

COMPANY REGISTRATION NUMBER: 05247414

COMPANIES HOUSE

**Hasgrove Limited**  
**Financial Statements**  
**For the Year Ended**  
**31 December 2015**



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

# Hasgrove Limited

## Financial Statements

Year Ended 31 December 2015

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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 & Statutory Auditor  
1 Worsley Court  
High Street  
Worsley  
Manchester  
M28 3NJ

# Hasgrove Limited

## Strategic Report

### Year Ended 31 December 2015

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The directors present their strategic report of the group for the year ended 31 December 2015.

#### PRINCIPAL ACTIVITIES

The principal activities of the group during the year was the provision of intranet solutions.

#### OVERVIEW AND STRATEGY

The group's remaining operating subsidiary, Odyssey Interactive Limited ('Interact'), has continued to perform well following the decision at the beginning of 2015 to focus on subscription sales, where invoices are typically raised annually. In prior years the principal offering had been perpetual licencing, where invoicing for the software is raised upfront. As a result the transition has had a short term impact on revenue and has resulted in an increase of accruals and deferred income.

However, the increase in committed sales orders has been encouraging and future invoicing is constantly increasing. Sales orders in 2015 were £8,622k compared to £5,563k in 2014, an increase of 55%.

There was a further buy-back of shares during the year so that the number of shares in issue at the end of the year was 7,335,270. Of this amount approximately 440,000 shares will be cancelled in 2016.

#### OPERATIONAL REVIEW

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 £5.1m (2014: £4.9m) and operating profits before central costs of £224k (2014: £659k).

As indicated above the increase in revenue was reduced due to the deliberate move to the subscription offering which will be of benefit in both the medium and long term. It should also be noted that we continued to invest in product development, sales and marketing and our people. The number of employees at the end of 2015 was 85 (2014: 70) and is currently 101.

Interact continues to benefit from its entry into the US market and the growth of the enterprise social network marketplace. In May 2016, the Board's confidence in the US opportunity resulted in the opening of an office in San Francisco to complement our office in New York. The number of US employees included in the total above is currently 20.

#### FINANCIAL RESULTS

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

The Group's revenue was £5,827k and the operating loss was £533k. Loss before tax was £563k.

The Group's year end cash position was £1.4m (31 December 2014: £2.1m) following the completion of a further buy-back of shares in September.

#### 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.

# Hasgrove Limited

## Strategic Report *(continued)*

### Year Ended 31 December 2015

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This report was approved by the board of directors on 21 September 2016 and signed on behalf of the board by:



P A Sanders  
Director

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

# Hasgrove Limited

## Directors' Report

### Year Ended 31 December 2015

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The directors present their report and the financial statements of the group for the year ended 31 December 2015.

#### Directors

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

P A Sanders  
G L F Taylor

#### Dividends

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

#### Future developments

Future developments are detailed within the strategic report.

#### Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 23 to the financial statements.

#### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial 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 group and the company and the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditor

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

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

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

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# Hasgrove Limited

## Directors' Report *(continued)*

### Year Ended 31 December 2015

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This report was approved by the board of directors on 21 September 2016 and signed on behalf of the board by:



P A Sanders  
Director

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

# **Hasgrove Limited**

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

### **Year Ended 31 December 2015**

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We have audited the financial statements of Hasgrove Limited for the year ended 31 December 2015 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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, 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's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' 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 of the parent company's affairs as at 31 December 2015 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 the 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 Shareholders of Hasgrove Limited *(continued)*

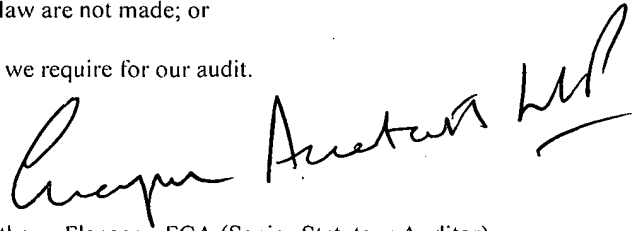
Year Ended 31 December 2015

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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 & Statutory Auditor

1 Worsley Court  
High Street  
Worsley  
Manchester  
M28 3NJ

21 September 2016

# Hasgrove Limited

## Consolidated Statement of Comprehensive Income

Year Ended 31 December 2015

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		2015	2014
	Note	£	£
<b>Turnover</b>	<b>3</b>	<b>5,826,832</b>	<b>5,361,608</b>
Cost of sales		<u>(3,437,803)</u>	<u>(2,778,200)</u>
<b>Gross Profit</b>		<b>2,389,029</b>	<b>2,583,408</b>
Administrative expenses		(2,927,525)	(2,867,753)
Other operating income	<b>4</b>	<u>5,602</u>	<u>(286,535)</u>
<b>Operating Loss</b>	<b>5</b>	<b>(532,894)</b>	<b>(570,880)</b>
Interest payable and similar charges	<b>8</b>	<u>(29,719)</u>	<u>(6,388)</u>
<b>Loss on Ordinary Activities Before Taxation</b>		<b>(562,613)</b>	<b>(577,268)</b>
Tax on loss on ordinary activities	<b>9</b>	<u>(62,863)</u>	<u>58,689</u>
<b>Loss for the Financial Year and Total Comprehensive Income</b>		<b><u>(625,476)</u></b>	<b><u>(518,579)</u></b>

All the activities of the group are from continuing operations.

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The notes on pages 14 to 24 form part of these financial statements.


# Hasgrove Limited

## Consolidated Statement of Financial Position

31 December 2015

	Note	2015 £	2014 £
<b>Fixed Assets</b>			
Intangible assets	12	3,397,667	3,678,327
Tangible assets	13	224,118	182,809
		<u>3,621,785</u>	<u>3,861,136</u>
<b>Current Assets</b>			
Debtors	15	1,934,522	2,168,271
Cash at bank and in hand		1,479,401	2,123,575
		<u>3,413,923</u>	<u>4,291,846</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(2,348,517)</u>	<u>(1,837,463)</u>
<b>Net Current Assets</b>		<u>1,065,406</u>	<u>2,454,383</u>
<b>Total Assets Less Current Liabilities</b>		<u>4,687,191</u>	<u>6,315,519</u>
<b>Provisions</b>			
Taxation including deferred tax	18	(52,810)	10,053
<b>Net Assets</b>		<u>4,634,381</u>	<u>6,325,572</u>
<b>Capital and Reserves</b>			
Called up share capital	21	685,030	800,304
Share premium account	22	1,215,866	7,150,241
Capital redemption reserve	22	1,787,108	1,654,334
Profit and loss account	22	946,377	(3,279,307)
<b>Shareholders' Funds</b>		<u>4,634,381</u>	<u>6,325,572</u>

These financial statements were approved by the board of directors and authorised for issue on 21 September 2016, and are signed on behalf of the board by:



P A Sanders  
Director

Company registration number: 05247414

The notes on pages 14 to 24 form part of these financial statements.

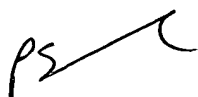
# Hasgrove Limited

## Company Statement of Financial Position

31 December 2015

	Note	2015 £	2014 £
<b>Fixed Assets</b>			
Tangible assets	13	1,600	1,539
Investments	14	<u>3,617,282</u>	<u>3,617,282</u>
		3,618,882	3,618,821
<b>Current Assets</b>			
Debtors	15	902,935	5,528,995
Cash at bank and in hand		<u>270,403</u>	<u>1,272,405</u>
		1,173,338	6,801,400
<b>Creditors: amounts falling due within one year</b>	16	<u>(122,136)</u>	<u>(190,140)</u>
<b>Net Current Assets</b>		<u>1,051,202</u>	<u>6,611,260</u>
<b>Total Assets Less Current Liabilities</b>		<u>4,670,084</u>	<u>10,230,081</u>
<b>Net Assets</b>		<u>4,670,084</u>	<u>10,230,081</u>
<b>Capital and Reserves</b>			
Called up share capital	21	685,030	800,304
Share premium account	22	1,215,866	7,150,241
Capital redemption reserve	22	1,787,108	1,654,334
Profit and loss account	22	<u>982,080</u>	<u>625,202</u>
<b>Shareholders' Funds</b>		<u>4,670,084</u>	<u>10,230,081</u>

These financial statements were approved by the board of directors and authorised for issue on 21 September 2016, and are signed on behalf of the board by:



P A Sanders  
Director

Company registration number: 05247414

The notes on pages 14 to 24 form part of these financial statements.

# Hasgrove Limited

## Consolidated Statement of Changes in Equity

Year Ended 31 December 2015

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
<b>At 1 January 2014</b>	1,135,418	7,156,901	1,319,220	(596,039)	9,015,500
Loss for the year				(518,579)	(518,579)
<b>Total Comprehensive Income for the Year</b>	-	-	-	(518,579)	(518,579)
Cancellation of subscribed capital	(335,114)	-	335,114	(2,164,689)	(2,164,689)
Transaction costs	-	(6,660)	-	-	(6,660)
<b>Total Investments by and Distributions to Owners</b>	(335,114)	(6,660)	335,114	(2,164,689)	(2,171,349)
<b>At 31 December 2014</b>	800,304	7,150,241	1,654,334	(3,279,307)	6,325,572
Loss for the year				(625,476)	(625,476)
<b>Total Comprehensive Income for the Year</b>	-	-	-	(625,476)	(625,476)
Issue of shares	17,500	65,625	-	-	83,125
Dividends paid and payable	-	-	-	(134,196)	(134,196)
Cancellation of subscribed capital	(132,774)	-	132,774	(1,014,644)	(1,014,644)
Conversion of debt to equity	-	(6,000,000)	-	6,000,000	-
<b>Total Investments by and Distributions to Owners</b>	(115,274)	(5,934,375)	132,774	4,851,160	(1,065,715)
<b>At 31 December 2015</b>	685,030	1,215,866	1,787,108	946,377	4,634,381

The notes on pages 14 to 24 form part of these financial statements.

# Hasgrove Limited

## Company Statement of Changes in Equity

Year Ended 31 December 2015

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
<b>At 1 January 2014</b>	1,135,418	7,156,901	1,319,220	3,683,462	13,295,001
Loss for the year				(893,571)	(893,571)
<b>Total Comprehensive Income for the Year</b>	-	-	-	(893,571)	(893,571)
Cancellation of subscribed capital	(335,114)	-	335,114	(2,164,689)	(2,164,689)
Transaction costs	-	(6,660)	-	-	(6,660)
<b>Total Investments by and Distributions to Owners</b>	(335,114)	(6,660)	335,114	(2,164,689)	(2,171,349)
<b>At 31 December 2014</b>	800,304	7,150,241	1,654,334	625,202	10,230,081
Loss for the year				(4,494,282)	(4,494,282)
<b>Total Comprehensive Income for the Year</b>	-	-	-	(4,494,282)	(4,494,282)
Issue of shares	17,500	65,625	-	-	83,125
Dividends paid and payable	-	-	-	(134,196)	(134,196)
Cancellation of subscribed capital	(132,774)	-	132,774	(1,014,644)	(1,014,644)
Conversion of debt to equity	-	(6,000,000)	-	6,000,000	-
<b>Total Investments by and Distributions to Owners</b>	(115,274)	(5,934,375)	132,774	4,851,160	(1,065,715)
<b>At 31 December 2015</b>	<u>685,030</u>	<u>1,215,866</u>	<u>1,787,108</u>	<u>982,080</u>	<u>4,670,084</u>

The notes on pages 14 to 24 form part of these financial statements.

# Hasgrove Limited

## Consolidated Statement of Cash Flows

Year Ended 31 December 2015

	2015 £	2014 £
<b>Cash Flows from Operating Activities</b>		
Loss for the financial year	(625,476)	(518,579)
<i>Adjustments for:</i>		
Depreciation of tangible assets	60,449	73,522
Amortisation of intangible assets	280,660	221,447
Interest payable and similar charges	29,719	6,388
Gains on disposal of tangible assets	–	(4,589)
Loss on disposal of shares in group undertakings	–	286,535
Tax on loss on ordinary activities	62,863	(58,689)
Accrued expenses	547,452	195,533
<i>Changes in:</i>		
Stocks	–	(24,287)
Trade and other debtors	233,749	282,578
Trade and other creditors	(36,398)	591,501
Cash generated from operations	553,018	1,051,360
Interest paid	(29,719)	(6,388)
Tax paid	–	(28,964)
Net cash from operating activities	523,299	1,016,008
<b>Cash Flows from Investing Activities</b>		
Purchase of tangible assets	(101,758)	(82,429)
Proceeds from sale of tangible assets	–	5,781
Purchase of intangible assets	–	(128,870)
Net cash balances disposed of with subsidiary undertaking	–	(309,580)
Proceeds from sale of subsidiaries	–	333,435
Net cash (used in)/from investing activities	(101,758)	(181,663)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of ordinary shares	83,125	–
Payments of share issue costs	–	(6,660)
Purchase of own shares	(1,014,644)	(2,164,689)
Dividends (paid) / received	(134,196)	780,809
Net cash used in financing activities	(1,065,715)	(1,390,539)
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	(644,174)	(556,194)
<b>Cash and Cash Equivalents at Beginning of Year</b>	2,123,575	2,679,769
<b>Cash and Cash Equivalents at End of Year</b>	1,479,401	2,123,575

The notes on pages 14 to 24 form part of these financial statements.

# Hasgrove Limited

## Notes to the Financial Statements

### Year Ended 31 December 2015

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#### 1. Statement of compliance

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

#### 2. Accounting policies

##### Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention.

##### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

##### Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

##### Consolidation

The financial statements consolidate the financial statements of Hasgrove Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

##### Revenue recognition

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

##### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.



# Hasgrove Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2015

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

##### Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

##### Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful 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.

##### Amortisation

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

Goodwill	-	20% straight line
Development costs	-	25% straight line

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

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# Hasgrove Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2015

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

##### Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### Depreciation

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

Long leasehold property	-	10% straight line
Equipment	-	20% reducing balance

##### Investments

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

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

##### Impairment of fixed assets

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

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

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

##### Provisions

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

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

# Hasgrove Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2015

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

##### Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### Defined contribution plans

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

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

#### 3. Turnover

Turnover arises from:

	2015	2014
	£	£
Rendering of services	<u>5,826,832</u>	<u>5,361,608</u>

# Hasgrove Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2015

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#### 3. Turnover *(continued)*

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2015	2014
	£	£
United Kingdom	3,933,139	3,619,085
Overseas	1,893,693	1,742,523
	<u>5,826,832</u>	<u>5,361,608</u>

#### 4. Other operating income

	2015	2014
	£	£
Other operating income - profit on disposal of subsidiaries	<u>5,602</u>	<u>(286,535)</u>

#### 5. Operating profit

Operating profit or loss is stated after charging:

	2015	2014
	£	£
Amortisation of intangible assets	280,660	221,447
Depreciation of tangible assets	60,449	73,522
Gains on disposal of tangible assets	-	(4,589)
Loss on disposal of shares in group undertakings	-	415,851
Foreign exchange differences	(112,781)	4,368
Defined contribution plans expense	<u>5,579</u>	<u>13,390</u>

#### 6. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2015	2014
	No.	No.
Administrative staff	4	4
Number of direct staff	<u>81</u>	<u>61</u>
	<u>85</u>	<u>65</u>

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

	2015	2014
	£	£
Wages and salaries	3,041,198	2,564,967
Social security costs	459,261	395,311
Other pension costs	5,579	13,390
	<u>3,506,038</u>	<u>2,973,668</u>

#### 7. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2015	2014
	£	£
Remuneration	<u>180,000</u>	<u>176,000</u>

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# Hasgrove Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2015

#### 8. Interest payable and similar charges

	2015	2014
	£	£
Interest on banks loans and overdrafts	<u>29,719</u>	<u>6,388</u>

#### 9. Tax on loss on ordinary activities

##### Major components of tax expense/(income)

	2015	2014
	£	£
<b>Current tax:</b>		
Adjustments in respect of prior periods	–	50,240
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>62,863</u>	<u>(108,929)</u>
<b>Tax on loss on ordinary activities</b>	<u>62,863</u>	<u>(58,689)</u>

##### Reconciliation of tax expense/(income)

The tax assessed on the loss on ordinary activities for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

	2015	2014
	£	£
Loss on ordinary activities before taxation	<u>(562,613)</u>	<u>(577,268)</u>
Loss on ordinary activities by rate of tax	<u>(114,739)</u>	<u>(124,113)</u>
Adjustment to tax charge in respect of prior periods	–	50,240
Effect of expenses not deductible for tax purposes	6,833	280,303
Effect of capital allowances and depreciation	12,785	(17,593)
Effect of different UK tax rates on some earnings	99,142	–
Utilisation of tax losses	<u>(4,021)</u>	–
Unused tax losses	–	2,252
Goodwill amortisation	–	55,867
Deferred tax	62,863	(108,929)
R&D expenditure	–	(196,716)
<b>Tax on loss on ordinary activities</b>	<u>62,863</u>	<u>(58,689)</u>

#### 10. Loss for the year of the parent company

The loss for the financial year of the parent company was £4,494,282 (2014: £893,571).

#### 11. Dividends

	2015	2014
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>134,196</u>	<u>–</u>

# Hasgrove Limited

## Notes to the Financial Statements (continued)

### Year Ended 31 December 2015

#### 12. Intangible assets

<b>Group</b>	<b>Goodwill £</b>	<b>Development costs £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 Jan 2015 and 31 Dec 2015	<u>3,117,007</u>	<u>1,887,993</u>	<u>5,005,000</u>
<b>Amortisation</b>			
At 1 January 2015	–	1,326,673	<b>1,326,673</b>
Charge for the year	–	280,660	<b>280,660</b>
<b>At 31 December 2015</b>	<u>–</u>	<u>1,607,333</u>	<u><b>1,607,333</b></u>
<b>Carrying amount</b>			
At 31 December 2015	<u>3,117,007</u>	<u>280,660</u>	<u><b>3,397,667</b></u>
At 31 December 2014	<u>3,117,007</u>	<u>561,320</u>	<u><b>3,678,327</b></u>

The company has no intangible assets.

#### 13. Tangible assets

<b>Group</b>	<b>Land and buildings £</b>	<b>Equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2015	182,251	260,347	<b>442,598</b>
Additions	–	101,758	<b>101,758</b>
<b>At 31 December 2015</b>	<u>182,251</u>	<u>362,105</u>	<u><b>544,356</b></u>
<b>Depreciation</b>			
At 1 January 2015	85,700	174,089	<b>259,789</b>
Charge for the year	18,225	42,224	<b>60,449</b>
<b>At 31 December 2015</b>	<u>103,925</u>	<u>216,313</u>	<u><b>320,238</b></u>
<b>Carrying amount</b>			
At 31 December 2015	<u>78,326</u>	<u>145,792</u>	<u><b>224,118</b></u>
At 31 December 2014	<u>96,551</u>	<u>86,258</u>	<u><b>182,809</b></u>

# Hasgrove Limited

## Notes to the Financial Statements (continued)

### Year Ended 31 December 2015

#### 13. Tangible assets (continued)

Company	Equipment £	Total £
<b>Cost</b>		
At 1 January 2015	10,356	10,356
Additions	1,124	1,124
<b>At 31 December 2015</b>	<u>11,480</u>	<u>11,480</u>
<b>Depreciation</b>		
At 1 January 2015	8,816	8,816
Charge for the year	1,064	1,064
<b>At 31 December 2015</b>	<u>9,880</u>	<u>9,880</u>
<b>Carrying amount</b>		
At 31 December 2015	<u>1,600</u>	<u>1,600</u>
At 31 December 2014	<u>1,540</u>	<u>1,540</u>

#### 14. Investments

The group has no investments.

Company	Other investments other than loans £
<b>Cost</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>3,617,282</u>
<b>Impairment</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>—</u>
<b>Carrying amount</b>	
At 1 Jan 2015 and 31 Dec 2015	<u>3,617,282</u>

#### Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Country of incorporation	Class of share	Percentage of shares held
Odyssey Interactive Limited t/a Interact	United Kingdom	ordinary	100
Hasgrove UK Limited	United Kingdom	ordinary	100
Amaze UK LLP	United Kingdom	profit share profit share due to Odyssey Interactive	100
Interact Intranet LLP	United Kingdom	Limited	100
Amaze Digital Limited	United Kingdom	ordinary	100

# Hasgrove Limited

## Notes to the Financial Statements (continued)

### Year Ended 31 December 2015

#### 14. Investments (continued)

	Country of incorporation	Class of share	Percentage of shares held
Amaze Public Relations Limited	United Kingdom	ordinary	100
Interact Intranet Inc	United States	ordinary	100

#### 15. Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	1,713,144	1,489,309	-	-
Amounts owed by group undertakings	-	-	737,917	4,905,697
Prepayments and accrued income	56,059	55,362	594	594
Other debtors	165,319	623,600	164,424	622,704
	<u>1,934,522</u>	<u>2,168,271</u>	<u>902,935</u>	<u>5,528,995</u>

#### 16. Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	144,597	257,087	2,054	11,070
Accruals and deferred income	1,862,532	1,315,080	48,037	146,414
Social security and other taxes	313,428	237,336	44,085	4,696
Other creditors	27,960	27,960	27,960	27,960
	<u>2,348,517</u>	<u>1,837,463</u>	<u>122,136</u>	<u>190,140</u>

#### 17. Deferred tax

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Included in provisions (note 18)	<u>52,810</u>	<u>(10,053)</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	<u>52,810</u>	<u>(10,053)</u>	<u>-</u>	<u>-</u>



# Hasgrove Limited

## Notes to the Financial Statements (continued)

### Year Ended 31 December 2015

#### 18. Provisions

Group	Deferred tax (note 17) £
At 1 January 2015	(10,053)
Additions	62,863
At 31 December 2015	<u>52,810</u>

The company does not have any provisions.

#### 19. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £5,579 (2014: £13,390).

#### 20. Financial instruments

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

	2015 £	2014 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>3,307,468</u>	<u>4,291,846</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(2,262,044)</u>	<u>(1,837,463)</u>

#### 21. Called up share capital

##### Issued, called up and fully paid

	2015		2014	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>6,850,297</u>	<u>685,030</u>	<u>8,003,039</u>	<u>800,304</u>
<b>Share movements</b>				
Ordinary			No.	£
At 1 January 2015			8,003,039	800,304
Issue of shares			175,000	17,500
Shares cancelled			<u>(1,327,742)</u>	<u>(132,774)</u>
At 31 December 2015			<u>6,850,297</u>	<u>685,030</u>

# Hasgrove Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 December 2015

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#### 22. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 23. Events after the end of the reporting period

On 5 April 2016, the subsidiary undertaking, Amaze (UK) LLP, was dissolved.

#### 24. Transition to FRS 102

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

No transitional adjustments were required in equity or profit or loss for the year.