

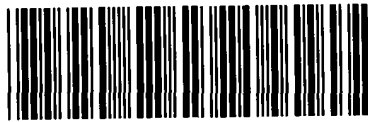
The SimplyBiz Group Limited

**Annual report and consolidated
financial statements**

Registered number 09619906

Period ended 31 December 2015

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Chairman's report

I have much pleasure in presenting the Annual Report and Financial Statements for The SimplyBiz Group Limited. I am pleased to be able to report that the Group has enjoyed continued solid growth for the period ending 31 December 2015.

During the year under review, we have taken the opportunity to restructure the financing of the Group following the recent acquisitions, this restructure has been achieved through incorporating The SimplyBiz Group Limited, which is the new parent company of the Group. This restructure has enabled us to reward many of our long standing staff and management team, whilst at the same time consolidating our overall financing under a single uni-tranche facility. This has proved to be a very successful step forward for the Group and additionally the uni-tranche facility has given us access to significant further capital to expand the business as and when appropriate opportunities arise.

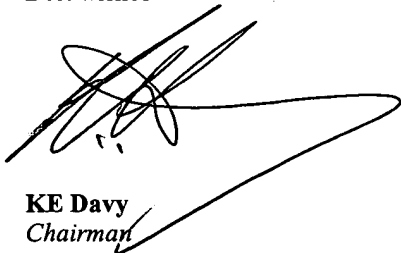
I draw your attention to the published results, which reflect the Group results for the 7 months from incorporation of The SimplyBiz Group Limited. Statutory loss after taxation for the 7 months ended 31 December 2015 was £1.4m. For comparative purposes the Strategic Report provides both the statutory profit and loss for the 7 months to December 2015, but also the pro-forma profit and loss for the Group for the year ended 31 December 2015 and 2014. For the purposes of my Chairman's Report, I will focus on the earnings of the pro-forma profit and loss for the Group before interest, tax and depreciation (EBITDA), which for the year ending 31 December 2015 was £7.6m. This compares with an EBITDA of £6.5m in the 2014 year and £2.0m in 2010. This represents an increase in EBITDA of some 280% over the past six years and 17% in respect of 2014. I believe these are excellent results which add to our confidence in the future for SimplyBiz.

Last year I reported on the important strategic changes we had made to the Group. I am therefore pleased to be able to highlight our continued involvement in these new markets, including compliance services for the consumer credit sector, support for the workplace technology market place, and the mortgage and surveying sectors. In addition, we continue to ensure that our core focus remains on delivering outstanding service and value to the many IFA firms we serve.

Once again, the progress we have made in 2015 would not have been possible without the continued commitment, dedication and support of everyone associated with SimplyBiz, in particular our staff, our management team, the Board and Senior Management Team. On your behalf and personally, it is my pleasure to end this Review by thanking them all for their tremendous contribution to our success.

Together we can approach the future with ever increasing confidence as we continue to grow and develop the success of The SimplyBiz Group.

Best wishes



KE Davy
Chairman

The John Smith's Stadium
Stadium Way
Huddersfield
HD1 6PG

11 May 2016

Strategic report

The directors present their Strategic report of the group and company for the period ended 31 December 2015.

The SimplyBiz Group Limited (“the Company”) was incorporated on 2 June 2015. On 22 June 2015 the Company acquired the entire share capital of Simply Biz Limited for a consideration of £66.9m. The Company did not trade prior to the acquisition of Simply Biz Limited, hence these financial statements purely present the results of the Company and its subsidiaries (“the Group”) for the 7 month period ended 31 December 2015. Pre-acquisition results for the Simply Biz Limited group have been shown below to illustrate financial performance of the acquired group.

Proforma results	(Unaudited) 7 month period ended 31 December 2015 £000	Proforma (unaudited) 12 month period ended 31 December 2015 (i) £000	Proforma (unaudited) 12 month period ended 31 December 2014 (ii) £000
Turnover	22,715	42,079	26,755
Operating expenses	(18,767)	(34,599)	(20,234)
Other operating income	71	71	-
	<hr/>	<hr/>	<hr/>
Operating profit before exceptionals and amortisation	4,019	7,551	6,521
Operating expenses – exceptional	(993)	(6,349)	(7,225)
Intangible amortisation	(4,648)	(9,296)	(4,078)
	<hr/>	<hr/>	<hr/>
Group operating loss	(1,622)	(8,094)	(4,782)
Other interest receivable and similar income	23	168	191
Profit on sale of investments	-	-	425
Interest payable and similar charges	(1,587)	(2,336)	(1,330)
	<hr/>	<hr/>	<hr/>
Loss on ordinary activities before taxation	(3,186)	(10,262)	(5,496)
Tax on loss on ordinary activities	1,749	1,598	46
	<hr/>	<hr/>	<hr/>
Loss for the financial period	(1,437)	(8,664)	(5,450)

(i) These results show the aggregated management accounts result (after adjusting for inter group trade) for the year ended 31 December 2015. These are unaudited and presented on a pro forma basis for comparative purposes only.

(ii) These results show the reported consolidated profit and loss account for Simply Biz Limited for the year ended 31 December 2014, adjusted for reallocation. These are unaudited and shown on a pro forma basis for comparative purposes only.

Progress

2015 has been another positive year for the group as we delivered strong growth in the number of customers that the business supports. Notably, the number of financial advice firms the company supports has increased by 165 over the year, from 2427 in December 2014 to 2592 in December 2015, and our customer base in the consumer credit market has grown by over 400 firms.

Strategic report (continued)

We continue to follow our strategy of serving firms within regulated markets, where there is a clear need for compliance support, and we continue to favour those segments with the larger population of firms, and where those firms are more diverse and fragmented from each other.

Today the group serves over 5500 financial advisers, from across 2592 individual firms, 580 will writers and probate associates, 800 Consumer and Business Credit Firms (newly regulated by the FCA), 25 key EBC strategic relationships with over 2 Million consumers on our Flexible Benefit and AE pension administration software.

2015 has been another year of delivering both organic growth and acquisition growth that will benefit the group financially in 2016 and in future years.

During 2015 the group undertook a corporate restructure in order to consolidate debt, which was originally a blend of bank loan and mezzanine finance, and we agreed terms with the uni-tranche provider Alcentra. This debt restructure has reduced the overall cost of finance as well as aligning and improving the incentives given to the key management team going forward. Finally, this transaction will allow the group to continue to build on its solid foundation, as well as providing access to further capital to drive future growth and acquisition opportunities.

Regulation

The Financial Advice Market Review (FAMR), launched in August 2015, has examined how financial advice can work better for consumers. The final report, published on 14 March 2016, presented a series of proposed measures, for future consultation, that are aimed at stimulating the development of a market that provides affordable and accessible financial advice and guidance for everyone. Twenty-eight recommendations were made in three key areas:

Providing affordable advice to consumers through the development of more streamlined services by firms, designed to engage with customers in a more engaging and effective way.

Improving accessibility to advice and guidance with the aim of increasing consumer engagement and confidence and to seek support at key life stages as well as helping employers to give more support to their staff in financial matters.

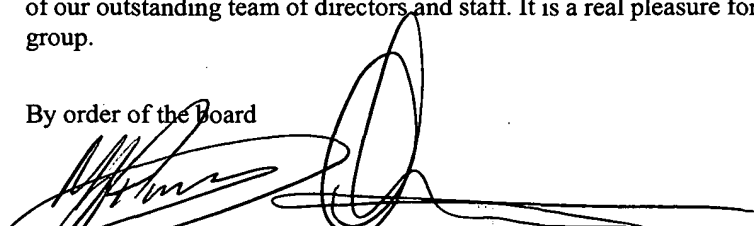
Addressing industry concerns regarding future liability and consumer redress.

The FCA and HMT will jointly report on progress in 12 months' time (March 2017), with a further review of the outcomes of the work in three years' time (2019). Simply Biz expects these changes to have a positive effect on the market for personal financial advice as well as increasing the opportunities to supply advice-based technology services for our customer firms to use in serving a variety of client needs.

The Future

The business continues to benefit from a loyal customer base, attractive margins, and a highly-trained and committed team of staff. During 2016 the business will concentrate on continuing to grow the customer base and EBITDA. It is important to place on record that the success we are achieving is a result of the continued dedication and commitment of our outstanding team of directors and staff. It is a real pleasure for us to thank them personally and on behalf of the group.

By order of the Board



M. Timmins
Director

N.M. Stevens
Director

The John Smith's Stadium
Stadium Way
Huddersfield
HD1 6PG

11 May

2016

Directors' report

Principal activities

The principal activities of the Group during the period was the provision of business services and distribution solutions to the retail financial services sector.

Proposed dividend

The directors have proposed a final ordinary dividend in respect of the current financial period of 14.28p per share. This has not been included within creditors as it was not approved before the period end.

Directors

The directors who held office during the period and up to the date of signing this report were as follows:

KE Davy	(appointed 2 June 2015)
SC Turvey	(appointed 2 June 2015)
ML Timmins	(appointed 2 June 2015)
NM Stevens	(appointed 2 June 2015)
GJ Kershaw	(appointed 19 June 2015)

Employees

It is the policy of the Group that all employees shall be given equal opportunities in all areas of employment.

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

The group places considerable value on the involvement of its employees and has continued to keep them involved in matters affecting them as employees and on various factors affecting the performance of the group. This is achieved through a processes of communication and participation. This involves the provision of information through normal management channels including regular face to face briefings from the members of the Board. Employees are consulted on a wide range of matters effecting their current and future interests.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the period.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report *(continued)*

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic report on page 2.

Auditor

KPMG LLP were appointed as the first auditor of the company during the period.

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

By order of the board



SC Turvey
Director

The John Smith's Stadium
Stadium Way
Huddersfield
HD1 6PG

10 May 2016

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the 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 period. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether 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 and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Independent auditor's report to the members of The SimplyBiz Group Limited

We have audited the financial statements of The SimplyBiz Group Limited for the period ended 31 December 2015 set out on pages 9 to 32. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of The SimplyBiz Group Limited
(continued)

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.



Frances Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

20 / 5 / 2016

Consolidated profit and loss account and other comprehensive income
 for the period ended 31 December 2015

	<i>Note</i>	7 month period ended 31 December 2015 £000
Turnover	<i>1</i>	22,715
Operating expenses	<i>3-5</i>	(24,408)
Other operating income		71
		<hr/>
Group operating loss		(1,622)
Other interest receivable and similar income	<i>6</i>	23
Profit on sale of investments		-
Interest payable and similar charges	<i>7</i>	(1,587)
		<hr/>
Loss on ordinary activities before taxation		(3,186)
Tax on loss on ordinary activities	<i>8</i>	1,749
		<hr/>
Loss for the financial period		(1,437)
		<hr/> <hr/>
<i>Profit or loss attributable to</i>		
Shareholders of the parent company		(1,510)
Minority interests		73
		<hr/>
Total profit or loss		(1,437)
		<hr/> <hr/>

There are no items to be included in other comprehensive income.

Consolidated balance sheet
 at 31 December 2015

	Note	2015 £000	£000
Fixed assets			
Intangible assets			
Goodwill	9	42,882	
Other intangibles	9	41,009	
		<hr/>	
			83,891
Tangible assets	10		390
			<hr/>
			84,281
Current assets			
Debtors	12	9,615	
Cash at bank and in hand	13	5,548	
		<hr/>	
		15,163	
Creditors: amounts falling due within one period	14	(8,451)	
		<hr/>	
Net current assets			6,712
			<hr/>
Total assets less current liabilities			90,993
Creditors: amounts falling due after more than one period	15		(34,119)
Provisions for liabilities			
Deferred tax liability	17		(6,802)
			<hr/>
Net assets			50,072
			<hr/> <hr/>
Capital and reserves			
Called up share capital	18		10
Share premium account			50,852
Profit and loss account			(1,527)
			<hr/>
Equity attributable to the parent's shareholders			49,335
			<hr/>
Minority interests			737
			<hr/>
Shareholders' funds			50,072
			<hr/> <hr/>

These financial statements were approved by the board of directors on 10 May 2016 and were signed on its behalf by:



SC Turvey
 Director

Company registered number: 09619906

Company balance sheet
 at 31 December 2015

	<i>Note</i>	2015 £000	£000
Fixed assets			
Investments	11		66,897
Current assets			
Debtors	12	19,640	
Cash at bank and in hand	13	10	
		<u>19,650</u>	
Creditors: amounts falling due within one period	14	<u>(338)</u>	
Net current assets			<u>19,312</u>
Total assets less current liabilities			<u>86,209</u>
Creditors: amounts falling due after more than one period	15		<u>(33,991)</u>
Net assets			<u>52,218</u>
Capital and reserves			
Called up share capital	18		10
Share premium account			50,852
Profit and loss account			1,356
Shareholders' funds			<u>52,218</u>

These financial statements were approved by the board of directors on 10 May 2016 and were signed on its behalf by:



SC Turvey
 Director

Company registered number: 9619906

Consolidated statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholder's equity £000	Minority Interests £000	Total equity £000
Balance on incorporation	-	-	-	-	-	-
Total comprehensive income for the period						
Profit or loss	-	-	(1,510)	(1,510)	73	(1,437)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(1,510)	(1,510)	73	(1,437)
Transactions with owners, recorded directly in equity						
Issue of shares	10	50,852	-	50,862	-	50,862
Dividends	-	-	(17)	(17)	-	(17)
Acquisition of minority interests	-	-	-	-	664	664
Total contributions by and distributions to owners	10	50,852	(17)	50,845	664	51,509
Balance at 31 December 2015	10	50,852	(1,527)	49,335	737	50,072

Company statement of changes in equity

	Called up share capital	Share Premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
Balance on incorporation	-	-	-	-
Total comprehensive income for the period				
Profit or loss	-	-	1,356	1,356
Other comprehensive income	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total comprehensive income for the period	-	-	1,356	1,356
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Transactions with owners, recorded directly in equity				
Issue of shares	10	50,852	-	50,862
Dividends	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total contributions by and distributions to owners	10	50,852	-	50,862
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2015	10	50,852	1,356	52,218
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Consolidated cash flow statement
 for period ended 31 December 2015

	<i>Note</i>	7 month period ended 31 December 2015 £000
Cash flows from operating activities		
Loss for the period		(1,437)
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment		4,737
Interest receivable and similar income		(23)
Interest payable and similar charges		1,587
Taxation		(1,749)
		<hr/> 3,115
Decrease in trade and other debtors		9,001
Increase in trade and other creditors		521
		<hr/> 12,637
Tax paid		-
		<hr/> 12,637
Net cash from operating activities		
Cash flows from investing activities		
Interest received		23
Acquisition of a subsidiary	2	(16,043)
Acquisition of tangible fixed assets	10	(126)
		<hr/> (16,146)
Net cash from investing activities		
Cash flows from financing activities		
Proceeds from the issue of share capital		8
Proceeds from new loan (net of issue costs)		33,991
Interest paid		(1,587)
Repayment of borrowings		(23,338)
Dividends paid		(17)
		<hr/> 9,057
Net cash from financing activities		
Net increase/(decrease) in cash and cash equivalents		5,548
Cash and cash equivalents on incorporation		-
		<hr/> 5,548
Cash and cash equivalents at 31 December 2015		

Notes

(forming part of the financial statements)

1 Accounting policies

The SimplyBiz Group Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

The company was incorporated on 2 June 2015 and this is the first set of financial statements.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

As this is the first set of financial statements for the company, no transition exercise has been required and therefore no transition notes are included.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified at fair value through the profit or loss, and intangible assets measured in accordance with the revaluation model and investments in associates and joint ventures measured at fair value.

1.2 Going concern

Further information on the Group’s business activities, together with the factors likely to affect its future performance and position, are set out in the Strategic report.

The Group meets its day-to-day working capital requirements through operating cash flows, overdrafts and bank loan facilities. The Group’s forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group is expected to have a sufficient level of financial resources available through facilities agreed and expected to be agreed when these fall due for renewal.

The group has net current assets of £6,712,000 and net assets of £50,072,000.

After considering the above issues in detail, the directors consider and have concluded that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt a going concern basis in the preparation of the financial statements

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2015. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Notes (continued)

1 Accounting policies (continued)

1.3 Basis of consolidation (continued)

A special purpose entity (SPE) is consolidated if the Group concludes that it controls the SPE.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaken in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

Where a group company is party to a joint venture which is not an entity that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

1.4 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes (continued)

1 Accounting policies (continued)

1.5 Basic financial instruments (continued)

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.6 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets include investment property whose fair value cannot be measured reliably without undue cost or effort.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.13 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- office equipment 25% straight line

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.8 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus

Notes (continued)

1 Accounting policies (continued)

1.8 Business combinations (continued)

- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

1.9 Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- brands 10 years
- customer relationships 10 years
- technology and software 3 years

The basis for choosing these useful lives is with reference to the period over which they can continue to generate value for the group.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 periods

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired

Notes (continued)

1 Accounting policies (continued)

1.10 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.11 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Notes (continued)

1 Accounting policies (continued)

1.12 Turnover

Turnover represents the provision of services to external customers at invoiced amounts less value added tax.

Turnover from the rendering of services is recognised in the period in which the services are provided.

1.13 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

1.14 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

In periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates, branch, joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Acquisitions and disposal of businesses

Acquisitions in the current period

On 22 June 2015, the Group acquired all of the share capital of SimplyBiz Limited for consideration of £66,665,000 plus costs. The company and its subsidiaries undertake various activities in the business support and professional services sectors. The business contributed revenue of £22,715,000 and net profit of £3,049,000 (before amortisation of intangibles) to the revenue and net profit for the period.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities.

	Book values	Fair value adjustments	Recognised values on acquisition £000
Acquiree's net assets at the acquisition date:			
Tangible fixed assets	353	-	353
Intangible assets	-	43,400	43,400
Trade and other debtors	17,940	-	17,940
Cash	-	-	-
Interest-bearing loans and borrowings	(23,338)	-	(23,338)
Trade and other creditors	(7,897)	-	(7,897)
Deferred tax liabilities	-	(8,700)	(8,700)
	<hr/>	<hr/>	<hr/>
Net identifiable assets and liabilities	(12,942)	34,700	21,758
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total cost of business combination:			
Initial cash consideration relating to business combination			15,811
Equity instruments issued			50,854
Costs directly attributable to the business combination			232
			<hr/>
Total consideration			66,897
			<hr/> <hr/>
Goodwill on acquisition			45,139
			<hr/> <hr/>

Fair value adjustments consist of the recognition of certain intangible assets, namely brands, customer relationships, technology and software, and associated deferred tax.

The expected useful life of goodwill stemming from this acquisition is 10 years.

Notes (continued)

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	7 month period ended 31 December 2015 £000
Depreciation of tangible assets	89
Amortisation of intangible assets	4,648
Payments in respect of operating leases	2,732
Research and development expenditure	877
	<hr/> <hr/>

Auditor's remuneration:

	7 month period ended 31 December 2015 £000
Audit of these financial statements	30
Amounts receivable by the company's auditor and its associates in respect of:	
Audit of financial statements of subsidiaries of the company	40
Taxation compliance services	30
	<hr/> <hr/>

4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

	Number of employees 7 month period ended 31 December 2015
Directors	5
Operational	387
	<hr/> <hr/>
	392
	<hr/> <hr/>

Notes (continued)

4 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	7 month period ended 31 December 2015 £000
Wages and salaries	7,409
Social security costs	755
Contributions to defined contribution plans	351
	<hr/>
	8,515 <hr/> <hr/>

5 Directors' remuneration

	7 month period ended 31 December 2015 £000
Directors' remuneration	328
Company contributions to money purchase pension plans	74
	<hr/>
	402 <hr/> <hr/>

The aggregate of remuneration of the highest paid director was £82,000 and company pension contributions of £30,000 were made to a money purchase scheme on his behalf.

	Number of directors 2015
Retirement benefits are accruing to the following number of directors under:	
Money purchase schemes	4
	<hr/>

6 Other interest receivable and similar income

	7 month period ended 31 December 2015 £000
Bank interest receivable	23
	<hr/>
Total interest receivable and similar income	23 <hr/> <hr/>

Notes (continued)

7 Interest payable and similar charges

	7 month period ended 31 December 2015 £000
Interest payable on financial liabilities at amortised cost	1,587
Total other interest payable and similar charges	<u>1,587</u>

8 Taxation

Total tax credit recognised in the profit and loss account, other comprehensive income and equity

	7 month period ended 31 December 2015 £000	£000
<i>Current tax</i>		
Current tax on income for the period		151
Adjustments in respect of prior periods		-
Total current tax		<u>151</u>
<i>Deferred tax (see note 17)</i>		
Origination and reversal of timing differences	(500)	
Change in tax rate	<u>(1,400)</u>	
Total deferred tax		<u>(1,900)</u>
Total tax		<u>(1,749)</u>

	7 month period ended 31 December 2015 £000	7 month period ended 31 December 2015 £000	7 month period ended 31 December 2015 £000
	Current tax	Deferred tax	Total tax
Recognised in profit and loss account	151	(1,900)	(1,749)
Recognised in other comprehensive income	-	-	-
Recognised directly in equity	-	-	-
Total tax	<u>151</u>	<u>(1,900)</u>	<u>(1,749)</u>

Notes (continued)

8 Taxation (continued)

Analysis of current tax recognised in profit and loss

	7 month period ended 31 December 2015 £000
UK corporation tax	151
Double taxation relief	-
Foreign tax	-
	<hr/>
Total current tax recognised in profit and loss	151
	<hr/> <hr/>

Reconciliation of effective tax rate

	7 month period ended 31 December 2015 £000
Loss for the period	(1,437)
Total tax credit	(1,749)
	<hr/>
Loss before taxation	(3,186)
Tax using the UK corporation tax rate of 20%	(637)
Reduction in tax rate on deferred tax balances	(1,400)
Non-deductible expenses	683
Tax exempt revenues	(395)
	<hr/>
Total tax credit included in profit or loss	(1,749)
	<hr/> <hr/>

9 Intangible assets and goodwill

<i>Group</i>	Goodwill	Brands	Customer relationships	Technology and software	Total
	£000	£000	£000	£000	£000
Cost					
Balance on incorporation	-	-	-	-	-
Acquisitions through business combinations	45,139	9,400	32,700	1,300	88,539
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	45,139	9,400	32,700	1,300	88,539
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Amortisation and impairment					
Balance on incorporation	-	-	-	-	-
Amortisation for the period	2,257	490	1,696	205	4,648
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	2,257	490	1,696	205	4,648
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2015	42,882	8,910	31,004	1,095	83,891
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

9 Intangible assets and goodwill (continued)

Amortisation and impairment charge

Amortisation is recognised in the following line items in the profit and loss account:

	7 month period ended 31 December 2015 £000
Operating expenses	4,648
	<hr/>
	4,648
	<hr/> <hr/>

10 Tangible fixed assets

<i>Group</i>	Office Equipment £000	Total £000
Cost		
Balance on incorporation	-	-
Acquisitions through business combinations	353	353
Other acquisitions	126	126
	<hr/>	<hr/>
Balance at 31 December 2015	479	479
	<hr/> <hr/>	<hr/> <hr/>
Depreciation and impairment		
Balance on incorporation	-	-
Depreciation charge for the period	89	89
	<hr/>	<hr/>
Balance at 31 December 2015	89	89
	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2015	390	390
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

11 Fixed asset investments

Company	Shares in group undertakings £000	Total £000
Cost		
On incorporation	-	-
Additions	66,897	66,897
At end of period	66,897	66,897
Provisions		
On incorporation	-	-
Provided in period	-	-
At end of period	-	-
Net book value		
At 31 December 2015	66,897	66,897

	Country of incorporation	Principal activity	Class and percentage of shares held	Group	Company
Subsidiary undertakings					
Simply Biz Limited	UK	Group management	Ordinary 100%	Ordinary 100%	-
SIFA Limited	UK	Business support services	Ordinary 100%		-
Simply Biz Support Limited	UK	Various business support services	Ordinary 100%		-
APS Legal and Associates Limited	UK	Legal services	Ordinary 100%		-
Simply Legal and Associates Limited	UK	Dormant	Ordinary 70%		-
Professional Finance Centres Limited	UK	Non trading	Ordinary 100%		-
Simply Biz Services Limited	UK	Various business services	Ordinary 100%		-
Simply Biz Mortgages Limited	UK	Provision of mortgage club facility	Ordinary 100%		-
Capital Reward Clients Limited	UK	Holding of clients from retired IFAs	Ordinary 100%		-
Broker Support Services Limited	UK	Dormant	Ordinary 100%		-
Staffcare Limited	UK	Business support software	Ordinary 78.57%		-
Capital Reward Limited	UK	Non trading	Ordinary 100%		-
Capital Reward Plus Limited	UK	Transactional financial advice	Ordinary 100%		-
New Model Business Academy Limited	UK	Business services training	Ordinary 100%		-
Compliance First Services Limited	UK	Dormant	Ordinary 100%		-
Compliance 24/7 Limited	UK	Dormant	Ordinary 100%		-
Compliance First Limited	UK	Compliance consultants	Ordinary 100%		-
360 Legal Group Limited	UK	Business services	Ordinary 100%		-
360 Law Limited	UK	Dormant	Ordinary 100%		-
360 Lawyers Limited	UK	Dormant	Ordinary 100%		-
Bespoke Compliance Solutions Limited	UK	Dormant	Ordinary 100%		-
Home Information Group Limited	UK	Property survey agency	Ordinary 100%		-
Sonas Surveyors Limited	UK	Survey and valuation services	Ordinary 100%		-
Gateway Panel Management Limited	UK	Dormant	Ordinary 100%		-
Tansley Wills Limited	UK	Dormant	Ordinary 100%		-
IKST Limited	UK	Dormant	Ordinary 100%		-
Verbatim Asset Management Limited	UK	Holding company	Ordinary 75.7%		-
Verbatim Portfolio Management Limited	UK	Investment planning tools	Ordinary 100%		-
Verbatim Advisor Services Limited	UK	Technology integration services	Ordinary 100%		-
Verbatim Investments Limited	UK	Asset management vehicle	Ordinary 100%		-

Notes (continued)

12 Debtors

	Group 2015 £000	Company 2015 £000
Trade debtors	5,537	-
Amounts owed by group undertakings	-	19,450
Other debtors	104	-
Deferred tax assets (see note 17)	12	-
Prepayments and accrued income	2,006	190
Corporation tax	1,956	-
	<u>9,615</u>	<u>19,640</u>
Due within one year	9,615	19,640
Due after more than one year	-	-
	<u>9,615</u>	<u>19,640</u>

13 Cash and cash equivalents/ bank overdrafts

	Group 2015 £000	Company 2015 £000
Cash at bank and in hand	5,548	10
Bank overdrafts	-	-
	<u>5,548</u>	<u>10</u>
Cash and cash equivalents per cash flow statements	<u>5,548</u>	<u>10</u>

14 Creditors: amounts falling due within one period

	Group 2015 £000	Company 2015 £000
Trade creditors	1,365	-
Taxation and social security	1,867	-
Other creditors	695	231
Accruals and deferred income	4,166	107
Corporation tax	358	-
	<u>8,451</u>	<u>338</u>

Notes (continued)

15 Creditors: amounts falling after more than one period

	Group 2015 £000	Company 2015 £000
Secured bank loan (see note 16)	33,991	33,991
Other creditors	128	-
	<u>34,119</u>	<u>33,991</u>

16 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group 2015 £000	Company 2015 £000
Creditors falling due more than one period		
Secured bank loan	35,000	35,000
Less loan arrangement fees	(1,009)	(1,009)
	<u>33,991</u>	<u>33,991</u>

Terms and debt repayment schedule

Group and company	Currency	Nominal interest rate	Period of maturity	2015 £000
Secured bank loan	GBP	Libor + 7.5%	7 years	35,000
				<u>35,000</u>

The bank loan was fully drawn down during the current period and is repayable in full at the end of the term.

Notes (continued)

17 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets	Liabilities	Net
	2015	2015	2015
	£000	£000	£000
Accelerated capital allowances	6	-	6
Arising on business combinations	-	(6,802)	(6,802)
Unused tax losses	-	-	-
Other	6	-	6
	<u>12</u>	<u>(6,802)</u>	<u>(6,790)</u>

The company has no deferred tax.

18 Capital and reserves

Share capital

	Ordinary A shares	Ordinary B shares	Ordinary C shares	Ordinary D shares	Total 2015
Number of shares					
On incorporation	-	-	-	-	-
Issued for cash	8,349,148	50,852	1,331,112	265,310	9,996,422
	<u>8,349,148</u>	<u>50,852</u>	<u>1,331,112</u>	<u>265,310</u>	<u>9,996,422</u>
On issue at 31 December 2015 – fully paid	8,349,148	50,852	1,331,112	265,310	9,996,422
	<u>8,349,148</u>	<u>50,852</u>	<u>1,331,112</u>	<u>265,310</u>	<u>9,996,422</u>

	2015 £
<i>Allotted, called up and fully paid</i>	
8,349,148 Ordinary A shares of £0.001 each	8,349
50,852 Ordinary B shares of £0.001 each	51
1,331,112 Ordinary C shares of £0.001 each	1,331
265,310 Ordinary D shares of £0.001 each	265
	<u>9,996</u>
Shares classified as liabilities	-
Shares classified in shareholders' funds	9,996
	<u>9,996</u>

All classes of share rank pari-passu in all respects other than the fact that C and D shares carry no right to dividend.

Notes (continued)

19 Financial instruments

19 (a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2015 £000
Assets measured at fair value through profit or loss	-
Assets measured at amortised cost	-
Assets measured at cost less impairment	5,641
Liabilities measured at fair value through profit or loss	-
Liabilities measured at amortised cost	(6,354)
Loan commitments measured at cost less impairment	(33,991)
	<u> </u>

20 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings 2015 £000	Other 2015 £000
Less than one period	374	1,633
Between one and five periods	1,137	2,350
More than five periods	-	-
	<u> </u>	<u> </u>
	1,511	3,983
	<u> </u>	<u> </u>

During the period £2,732,000 was recognised as an expense in the profit and loss account in respect of operating leases.

The company has no operating leases.

21 Contingencies

All companies within the group are party to a cross guarantee against the bank loans of The SimplyBiz Group Limited. The total amount outstanding at 31 December 2015 amounted to £35,000,000.

22 Related parties

Group

Identity of related parties with which the Group has transacted

Sandringham Financial Partners Limited, a company in which N Stevens and M Timmins are shareholders. Clear View Assured Limited is also a shareholder in Sandringham Financial Partners Limited, in which various directors of The SimplyBiz Group Limited are shareholders, and in which both S Turvey and N Stevens are directors: The Group paid expenses on behalf of Sandringham Financial Partners Limited of £187k. The balance at the end of the period and held in debtors was £169k of which provision was £nil. Sandringham Financial Partners Limited repaid £69k during the period.

Simply Biz Employee Benefit Trust (a trust under common control of two of the Group Directors): The Group declared dividends to the Simply Biz Employee Benefit Trust of £17k during the period.

Huddersfield Giants Limited (a company in which Ken Davy is a Director and S Turvey is a shareholder): Huddersfield Giants Limited was paid £15k by the Group for sponsorship and other services during the period. No amounts were due at the period end.

Notes (continued)

22 Related parties (continued)

Kirklees Stadium Development Limited (a company in which Ken Davy is a Director): Kirklees Stadium Development Limited was paid £85k by the Group for property costs and other services during the period. Amounts owed at the period end totalled £16k.

MMUNIC Limited (a company controlled by Matt Timmins and Neil Stevens): the Group made purchases from MMUNIC Limited for £8k during the period and owed £2k to the company at the period end.

During the period the Group paid Trotter & Co Limited an amount of £325k in respect of consultancy services. T Trotter is a shareholder and director of Trotter & Co Limited and also a director of a Group company. £312k is outstanding at the period end and held within creditors.

Transactions with key management personnel

The group had no other key management personnel other than those included within directors' remuneration in note 5.

Company

Identity of related parties with which the Company has transacted

During the period the company paid Trotter & Co Limited an amount of £312k in respect of consultancy services. T Trotter is a shareholder and director of Trotter & Co Limited and also a director of a Group company. £312k is outstanding at the period end and held within creditors.

23 Ultimate controlling party

The ultimate controlling party is deemed to be KE Davy by virtue of shareholding.