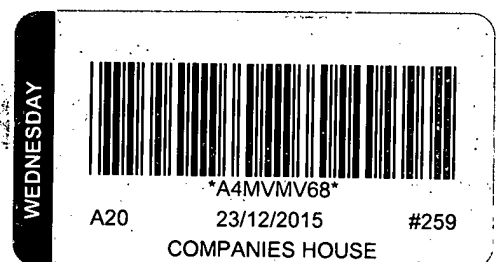


Registered number: 07778900

INSANELY GREAT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015



INSANELY GREAT LIMITED

COMPANY INFORMATION

Directors

R K Whittle BA (Hons)
J R Hughes ACA
M A Balaam BSc (Hons) ACA ARCS
G R Berry
A R Pathak (resigned 15 September 2014)
T J Rowley
I F Ferguson (appointed 17 March 2015)

Registered number

07778900

Registered office

40 High Church Street
New Basford
Nottingham
Notts
NG7 7JA

Independent auditors

PKF Cooper Parry Group Limited
Chartered Accountants & Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

INSANELY GREAT LIMITED

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INSANELY GREAT LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2015

Introduction

The principal activity of the group is that of an authorised reseller of IT equipment and a solutions provider to the professional creative market. There have not been any significant changes in the group's principal activities in the period under review. The directors are not aware, at the date of the report, of any likely major changes in the group's activities in the next year.

Business review

Financial year 2014/15 has been an excellent year for Insanely Great Limited. There were two acquisitions during the year – Square B2B Limited and Matrix Software Development Limited.

Square B2B Limited was an Apple reseller and was acquired to extend Jigsaw Systems Limited position as the leading UK Apple B2B reseller and provide an extended London presence. The Square B2B business traded through SquareB2B Limited for 2 months, prior to the business being hived across into Jigsaw Systems Limited from September 2014.

Matrix Software Development Limited provides the software product MatrixCMS, a multi-channel marketing solution. The acquisition was made to strengthen the intellectual capital of the group and extend the overall offering into the Retail sector.

EBITDA has remained strong and in 2014/15 there has been considerable investment in management, infrastructure and employees to ensure the improved business performance is sustainable into the medium term.

Revenue has increased from £75.8m in 2013/14 (14 month period) to £86.9m in 2014/15 (12 month period). The growth has been partly driven by the acquisition of the Square B2B business, which contributed from June 2014. The majority of revenue is generated through Jigsaw Systems Limited, which showed increases across all major categories. The penetration of Apple products into Business and Education has been the major driver behind product growth. The strategy of building a solid services portfolio has seen significant year on year growth of high margin services products. Additionally the portion of recurring revenue has grown steadily and in 2014/15 reached 7% of total revenue, ensuring future revenues are more repeatable.

A small portion of revenue £677,000 was from a discontinued outsourced telemarketing operation, the loss on which (£172,000) is shown as a discontinued operation on the face of the profit and loss account.

Within Jigsaw Systems Limited gross margin has increased from 12.8% of revenue to 13.3%. Product margin has remained strong, reflecting the strength of customer relationships, the mix of Apple and (higher margin) non-Apple products and the increasing trend of supplying higher margin specialist products alongside the growing services and solutions business. Services gross margin represents 25% of total gross margin at the end of 2014/15.

There has been considerable investment within Jigsaw Systems Limited in areas to drive future growth, and costs have been closely controlled. The increase in administrative expenses represents the investment in the future. Specific areas of investment have been in management, sales resources, pre-sales resources, services infrastructure, IT systems and the Soho property in London.

Exceptional items of £710,000 represent the integration costs of the Square B2B and Matrix Software Development businesses, which were both completed during 2014/15.

Jigsaw Systems Limited has always been a strong generator of cash, generating £6m in 2014/15 (before lending to group companies). This has enabled Insanely Great Limited to fund the acquisition of Square B2B Limited and Matrix Software Development Limited, without recourse to external funding. The group has ended 2014/15 with a cash balance of £3.2m. This together with the £7m overdraft facility (within Jigsaw Systems Limited and which was unused at the year end) gives flexibility to invest and take advantage of stock positions as required.

INSANELY GREAT LIMITED

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MAY 2015

Business review (continued)

As at 31 May 2015 the group had a deficit on its profit and loss reserve of £136,000. This deficit largely relates to the costs of restructuring and overheads incurred as part of incorporating the two subsidiaries acquired during the year. Subsequent to the year end these costs have ceased and the group is beginning to see the benefits of making these acquisitions. As at the end of September 2015 the group is trading profitably and group profit and loss reserves show a surplus of £307,000.

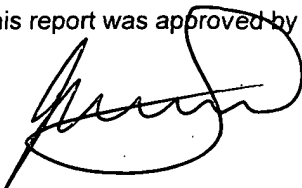
Principal risks and uncertainties

The group operates in a competitive market and so is at risk from the pressures of such a market. There is a continued focus on cost control, whilst at the same time supporting the group's employees to allow them to deliver the excellent customer service which is central to the way that the group works.

The group is reliant on its principal suppliers to develop innovative new products and to maintain their reputation in the market place. There is a continual challenge to manage our large stockholding which enables us to offer a wide range of products and provide high speed product delivery. The directors have put in place controls to monitor and manage these systems.

The group is heavily focussed around Apple products, and there is therefore not only a dependency on the continued adoption of Apple products by our own customers, but also upon our commercial relationship with Apple, with whom we liaise closely.

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



J R Hughes ACA
Director

Date: 25 November 2015

INSANELY GREAT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2015

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

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that 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 group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The loss for the year, after taxation, amounted to £513,000 (2014: profit £377,000).

Directors

The directors who served during the year were:

R K Whittle BA (Hons)
J R Hughes ACA
M A Balaam BSc (Hons) ACA ARCS
G R Berry
A R Pathak (resigned 15 September 2014)
T J Rowley
I F Ferguson (appointed 17 March 2015)

Disclosure of information to auditors

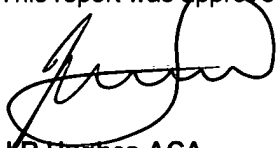
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

INSANELY GREAT LIMITED

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

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

A handwritten signature in black ink, appearing to read 'J R Hughes', written over a circular stamp or seal.

J R Hughes ACA
Director

Date: 25 November 2015

INSANELY GREAT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INSANELY GREAT LIMITED

We have audited the financial statements of Insanely Great Limited for the year ended 31 May 2015, set out on pages 7 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' 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 auditors

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 Group 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 the parent company's affairs as at 31 May 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INSANELY GREAT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INSANELY GREAT LIMITED

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.

PKF Cooper Parry Group Limited

Peter Sterling (Senior statutory auditor)

for and on behalf of

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date:

30 November 2015

INSANELY GREAT LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2015

		12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
	Note		
Turnover	1,2		
Continuing operations		86,011	75,625
Acquisitions		253	-
		<hr/>	<hr/>
		86,264	75,625
Discontinued operations		677	186
		<hr/>	<hr/>
		86,941	75,811
Cost of sales	30	(75,334)	(66,094)
		<hr/>	<hr/>
Gross profit		11,607	9,717
Distribution costs	30	(290)	(369)
Administrative expenses	30	(10,426)	(8,280)
		<hr/>	<hr/>
Operating profit	3		
Continuing operations		1,056	1,088
Acquisitions		7	-
Discontinued operations		(172)	(20)
		<hr/>	<hr/>
		891	1,068
Share of operating profit in associates		10	-
		<hr/>	<hr/>
Total operating profit		901	1,068
Exceptional items			
Other exceptional items	7	(747)	-
		<hr/>	<hr/>
Profit on ordinary activities before interest, carried forward		154	1,068
		<hr/>	<hr/>

INSANELY GREAT LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT (continued)
FOR THE YEAR ENDED 31 MAY 2015**

		12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
	Note		
Profit on ordinary activities before interest, brought forward		154	1,068
Interest receivable and similar income		1	1
Interest payable and similar charges	6	(540)	(734)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(385)	335
Tax on (loss)/profit on ordinary activities	8	(128)	42
		<hr/>	<hr/>
(Loss)/profit for the financial year	19	(513)	377
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

On 24 June 2014 the group acquired SquareB2B Limited and on 31 August 2014 its trade and assets were transferred to Jigsaw Systems Limited (another group subsidiary). Since the transfer date the trade of SquareB2B has been completely merged with the Jigsaw Systems Limited's existing operations. As such the directors are unable to provide an accurate indication of its contribution to profit. During the year the SquareB2B business contributed £16,281,000 to group turnover. The acquired operations identified above relate entirely to Matrix Software Developments Limited acquired on 11 November 2014.

Discontinued operations relate to an outsourced telemarketing operation.

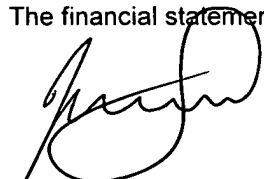
The notes on pages 12 to 30 form part of these financial statements.

INSANELY GREAT LIMITED
REGISTERED NUMBER: 07778900

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2015

	Note	£000	2015 £000	2014 £000
Fixed assets				
Intangible assets	9		7,729	3,812
Tangible assets	10		1,291	748
Investments in associates	11		13	-
			<u>9,033</u>	<u>4,560</u>
Current assets				
Stocks	13	2,807		3,907
Debtors	14	10,170		9,510
Cash at bank and in hand		3,239		2,504
		<u>16,216</u>		<u>15,921</u>
Creditors: amounts falling due within one year	15	(17,219)		(11,839)
Net current (liabilities)/assets			<u>(1,003)</u>	<u>4,082</u>
Total assets less current liabilities			<u>8,030</u>	<u>8,642</u>
Creditors: amounts falling due after more than one year	16		(7,595)	(7,710)
Provisions for liabilities				
Deferred tax	17		(47)	(22)
Net assets			<u>388</u>	<u>910</u>
Capital and reserves				
Called up share capital	18		222	231
Share premium account	19		302	302
Profit and loss account	19		(136)	377
Shareholders' funds	20		<u>388</u>	<u>910</u>

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



J R Hughes ACA
Director

Date: 25 November 2015

The notes on pages 12 to 30 form part of these financial statements.

INSANELY GREAT LIMITED
REGISTERED NUMBER: 07778900

COMPANY BALANCE SHEET
AS AT 31 MAY 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Investments	11		12,968		10,628
Current assets					
Debtors	14	1,852		53	
Cash at bank		37		4	
		<u>1,889</u>		<u>57</u>	
Creditors: amounts falling due within one year	15	<u>(8,183)</u>		<u>(2,453)</u>	
Net current liabilities			<u>(6,294)</u>		<u>(2,396)</u>
Total assets less current liabilities			6,674		8,232
Creditors: amounts falling due after more than one year	16		<u>(7,595)</u>		<u>(7,710)</u>
Net (liabilities)/assets			<u><u>(921)</u></u>		<u><u>522</u></u>
Capital and reserves					
Called up share capital	18		222		231
Share premium account	19		302		302
Profit and loss account	19		<u>(1,445)</u>		<u>(11)</u>
Shareholders' (deficit)/funds	20		<u><u>(921)</u></u>		<u><u>522</u></u>

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

J R Hughes ACA
Director

Date: 25 November 2015

The notes on pages 12 to 30 form part of these financial statements.

INSANELY GREAT LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2015**

		12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
	Note		
Net cash flow from operating activities	22	4,643	5,123
Returns on investments and servicing of finance	23	(540)	(645)
Taxation		(153)	(368)
Capital expenditure and financial investment	23	(905)	75
Acquisitions and disposals	23	(2,959)	(9,683)
Cash inflow/(outflow) before financing		86	(5,498)
Financing	23	648	8,002
Increase in cash in the year		734	2,504

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 MAY 2015**

	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
Increase in cash in the year	734	2,504
Cash inflow from increase in debt and lease financing	(657)	(7,497)
Change in net debt resulting from cash flows	77	(4,993)
Other non-cash changes	102	-
Movement in net debt in the period	179	(4,993)
Net debt at 1 June 2014	(5,206)	(213)
Net debt at 31 May 2015	(5,027)	(5,206)

The notes on pages 12 to 30 form part of these financial statements.

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Going concern

As at 31 May 2015 the group had a deficit on profit and loss reserves of £136,000 and net current liabilities of £1,003,000. This deficit largely relates to the costs of restructuring and overheads incurred as part of incorporating the two subsidiaries acquired during the year. Subsequent to the year end these costs have ceased and the group is beginning to see the benefits of making these acquisitions.

The group manages working capital through a mixture of cash, debtors and agreed terms with suppliers and has agreed bank and loan facilities of £7,000,000 in place, which are currently unused. The directors, who have also prepared detailed profit and cashflow forecasts, believe these facilities to be sufficient for the group's requirements and as such, believe it appropriate that the accounts be prepared on a going concern basis.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Insanely Great Limited and all of its subsidiary undertakings ('subsidiaries') and associated companies ('associates').

The results of subsidiaries and associates acquired during the year are included from the effective date of acquisition.

1.4 Turnover

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

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss account over its estimated economic life.

1.6 Tangible fixed assets and depreciation

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

Short-term leasehold property	-	over the life of the lease
Motor vehicles	-	25% per annum
Fixtures and fittings	-	20% - 25% per annum
Computer equipment	-	25% - 50% per annum

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

1. Accounting Policies (continued)

1.7 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Associated undertakings**
Investments in associates are stated at the amount of the company's share of net assets. The Profit and Loss account includes the company's share of the associated companies' profits after taxation using the equity accounting basis.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.9 Stocks

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

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 Amortisation of the costs of raising debt finance

Costs associated with raising debt finance have been deducted from any selected loans and are amortised in accordance with FRS 4. The amortisation period has been matched to the life of the debt being 7 years.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies at the year end are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss account.

1.13 Pensions

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

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

2. Turnover

The turnover of the group for the year has been derived from its principal continuing activities wholly undertaken in the United Kingdom.

During the year the company discontinued an outsourced telemarketing operation.

Acquired operations relate to the acquisition of Matrix Software Developments Limited on 11 November 2014.

3. Operating profit

The operating profit is stated after charging/(crediting):

	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
Amortisation - intangible fixed assets	324	232
Depreciation of tangible fixed assets:		
- owned by the group	512	391
Auditors' remuneration	24	18
Auditors' remuneration - non-audit	14	5
Difference on foreign exchange	(2)	-
Profit on disposal of fixed assets	(14)	(37)
Operating lease rentals - plant and machinery	49	2
Operating lease rentals - property	202	50
	<u>7,668</u>	<u>5,553</u>

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
Wages and salaries	7,040	4,933
Social security costs	574	620
Other pension costs	54	-
	<u>7,668</u>	<u>5,553</u>

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

4. Staff costs (continued)

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

	12 months ended 31 May 2015 No.	14 months ended 31 May 2014 No.
Selling and distribution	122	100
Administration	68	44
	<u>190</u>	<u>144</u>

5. Directors' remuneration

	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
Remuneration	<u>413</u>	<u>453</u>
Company pension contributions to defined contribution pension schemes	<u>3</u>	<u>-</u>

During the year retirement benefits were accruing to 4 directors (2014: NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £185,000 (2014: £189,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,000 (2014 - £NIL).

6. Interest payable

	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
On bank loans and overdrafts	3	39
On other loans	526	683
On finance leases and hire purchase contracts	-	4
Amortisation of the costs of raising debt finance	11	8
	<u>540</u>	<u>734</u>

INSANELY GREAT LIMITED

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

7. Exceptional items

	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
SquareB2B and Matrix Software Development integration costs	<u>747</u>	<u>-</u>

The Integration costs relate primarily to redundancy and other employment costs incurred in the integration of SquareB2B and Matrix Software Development Limited both of which were acquired during the year.

8. Taxation

	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
Analysis of tax (credit)/charge in the period		
Current tax (see note below)		
UK corporation tax charge on loss for the period	98	28
Adjustments in respect of prior periods	5	(56)
Total current tax	<u>103</u>	<u>(28)</u>
Deferred tax (see note 17)		
Origination and reversal of timing differences	25	(14)
Tax on (loss)/profit on ordinary activities	<u>128</u>	<u>(42)</u>

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

8. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the period is higher than (2014 : lower than) the standard rate of corporation tax in the UK of 20% (2014 : 23%). The differences are explained below:

	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
(Loss)/profit on ordinary activities before tax	(385)	335
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 : 23%)	(77)	77
Effects of:		
Non-tax deductible amortisation of goodwill and impairment charges	65	-
Expenses not deductible for tax purposes	122	36
Capital allowances for year/period in excess of depreciation	(29)	5
Income not deductible for tax purposes	-	(92)
Adjustments to tax charge in respect of prior periods	5	(56)
Short term timing difference	17	3
Tax credits	-	(1)
Current tax charge/(credit) for the year/period (see note above)	103	(28)

Factors that may affect future tax charges

There were no factors that may materially affect future tax charges.

INSANELY GREAT LIMITED

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

9. Intangible fixed assets

Group	Goodwill £000
Cost	
At 1 June 2014	4,044
On acquisition of subsidiaries (see note 21)	4,241
	<hr/>
At 31 May 2015	8,285
	<hr/>
Amortisation	
At 1 June 2014	232
Charge for the year	324
	<hr/>
At 31 May 2015	556
	<hr/>
Net book value	
At 31 May 2015	7,729
	<hr/> <hr/>
At 31 May 2014	3,812
	<hr/> <hr/>

10. Tangible fixed assets

Group	Freehold property £000	Short-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost						
At 1 June 2014	-	41	334	379	1,151	1,905
Additions	-	293	156	74	433	956
Disposals	-	-	(55)	(3)	(20)	(78)
On acquisition (see note 21)	115	9	-	3	9	136
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2015	115	343	435	453	1,573	2,919
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
At 1 June 2014	-	-	122	281	754	1,157
Charge for the year	-	25	94	45	348	512
On disposals	-	-	(38)	-	(3)	(41)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2015	-	25	178	326	1,099	1,628
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value						
At 31 May 2015	115	318	257	127	474	1,291
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 May 2014	-	41	212	98	397	748
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

On 11 November 2014 assets with a net book value of £133,000 were acquired as part of the acquisition of Matrix Software Development Limited.

On 24 June 2014 assets with a net book value of £3,000 were acquired as part of the acquisition of Square B2B Limited.

INSANELY GREAT LIMITED

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

11. Fixed asset investments

			Investments in associates £000
Group			
Cost or valuation			
Additions			3
Share of profit			10
			<hr/>
At 31 May 2015			13
			<hr/>
Net book value			
At 31 May 2015			13
			<hr/> <hr/>
		Investments in subsidiary companies £000	Investments in associates £000
Company			
Cost			Total £000
At 1 June 2014		10,628	-
Additions		2,337	3
		<hr/>	<hr/>
At 31 May 2015		12,965	3
		<hr/>	<hr/>
Net book value			
At 31 May 2015		12,965	3
		<hr/> <hr/>	<hr/> <hr/>
At 31 May 2014		10,628	-
		<hr/>	<hr/>

Details of the principal subsidiaries and associates can be found under note number 12.

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

12. Principal subsidiaries and associates

a. Principal subsidiaries

Company name	Country	Percentage Shareholding
Jigsaw Holdings Limited	England	100
Jigsaw Systems Limited*	England	100
Jigsaw24 Limited*	England	100
Insanely Square Limited	England	100
Matrix Software Development Limited*	England	100
SquareB2B Limited*	England	100

b. Principal associates

Company name	Country	Percentage Shareholding
Hospitality Parentco Limited*	England	25
Roomnettv Limited*	England	25

* These holdings are held indirectly via intermediary holding companies Insanely Square Limited and Jigsaw Holdings Limited.

Jigsaw Holdings Limited did not trade during the period. It's principal activity is that of an intermediate holding company.

Insanely Square Limited did not trade during the period. It's principal activity is that of an intermediate holding company.

13. Stocks

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Goods for resale	2,807	3,907	-	-

14. Debtors

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade debtors	9,274	8,359	-	-
Amounts owed by group undertakings	-	-	1,734	-
Other debtors	-	8	-	-
Prepayments and accrued income	896	1,143	118	53
	10,170	9,510	1,852	53

INSANELY GREAT LIMITED

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

**15. Creditors:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans and overdrafts	1	-	-	-
Other loans	670	-	670	-
Trade creditors	13,686	10,162	-	-
Amounts owed to group undertakings	-	-	7,350	2,244
Corporation tax	98	-	-	-
Other taxation and social security	729	376	-	-
Accruals and deferred income	2,035	1,301	163	209
	<u>17,219</u>	<u>11,839</u>	<u>8,183</u>	<u>2,453</u>

**16. Creditors:
Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Other loans	7,595	7,710	7,595	7,710

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Between one and two years				
Other loans	2,187	1,648	2,187	1,648
Between two and five years				
Other loans	5,408	6,062	5,408	6,062

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

16. Creditors: Amounts falling due after more than one year (continued)

Included within other loans are:

Secured 'A' Loan Notes of £5,522,094 attracting a rate of interest of 8% per annum. These loan notes become repayable in quarterly installments commencing in June 2016. The last repayment falls due for repayment in March 2020.

Secured 'B' Loan Notes of £2,073,258 attracting a rate of interest of 4% per annum. These loan notes become repayable in equal quarterly installments commencing in June 2016. The last repayment falls due for repayment in March 2019.

Vendor Loan notes arising upon the purchase of SquareB2B Limited of £465,000 attracting no interest. These loans are repayable in monthly instalments ending in December 2015.

Deferred consideration arising upon the purchase of Jigsaw Systems Limited of £205,000 attracting no interest. This deferred consideration falls due for repayment within one year.

The secured 'A' and 'B' loan notes are secured by way of a fixed and floating charge over all of the present and future assets of the company.

17. Deferred taxation

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
At beginning of period	22	-	-	-
Charge for the period	25	(14)	-	-
Movement in the period	-	36	-	-
At end of period	47	22	-	-

The provision for deferred taxation is made up as follows:

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Accelerated capital allowances	65	25	-	-
Short term timing differences	(18)	(3)	-	-
	47	22	-	-

INSANELY GREAT LIMITED

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

18. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
3,179,063 (2014 : 3,179,000) A Ordinary shares of £0.005 each	16	16
1,810,193 (2014 : 1,865,289) B Ordinary shares of £0.10 each	181	190
250,000 C Ordinary shares of £0.10 each	25	25
	<u>222</u>	<u>231</u>

On 22 December 2014 the company repurchased 55,096 B Ordinary shares at par value.

19. Reserves

Group	Share premium account £000	Profit and loss account £000
At 1 June 2014	302	377
Loss for the financial year	-	(513)
	<u>302</u>	<u>(136)</u>
At 31 May 2015	<u>302</u>	<u>(136)</u>

Company	Share premium account £000	Profit and loss account £000
At 1 June 2014	302	(11)
Loss for the financial year	-	(1,434)
	<u>302</u>	<u>(1,445)</u>
At 31 May 2015	<u>302</u>	<u>(1,445)</u>

INSANELY GREAT LIMITED

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

20. Reconciliation of movement in shareholders' funds

	2015	2014
	£000	£000
Group		
Opening shareholders' funds	910	-
(Loss)/profit for the financial year/period	(513)	377
Shares issued during the year/period	-	231
Shares repurchased during the year	(9)	-
Share premium on shares issued	-	302
	<u>388</u>	<u>910</u>
Closing shareholders' funds	<u>388</u>	<u>910</u>
	2015	2014
	£000	£000
Company		
Opening shareholders' funds	522	-
Profit for the financial period	(1,434)	(11)
Shares issued during the period	-	231
Shares redeemed during the year	(9)	-
Share premium on shares issued	-	302
	<u>(921)</u>	<u>522</u>
Closing shareholders' (deficit)/funds	<u>(921)</u>	<u>522</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The loss for the year/period dealt with in the accounts of the company was £1,434,000 (2014 : £Nil). £925,000 of this loss relates to an impairment of intercompany loans.

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

21. Acquisitions and Disposals

On 11 November 2014 Insanely Square Limited (a 100% subsidiary of Insanely Great Limited) acquired 100% of the share capital of Matrix Software Developments Limited.

Acquisitions

	Vendors' book value £000	Fair value to the group £000
Assets and liabilities acquired		
Tangible fixed assets	133	133
Debtors	186	186
Cash at bank	649	649
Other creditors and provisions	(260)	(260)
Net assets acquired	708	708
Satisfied by		
Consideration:		
Cash		1,622
Acquisition costs		118
		1,740
Goodwill arising on consolidation(see note 9)		1,032

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

Acquisitions and Disposals (continued)

Acquisitions

On 24 June 2014 Insanely Square Limited (a 100% subsidiary of Insanely Great Limited) acquired 100% of the share capital of SquareB2B Limited.

	Vendors' book value £000	Fair value to the group £000
Assets and liabilities acquired		
Tangible fixed assets	3	3
Stocks	234	234
Debtors	2,479	2,479
Cash at bank	472	472
Other creditors and provisions	(4,058)	(4,058)
Net liabilities acquired	(870)	(870)
Satisfied by		
Consideration:		
Cash		18
Settlement of debt		1,334
Deferred consideration		665
Acquisition costs		320
		2,337
Goodwill arising on consolidation (see note 9)		3,207

INSANELY GREAT LIMITED

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

22. Net cash flow from operating activities

			12 months ended 31 May 2015 Total £000	14 months ended 31 May 2014 £000
	Continuing £000	Discontinued £000		
Operating profit	1,063	(172)	891	1,068
Exceptional items	(747)	-	(747)	-
Amortisation of intangible fixed assets	324	-	324	232
Depreciation of tangible fixed assets	512	-	512	391
Profit on disposal of tangible fixed assets	(14)	-	(14)	(37)
Decrease in stocks	1,334	-	1,334	104
Decrease/(increase) in debtors	2,005	-	2,005	(1,776)
Increase in creditors	338	-	338	5,141
Net cash inflow from continuing operating activities	4,815			
Net cash outflow in respect of discontinued activities		(172)		
Net cash inflow from operating activities			4,643	5,123

23. Analysis of cash flows for headings netted in cash flow statement

	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
Returns on investments and servicing of finance		
Interest received	1	1
Interest paid	(541)	(642)
Hire purchase interest	-	(4)
Net cash outflow from returns on investments and servicing of finance	(540)	(645)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(956)	(499)
Sale of tangible fixed assets	51	574
Net cash (outflow)/inflow from capital expenditure	(905)	75

INSANELY GREAT LIMITED

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

23. Analysis of cash flows for headings netted in cash flow statement (continued)

	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
Acquisitions and disposals		
Purchase of subsidiaries	(4,077)	(9,683)
Purchase of share in associates	(3)	-
Cash acquired on acquisition	1,121	-
	<u>(2,959)</u>	<u>(9,683)</u>
Net cash outflow from acquisitions and disposals		
	<u>(2,959)</u>	<u>(9,683)</u>
	12 months ended 31 May 2015 £000	14 months ended 31 May 2014 £000
Financing		
Issue of ordinary shares	-	533
Purchase of ordinary shares	(9)	-
Repayment of loans	-	(125)
Other new loans	657	9,122
Repayment of other loans	-	(1,500)
Repayment of finance leases	-	(28)
	<u>648</u>	<u>8,002</u>
Net cash inflow from financing		
	<u>648</u>	<u>8,002</u>

24. Analysis of changes in net debt

	1 June 2014 £000	Cash flow £000	Other non-cash changes £000	31 May 2015 £000
Cash at bank and in hand	2,504	735	-	3,239
Bank overdraft	-	(1)	-	(1)
	<u>2,504</u>	<u>734</u>	<u>-</u>	<u>3,238</u>
Debt:				
Debts due within one year	-	(657)	(13)	(670)
Debts falling due after more than one year	(7,710)	-	115	(7,595)
	<u>(5,206)</u>	<u>77</u>	<u>102</u>	<u>(5,027)</u>
Net debt				
	<u>(5,206)</u>	<u>77</u>	<u>102</u>	<u>(5,027)</u>

25. Major non-cash transactions

Other non cash changes relate the capitalisation of interest costs included within debt.

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

26. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £51,000 (2014 : £Nil). Contributions totalling £Nil (2014 : £Nil) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitments

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

Group	Land and buildings		2015 £000	Other 2014 £000
	2015 £000	2014 £000		
Expiry date:				
Within 1 year	-	-	-	2
Between 2 and 5 years	-	-	5	-
After more than 5 years	225	50	-	5
	<u>225</u>	<u>50</u>	<u>-</u>	<u>5</u>

28. Related party transactions

During the year the group paid Puzzle Palace Properties Limited rent and insurance of £56,000 (2014: £63,000). Puzzle Palace Properties has certain directors in common with Insanely Great Limited.

Roger Whittle, director, is the registered holder of £949,768 4% secured 'B' Loan Notes. John Hughes, director, is the registered holder of £292,296 4% secured 'B' Loan Notes; both of which are included in creditors.

29. Controlling party

The company is controlled by NorthEdge Capital LLP as a result of its majority shareholding in the company.

INSANELY GREAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

30. Analysis of operating profit

	12 months ended 31 May 2015		14 months ended 31 May 2014	
	Continuing £000	Discontinued £000	Continuing £000	Discontinued £000
Turnover	86,264	677	75,625	186
Cost of sales	(74,728)	(606)	(65,943)	(151)
Gross profit	11,536	71	9,682	35
Distribution costs	(290)	-	(369)	-
Administrative expenses	(10,183)	(243)	(8,225)	(55)
	1,063	(172)	1,088	(20)

The following amounts were included within continuing activities in relation to acquisitions during the year:

	12 months ended 31 May 2015 £000
Turnover	253
Cost of sales	(213)
Gross profit	40
Administrative expenses	(33)
Operating profit	7