,809</u>	<u>244,083</u>
		<b>3,861,136</b>	<b>5,199,116</b>
<b>Current Assets</b>			
Stocks	13	-	9,978
Debtors	14	2,168,270	3,365,527
Cash at bank		<u>2,123,575</u>	<u>2,679,769</u>
		<b>4,291,845</b>	<b>6,055,274</b>
<b>Creditors: Amounts Falling due Within One Year</b>	15	<u>(1,837,463)</u>	<u>(2,184,318)</u>
<b>Net Current Assets</b>		<b>2,454,382</b>	<b>3,870,956</b>
<b>Total Assets Less Current Liabilities</b>		<b>6,315,518</b>	<b>9,070,072</b>
<b>Provisions for Liabilities</b>			
Deferred taxation	16	<u>10,053</u>	<u>(54,573)</u>
		<b>6,325,571</b>	<b>9,015,499</b>
<b>Capital and Reserves</b>			
Called-up equity share capital	19	800,303	1,135,417
Share premium account	20	7,150,241	7,156,901
Other reserves:			
Capital redemption reserve	21	1,654,334	1,319,220
Translation reserve	21	-	(5,144)
Profit and loss account	22	<u>(3,279,307)</u>	<u>(590,895)</u>
<b>Shareholders' Funds</b>	23	<b>6,325,571</b>	<b>9,015,499</b>

These accounts were approved by the directors and authorised for issue on 9 July 2015 and are signed on their behalf by:

  
 .....  
 P A Sanders

The notes on pages 13 to 25 form part of these financial statements.


# Hasgrove Limited

## Company Balance Sheet

31 December 2014

	Note	2014 £	2013 £
<b>Fixed Assets</b>			
Tangible assets	11	1,539	1,794
Investments	12	<u>3,617,282</u>	<u>6,113,439</u>
		3,618,821	6,115,233
<b>Current Assets</b>			
Debtors	14	5,528,994	5,708,178
Cash at bank		<u>1,272,405</u>	<u>1,842,639</u>
		6,801,399	7,550,817
<b>Creditors: Amounts Falling due Within One Year</b>	15	<u>(190,140)</u>	<u>(371,050)</u>
<b>Net Current Assets</b>		6,611,259	7,179,767
<b>Total Assets Less Current Liabilities</b>		<u>10,230,080</u>	<u>13,295,000</u>
		<u>10,230,080</u>	<u>13,295,000</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	19	800,303	1,135,417
Share premium account	20	7,150,241	7,156,901
Other reserves:			
Capital redemption reserve	21	1,654,334	1,319,220
Profit and loss account	22	<u>625,202</u>	<u>3,683,462</u>
<b>Shareholders' Funds</b>		<u>10,230,080</u>	<u>13,295,000</u>

These accounts were approved by the directors and authorised for issue on 9 July 2015 and are signed on their behalf by:

  
P A Sanders

Company Registration Number: 05247414

The notes on pages 13 to 25 form part of these financial statements.

# Hasgrove Limited

## Group Cash Flow Statement

Year Ended 31 December 2014

	2014	2013
	£	£
Net Cash Inflow from Operating Activities	1,164,948	1,834,322
<b>Returns on Investments and Servicing of Finance</b>		
Interest received	10,543	11,061
Interest paid	(16,931)	(42,273)
Dividends Received	780,809	-
<b>Net Cash Inflow/(Outflow) from Returns on Investments and Servicing of Finance</b>	774,421	(31,212)
<b>Taxation</b>	(28,964)	42,134
<b>Capital Expenditure and Financial Investment</b>		
Payments to acquire intangible fixed assets	-	(13,499)
Payments to acquire tangible fixed assets	(82,429)	(149,020)
Receipts from sale of fixed assets	5,781	5,310
Expenditure on product development	(128,870)	(401,014)
Payment of deferred consideration	(113,588)	(44,090)
Receipt of deferred consideration	-	304,754
Net cash balances disposed of with subsidiary undertaking	(309,580)	(1,030,241)
Disposal of subsidiary undertakings	333,435	13,488,524
<b>Net Cash (Outflow)/Inflow for Capital Expenditure and Financial Investment</b>	(295,251)	12,160,724
<b>Equity Dividends Paid</b>	-	(203,357)
<b>Financing</b>		
Issue of equity share capital	-	168,000
Shares purchased and cancelled	(2,164,688)	(11,262,521)
Share buy-back expense	(6,660)	-
Repayment of bank loans	-	(2,121,089)
Capital element of hire purchase and finance lease	-	(19,000)
<b>Net Cash (Outflow) from Financing</b>	(2,171,348)	(13,234,610)
<b>(Decrease)/Increase in Cash</b>	<u>(556,194)</u>	<u>568,001</u>

The notes on pages 13 to 25 form part of these financial statements.



# Hasgrove Limited

## Group Cash Flow Statement

**Year Ended 31 December 2014**

### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating (loss)/profit	(570,880)	1,912,110
Loss/(profit) on disposal of subsidiaries	286,535	(1,808,593)
Amortisation & depreciation	294,969	512,324
(Profit) on sale of tangible fixed assets	(4,589)	(3,959)
Impairment of goodwill	-	263,450
Decrease/(increase) in stocks	(24,287)	34,693
Decrease in debtors	282,578	336,460
Increase in creditors	880,500	619,480
Increase/(decrease) in provisions	20,122	(31,643)
Net cash inflow from operating activities	<u>1,164,948</u>	<u>1,834,322</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2014	2013
	£	£
(Decrease)/increase in cash in the period	(556,194)	568,001
Change in net funds	<u>(556,194)</u>	<u>568,001</u>
Net funds at 1 January	<u>2,679,769</u>	<u>2,111,768</u>
Net funds at 31 December	<u>2,123,575</u>	<u>2,679,769</u>

### ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2014	Cash flows	At 31 Dec 2014
	£	£	£
Cash in hand and at bank	<u>2,679,769</u>	<u>(556,194)</u>	<u>2,123,575</u>
Net funds	<u>2,679,769</u>	<u>(556,194)</u>	<u>2,123,575</u>

The notes on pages 13 to 25 form part of these financial statements.

# Hasgrove Limited

## Notes to the Financial Statements

Year Ended 31 December 2014

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### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

#### Turnover

Turnover is recognised consistently with the right to receive consideration in exchange for the performance of supplying services.

#### Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its useful economic life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years. Useful economic lives are reviewed at the end of each reporting period and revised if necessary, subject to the constraint that the revised life shall not exceed 20 years from the date of acquisition. The carrying amount at the date of revision is depreciated over the revised estimate of remaining useful economic life.

#### Amortisation

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

Goodwill	- over 20 years
Development expenditure	- 25% straight line

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Depreciation

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

Fixtures and equipment	- 20% reducing balance and 4 – 7 years straight line
Motor vehicles	- 33 ⅓% straight line
Computer equipment	- 25% and 33 ⅓% reducing balance
Leasehold property	- 10% straight line

# Hasgrove Limited

## Notes to the Financial Statements

Year Ended 31 December 2014

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### 1. ACCOUNTING POLICIES *(continued)*

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### **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.

# Hasgrove Limited

## Notes to the Financial Statements

Year Ended 31 December 2014

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### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2014 £	2013 £
United Kingdom	3,619,085	3,316,170
Overseas	1,742,523	1,279,902
	<u>5,361,608</u>	<u>4,596,072</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014 £	2013 £
Amortisation of intangible assets	221,447	318,587
Depreciation of owned fixed assets	73,522	193,039
Profit on disposal of property, plant and equipment	-	(3,959)
Goodwill amortisation	-	263,450
Profit/(loss) on disposal of subsidiary	(286,535)	1,808,593
De-listing costs	-	272,641
Staff costs	2,973,668	3,272,000
Operating lease costs:		
- Property	109,569	204,877
- Other	32,046	38,695
Net loss on foreign currency translation	-	139,694
Auditor's remuneration	<u>18,000</u>	<u>18,000</u>



# Hasgrove Limited

## Notes to the Financial Statements

Year Ended 31 December 2014

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### 3. OPERATING PROFIT *(continued)*

	2014	2013
	£	£
Auditor's remuneration - audit of the parent company	6,000	6,000
Auditor's remuneration - audit of the subsidiary companies	12,000	12,000
	<u>18,000</u>	<u>18,000</u>

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2014	2013
	No	No
Number of direct staff	61	75
Number of administrative staff	4	15
	<u>65</u>	<u>90</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	2,564,967	2,185,590
Social security costs	395,311	285,261
Other pension costs	13,390	13,766
	<u>2,973,668</u>	<u>2,484,617</u>

### 5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Aggregate remuneration	176,000	176,000
Value of company pension contributions to money purchase schemes	-	-
	<u>176,000</u>	<u>176,000</u>

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

	2014	2013
	No	No
Money purchase schemes	-	-



# Hasgrove Limited

## Notes to the Financial Statements

Year Ended 31 December 2014

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### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable on bank borrowing	6,388	31,212
	<u>6,388</u>	<u>31,212</u>

### 7. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2014		2013	
	£	£	£	£
Current tax:				
In respect of the year:				
UK Corporation tax based on the results for the year	-		(50,237)	
Under/(over) provision in previous tax year	<u>50,240</u>		<u>(38,485)</u>	
Total current tax		50,240		(88,722)
Deferred tax:				
Origination and reversal of timing differences	(108,929)		(20,470)	
Under/(over) provision of deferred tax in previous tax year	<u>-</u>		<u>(7,779)</u>	
Total deferred tax (note 17)		(108,929)		(28,249)
Tax on profit on ordinary activities		<u>(58,689)</u>		<u>(116,971)</u>

# Hasgrove Limited

## Notes to the Financial Statements

### Year Ended 31 December 2014

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#### 7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

##### (a) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%).

	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation	<u>(577,268)</u>	<u>1,880,898</u>
Tax at UK corporation tax rate	(124,113)	437,309
Utilisation of tax losses	-	106,260
Effect on expenses that are not deductible	280,303	61,246
Enhanced R&D expenditure	(169,009)	(212,527)
Capitalised R & D expenditure	(27,707)	-
Deferred tax not recognised on losses arising in the year	-	53,860
Adjustments in respect of previous years	50,240	(35,710)
Goodwill amortisation	55,867	133,480
Income not taxable	-	(562,872)
Excess of capital allowances over depreciation	(17,593)	(19,343)
Unutilised losses	2,252	-
Tax at lower rates	-	(50,425)
Deferred tax (credit)	<u>(108,929)</u>	<u>(28,249)</u>
Total tax (note 7(a))	<u>(58,689)</u>	<u>(116,971)</u>

#### 8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £893,571 (2013: Profit of £4,812,262).

#### 9. DIVIDENDS

##### Equity dividends

	2014 £	2013 £
Paid during the year:		
Dividends on equity shares	<u>-</u>	<u>203,357</u>

# Hasgrove Limited

## Notes to the Financial Statements

### Year Ended 31 December 2014

#### 10. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Development expenditure £	Total £
<b>Cost</b>			
At 1 January 2014	7,539,164	1,785,180	9,324,344
Additions	–	128,870	128,870
Disposal of Subsidiaries	(4,422,157)	(26,057)	(4,448,214)
<b>At 31 December 2014</b>	<u>3,117,007</u>	<u>1,887,993</u>	<u>5,005,000</u>
<b>Amortisation</b>			
At 1 January 2014	3,247,943	1,121,368	4,369,311
Charge for the year	–	221,447	221,447
Disposal of Subsidiaries	(3,247,943)	(16,142)	(3,264,085)
<b>At 31 December 2014</b>	<u>–</u>	<u>1,326,673</u>	<u>1,326,673</u>
<b>Net Book Value</b>			
<b>At 31 December 2014</b>	<u>3,117,007</u>	<u>561,320</u>	<u>3,678,327</u>
At 31 December 2013	<u>4,291,221</u>	<u>663,812</u>	<u>4,955,033</u>

#### 11. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Plant, Fixtures & Equipment £	Total £
<b>Cost or Valuation</b>			
At 1 January 2014	246,422	740,824	987,246
Additions	19,346	63,083	82,429
Disposals	(83,517)	(543,560)	(627,077)
<b>At 31 December 2014</b>	<u>182,251</u>	<u>260,347</u>	<u>442,598</u>
<b>Depreciation</b>			
At 1 January 2014	129,426	613,737	743,163
Charge for the year	22,596	50,926	73,522
On disposals	(66,322)	(490,574)	(556,896)
<b>At 31 December 2014</b>	<u>85,700</u>	<u>174,089</u>	<u>259,789</u>
<b>Net Book Value</b>			
<b>At 31 December 2014</b>	<u>96,551</u>	<u>86,258</u>	<u>182,809</u>
At 31 December 2013	<u>116,996</u>	<u>127,087</u>	<u>244,083</u>

#### Hire purchase and finance lease agreements

Included within the net book value of £182,809 is £Nil (2013 - £Nil) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2013 - £Nil).

# Hasgrove Limited

## Notes to the Financial Statements

Year Ended 31 December 2014

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### 11. TANGIBLE FIXED ASSETS *(continued)*

Company	Equipment £
<b>Cost or Valuation</b>	
At 1 January 2014	9,686
Additions	669
Disposals	
<b>At 31 December 2014</b>	<b><u>10,355</u></b>
<b>Depreciation</b>	
At 1 January 2014	7,892
Charge for the year	924
On disposals	
<b>At 31 December 2014</b>	<b><u>8,816</u></b>
<b>Net Book Value</b>	
<b>At 31 December 2014</b>	<b><u>1,539</u></b>
At 31 December 2013	<u>1,794</u>

# Hasgrove Limited

## Notes to the Financial Statements

Year Ended 31 December 2014

### 12. INVESTMENTS

The company owns the subsidiary undertakings listed below:

Subsidiary undertaking	Country of Registration	Principal activity	Class and percentage of shares held
Odyssey Interactive Limited t/a Interact	UK	Intranet provider	100% ordinary
Hasgrove UK Limited	UK	Dormant	100% ordinary
Amaze UK LLP	UK	Dormant	100% profit share
Interact Intranet LLP	UK	Intranet provider	100% profit share due to Odyssey Interactive Limited
Amaze Digital Limited	UK	Dormant	100% ordinary
Amaze Public Relations Limited	UK	Dormant	100% ordinary

On 6 August 2014, the company disposed of Landmarks SA for €9,999 before intercompany settlements and costs of disposal. On 31 December 2014, the company disposed of The Chase Creative Consultants Limited for £1,403,512 satisfied by a pre-disposal dividend of £780,809, a payment of £382,159 and deferred consideration of £240,544 payable in 10 quarterly instalments commencing March 2015.

#### Company

Group companies  
£

#### Cost

At 1 January 2014

6,113,439

Disposals

(2,496,157)

At 31 December 2014

3,617,282

#### Net Book Value

At 31 December 2014

3,617,282

At 31 December 2013

6,113,439

### 13. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Stock	-	9,978	-	-
	<u>-</u>	<u>9,978</u>	<u>-</u>	<u>-</u>

### 14. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	1,489,309	2,186,579	-	18,647
Amounts owed by group undertakings	-	-	4,905,697	4,694,972
Other debtors	623,599	1,051,120	622,703	989,297
Prepayments and accrued income	55,362	127,828	594	5,262
	<u>2,168,270</u>	<u>3,365,527</u>	<u>5,528,994</u>	<u>5,708,178</u>



# Hasgrove Limited

## Notes to the Financial Statements

Year Ended 31 December 2014

### 15. CREDITORS: Amounts Falling due Within One Year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	257,087	459,817	11,070	71,152
Other creditors including taxation and social security:				
PAYE and social security	56,632	114,507	4,696	3,129
VAT	180,704	332,909	—	—
Other creditors	—	15,990	—	—
Deferred consideration	27,960	141,548	27,960	141,548
Accruals and deferred income	1,315,080	1,119,547	146,414	155,221
	<u>1,837,463</u>	<u>2,184,318</u>	<u>190,140</u>	<u>371,050</u>

### 16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Provision brought forward	54,573	594,389	—	—
Disposed of with subsidiary	44,303	(511,567)	—	—
Decrease) in provision	(108,929)	(28,249)	—	—
Provision carried forward	<u>(10,053)</u>	<u>54,573</u>	<u>—</u>	<u>—</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2014 Provided £	2013 Provided £
Excess of taxation allowances over depreciation on fixed assets	(10,053)	54,573
	<u>(10,053)</u>	<u>54,573</u>

# Hasgrove Limited

## Notes to the Financial Statements

Year Ended 31 December 2014

### 17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014, the group had annual commitments under non-cancellable operating leases as set out below.

Group	2014		2013	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	-	-	220,633	2,228
Within 2 to 5 years	<u>125,325</u>	<u>-</u>	<u>76,859</u>	<u>2,648</u>
	<u>125,325</u>	<u>-</u>	<u>297,492</u>	<u>4,876</u>

### 18. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

### 19. SHARE CAPITAL

Allotted and called up:

	2014		2013	
	No	£	No	£
Ordinary shares of £0.10 each	<u>8,003,039</u>	<u>800,303</u>	<u>11,354,173</u>	<u>1,135,417</u>

During the year, the company purchased and cancelled 2,187,985 ordinary shares of £0.10 each at a price of £0.55 per share and a further 1,163,149 ordinary shares of £0.10 each were purchased at a price of €1 in final settlement of outstanding consideration on the Sale of Interel Holdings in 2012. These shares were also cancelled.

# Hasgrove Limited

## Notes to the Financial Statements

### Year Ended 31 December 2014

#### 20. SHARE PREMIUM ACCOUNT

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Balance brought forward	7,156,901	15,079,228	7,156,901	15,079,228
Issue of Share Capital	-	128,923	-	128,923
Share buy-back expense	(6,660)	(51,250)	(6,660)	(51,250)
Reduction in share premium	-	(8,000,000)	-	(8,000,000)
Balance carried forward	<u>7,150,241</u>	<u>7,156,901</u>	<u>7,150,241</u>	<u>7,156,901</u>

#### 21. OTHER RESERVES: CAPITAL REDEMPTION RESERVE

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
<b>Capital redemption reserve:</b>				
Balance brought forward	1,319,220	69,223	1,319,220	69,223
Purchase and cancellation of own shares	335,114	1,249,997	335,114	1,249,997
	<u>1,654,334</u>	<u>1,319,220</u>	<u>1,654,334</u>	<u>1,319,220</u>

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
<b>Translation reserve</b>				
Balance brought forward	(5,144)	(1,375)	-	-
Exchange differences on translation of foreign operations	(5,144)	(3,769)	-	-
	<u>-</u>	<u>(5,144)</u>	<u>-</u>	<u>-</u>

# Hasgrove Limited

## Notes to the Financial Statements

Year Ended 31 December 2014

### 22. GROUP PROFIT AND LOSS ACCOUNT

	2014 £	2013 £
Balance brought forward	(590,895)	(135,433)
Net (loss)/profit for the year	(518,579)	1,997,869
Purchase and cancellation of own shares	(2,164,689)	(10,249,974)
Reduction in share premium	-	8,000,000
Credit to equity for equity-settled share-based payments	-	-
Dividend paid	-	(203,357)
Transfer	(5,144)	-
Balance carried forward	<u>(3,279,307)</u>	<u>(590,895)</u>

### COMPANY PROFIT AND LOSS ACCOUNT

	2014 £	2013 £
Balance brought forward	3,683,462	1,324,531
Net (loss)/profit for the year	(893,571)	4,812,262
Reduction in share premium	-	8,000,000
Purchase and cancellation of own shares	(2,164,689)	(10,249,974)
Dividends paid	-	(203,357)
Balance carried forward	<u>625,202</u>	<u>3,683,462</u>

### 23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014		2013	
	£	£	£	£
(Loss)/Profit for the financial year		(518,579)		1,997,869
Net premium on new share capital subscribed	(6,660)		77,673	
Less capitalised from reserves	<u>-</u>	<u>(6,660)</u>	<u>39,077</u>	<u>116,750</u>
Shares purchased and cancelled	(2,164,689)		(10,249,974)	
Equity dividends	<u>-</u>		<u>(203,357)</u>	
		(2,164,689)		(10,453,331)
Exchange differences on translation of foreign operations		<u>-</u>		<u>(3,769)</u>
Net (reduction) to shareholders' funds		(2,689,928)		(8,342,481)
Opening shareholders' funds		<u>9,015,499</u>		<u>17,357,980</u>
Closing shareholders' funds		<u>6,325,571</u>		<u>9,015,499</u>