

AMENDING

Group Financial Statements

MWR Infosecurity Limited

For the year ended 30 June 2014

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LD6	10/04/2015	#17
COMPANIES HOUSE		

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LD5	18/03/2015	#54
COMPANIES HOUSE		

Registered number: 04451698

Company Information

Directors

I Shaw
A Fidgen
I Messenger
M Ruks
P Webber
W Eastwood (resigned 7 March 2014)
R Genieser (appointed 28 May 2014)
F Bienfait (appointed 28 May 2014)
E Wallace (appointed 4 November 2013)

Company secretary

P Greenan

Registered number

04451698

Registered office

Matrix House 5th Floor
Basing View
Basingstoke
Hampshire
RG21 4DZ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
1020 Eskdale Road
Winnersh
Wokingham
Berkshire
RG41 5TS

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Directors' Report

For the year ended 30 June 2014

The directors present their report and the financial statements for the year ended 30 June 2014.

Directors' responsibilities statement

The directors are responsible for preparing 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.

Principal activities

The principal activity of the group and the company during the year was the provision of information security risk services.

Directors

The directors who served during the year were:

I Shaw
A Fidgen
I Messenger
M Ruks
P Webber
M Neame (resigned 11 July 2013)
W Eastwood (appointed 11 July 2013) (resigned 7 March 2014)
F Bienfait (appointed 28 May 2014)
E Wallace (appointed 4 November 2013)
R Genieser (appointed 28 May 2014)

Prior year reserves adjustment

An adjustment to the prior year reserves has been processed through the financial statements as a result of a change in accounting policy used by the company. Previously capitalised development expenses amounting to £20,730 have been expensed through the Profit and Loss account. The prior year reserves have also been adjusted to aid the comparability of the financial statements and to highlight the change in accounting policy.

Directors' Report

For the year ended 30 June 2014

Disclosure of information to auditor

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's auditor is 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's auditor is aware of that information.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

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

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



I Shaw
Director

Date: 6 FEBRUARY 2015



Independent Auditor's Report to the Members of MWR Infosecurity Limited

We have audited the financial statements of MWR Infosecurity Limited for the year ended 30 June 2014, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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, 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 (APB'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 30 June 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of MWR Infosecurity 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

A handwritten signature in black ink, appearing to read "Grant Thornton" followed by a flourish.

James Rogers (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Reading
Date:

12 Dec 2015

Consolidated Profit and Loss Account

For the year ended 30 June 2014

	Note	2014 £	2013 Restated £
Turnover	1	7,081,565	5,406,301
Cost of sales		(3,288,069)	(2,247,297)
Gross profit		3,793,496	3,159,004
Administrative expenses		(4,428,779)	(2,900,081)
Operating (loss)/profit	3	(635,283)	258,923
Interest receivable and similar income		8,828	2,298
Interest payable and similar charges		(37,733)	(19,574)
(Loss)/profit on ordinary activities before taxation		(664,188)	241,647
Tax on (loss)/profit on ordinary activities	6	224,690	(1,763)
(Loss)/profit on ordinary activities after taxation		(439,498)	239,884
Minority interests		(9,889)	(13,614)
(Loss)/profit for the financial year	16	(449,387)	226,270

There are no material differences between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the financial year stated above and their historical cost equivalents.

The notes on pages 11 to 24 form part of these financial statements.

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 30 June 2014

	Note	2014 £	2013 £
(Loss)/profit for the financial year		(449,387)	226,270
Foreign exchange loss on the translation of subsidiary		(13,967)	(10,262)
Prior year adjustment		-	20,729
Total recognised gains and losses relating to the year		<u>(463,354)</u>	<u>236,737</u>

The notes on pages 11 to 24 form part of these financial statements.

Consolidated Balance Sheet

As at 30 June 2014

	Note	£	2014 £	£	2013 Restated £
Fixed assets					
Intangible assets	7		13,299		4,959
Tangible assets	8		419,276		139,982
			<u>432,575</u>		<u>144,941</u>
Current assets					
Debtors	11	2,166,698		1,509,920	
Cash at bank		3,391,248		565,961	
		<u>5,557,946</u>		<u>2,075,881</u>	
Creditors: amounts falling due within one year	12	(2,249,556)		(1,259,510)	
Net current assets			<u>3,308,390</u>		<u>816,371</u>
Total assets less current liabilities			<u>3,740,965</u>		<u>961,312</u>
Creditors: amounts falling due after more than one year	13		(620,503)		(372,167)
Provisions for liabilities					
Deferred tax	14		-		(10,255)
Net assets			<u>3,120,462</u>		<u>578,890</u>
Capital and reserves					
Called up share capital	15		46,840		123
Share premium account	16		3,103,260		149,977
Profit and loss account	16		(60,449)		402,905
Shareholders' funds			<u>3,089,651</u>		<u>553,005</u>
Minority interests	17		30,811		25,885
			<u>3,120,462</u>		<u>578,890</u>

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

Consolidated Balance Sheet (continued)

As at 30 June 2014

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



I Shaw
Director

Date: **6 FEBRUARY 2015**

The notes on pages 11 to 24 form part of these financial statements.

Company Balance Sheet

As at 30 June 2014

	Note	£	2014 £	£	2013 Restated £
Fixed assets					
Intangible assets	7		13,254		4,914
Tangible assets	8		376,788		116,224
Investments	9		20,774		50
			<u>410,816</u>		<u>121,188</u>
Current assets					
Debtors	11	1,946,837		1,457,820	
Cash at bank		<u>3,171,186</u>		<u>497,322</u>	
		5,118,023		1,955,142	
Creditors: amounts falling due within one year	12	<u>(1,899,579)</u>		<u>(1,206,133)</u>	
Net current assets			<u>3,218,444</u>		<u>749,009</u>
Total assets less current liabilities			<u>3,629,260</u>		<u>870,197</u>
Creditors: amounts falling due after more than one year	13		(620,503)		(372,167)
Provisions for liabilities					
Deferred tax	14		-		(18,829)
Net assets			<u>3,008,757</u>		<u>479,201</u>
Capital and reserves					
Called up share capital	15		46,840		123
Share premium account	16		3,103,260		149,977
Profit and loss account	16		<u>(141,343)</u>		<u>329,101</u>
Shareholders' funds			<u>3,008,757</u>		<u>479,201</u>

Company Balance Sheet (continued)

As at 30 June 2014

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 06-02-15



I Shaw
Director

The notes on pages 11 to 24 form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The principal accounting policies of the company are set out below. All accounting policies, aside from those set out in 1.13, remain unchanged from the previous year. The directors have reviewed the principal accounting policies of the company and consider that they remain the most appropriate.

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

1.2 Going concern

The directors have considered the financial position of the company, future secured contracts and forecasts for a period of at least 12 months from the date of approval of the financial statements and are of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing these financial statements.

1.3 Basis of consolidation

The financial statements consolidate the accounts of MWR Infosecurity Limited and all of its subsidiary undertakings ('subsidiaries'), as detailed in note 8.

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

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

The (loss)/profit account for the year dealt with in the accounts of the company was (£470,444) (2013 - £203,541).

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts. Income arising from the provision of consultancy services is recognised as the work is performed. Fees relating to contracts that straddle a period end are recognised over the period in which services are performed, and adjustments are made, where necessary, for deferred revenue at the balance sheet date.

1.5 Intangible fixed assets and amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset, deemed 5 years, on a straight line basis.

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:

Leasehold property	-	over the term of the lease
Fixtures & fittings	-	25% straight line
Computer equipment	-	33% straight line

Notes to the Financial Statements

For the year ended 30 June 2014

1. Accounting Policies (continued)

1.7 Investments

Investments in subsidiaries are included at cost less provision for impairment.

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 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.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies 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.

1.11 Research and development

Research and development expenses are expensed to the Profit and loss account as they are incurred. Please refer to 1.13 of the accounting policies which discusses a change in accounting policy in respect of such expenses and an adjustment that has also been processed through the prior year reserves in respect of this.

1.12 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.

Notes to the Financial Statements

For the year ended 30 June 2014

1. Accounting Policies (continued)

1.13 Prior year adjustment

Previously capitalised expenses relating to the development of courses run by the company are now expensed as they are incurred. This has resulted in an adjustment to the prior year reserves.

This prior year adjustment has been processed as the directors are of the opinion that the write off of such expenses to the Profit and loss account is a more appropriate treatment.

Notes to the Financial Statements

For the year ended 30 June 2014

2. Turnover by geographical area

The turnover recognised in the year is attributable to the principle activity of the group as detailed in the Directors' Report. Turnover has been disclosed by geographical area below:

	2014 £	2013 £
United Kingdom	5,890,571	4,661,131
Rest of Europe	115,629	93,912
Middle East and Africa	1,005,165	651,258
Asia Pacific	32,400	-
US / Americas	37,800	-
Total	<u>7,081,565</u>	<u>5,406,301</u>

3. Operating (loss)/profit

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the group	146,349	88,488
Auditor's remuneration	20,100	18,150
Auditor's remuneration - non-audit	4,500	4,150
Pension costs	-	6,778
Amortisation of deferred research and development expenditure	3,286	6,062
Difference on foreign exchange	17,454	14,613
	<u>81,852</u>	<u>141,100</u>
81,852 (2013 - £14,100)		

4. Directors' remuneration

	2014 £	2013 £
Aggregate remuneration	<u>459,010</u>	<u>340,752</u>

During the year retirement benefits were accruing to 3 directors (2013 - 2) in respect of defined contribution pension schemes.

One director remunerated through the company is subscribed to the share option scheme. During the year, the price of the share options have changed. This is the result of a 299 for 1 bonus issue. Taking into account this new issue, 18,000 options were granted on 1 November 2010 which could be exercised in the period 1 November 2013 - 1 November 2020. 6,000 options were granted on 22 January 2013 which could be exercised in the period 22 January 2016 - 22 January 2023 provided contracted conditions have been met. A further 12,000 options were granted on 10 August 2013 which could be exercised in the period 10 August 2016 - 10 August 2023 provided contracted conditions have been met.

Notes to the Financial Statements

For the year ended 30 June 2014

4. Directors' remuneration (continued)

Prior to bonus issue

Issue date	Quantity	Price £	Total granted but not restricted	Total granted but restricted
01/11/2010	60	3.30	60	-
22/01/2013	22	17.00	-	22
	<u>82</u>	<u>20.30</u>	<u>60</u>	<u>22</u>

After bonus issue

Issue date	Quantity	Price £	Total granted but not restricted	Total granted but restricted
01/11/2010	18,000	0.011	18,000	-
22/01/2013	6,600	0.06	-	6,600
30/08/2013	12,000	0.09	-	12,000
	<u>36,600</u>	<u>0.161</u>	<u>18,000</u>	<u>18,600</u>

5. Share options

The company set up a share-option scheme on 1 November 2010. The scheme is open to nominated members of staff. To be eligible for this scheme the nominated members of staff must work at least 25 hours a week for the company or work 75% of their time for the company. The options can be exercised after a period of 3 years and must be exercised within 10 years. If the option holder ceases employment the options will lapse and be forfeited. Furthermore, the option may be exercised in the event of a sale of the Company, only to the extent that the options has vested at that point in time.

During the year the company granted 70,500 share options on 30 August 2013 at a price of £0.09 a share. In previous years the shares were offered at a price of £3.30 a share. However during the year, the price of the options have changed, the result of a 299 for 1 bonus issue.

Notes to the Financial Statements

For the year ended 30 June 2014

5. Share options (continued)

Prior to bonus issue

Issue date	Quantity	Price £	Total granted but not restricted	Total granted but restricted
01/11/2010	90	3.30	90	-
20/10/2011	50	3.30	-	50
22/01/2013	62	17.00	-	62
30/08/2013	235	28.00	-	235
	<u>437</u>	<u>51.60</u>	<u>90</u>	<u>347</u>

After bonus issue

Issue date	Quantity	Price £	Total granted but not restricted	Total granted but restricted
01/11/2010	27,000	0.01	27,000	-
20/10/2011	15,000	0.01	-	15,000
22/01/2013	18,600	0.06	-	18,600
30/08/2013	70,500	0.09	-	70,500
	<u>131,100</u>	<u>0.17</u>	<u>27,000</u>	<u>104,100</u>

6. Taxation

	2014 £	2013 £
Analysis of tax (credit)/charge in the year		
Current tax		
UK corporation tax (credit)/charge on (loss)/profit for the year	(25,986)	169
Deferred tax		
Origination and reversal of timing differences	(193,850)	1,594
Effect of change in tax rate on opening liability	(2,097)	-
Adjustments in respect of prior periods	(2,757)	-
Total deferred tax (see note 14)	<u>(198,704)</u>	<u>1,594</u>
Tax on (loss)/profit on ordinary activities	<u>(224,690)</u>	<u>1,763</u>

Notes to the Financial Statements

For the year ended 30 June 2014

7. Intangible fixed assets

Group	Software develop- ment costs £	Goodwill £	Total £
Cost			
At 1 July 2013	7,015	45	7,060
Additions	11,626	-	11,626
At 30 June 2014	18,641	45	18,686
Amortisation			
At 1 July 2013	2,101	-	2,101
Charge for the year	3,286	-	3,286
At 30 June 2014	5,387	-	5,387
Net book value			
At 30 June 2014	13,254	45	13,299
At 30 June 2013	4,914	45	4,959

Company	Develop- ment costs £
Cost	
At 1 July 2013	7,015
Additions	11,626
At 30 June 2014	18,641
Amortisation	
At 1 July 2013	2,101
Charge for the year	3,286
At 30 June 2014	5,387
Net book value	
At 30 June 2014	13,254
At 30 June 2013	4,914

Notes to the Financial Statements

For the year ended 30 June 2014

8. Tangible fixed assets

Group	Leasehold property £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 July 2013	76,738	46,427	218,485	341,650
Additions	203,731	40,547	182,441	426,719
Disposals	(64,499)	-	(33,491)	(97,990)
At 30 June 2014	215,970	86,974	367,435	670,379
Depreciation				
At 1 July 2013	49,608	21,128	130,932	201,668
Charge for the year	59,275	13,768	73,306	146,349
On disposals	(64,499)	-	(32,415)	(96,914)
At 30 June 2014	44,384	34,896	171,823	251,103
Net book value				
At 30 June 2014	171,586	52,078	195,612	419,276
At 30 June 2013	27,130	25,299	87,553	139,982

Notes to the Financial Statements

For the year ended 30 June 2014

8. Tangible fixed assets (continued)

Company	Leasehold Property £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 July 2013	73,508	31,994	181,579	287,081
Additions	203,731	34,664	154,956	393,351
Disposals	(64,499)	-	(32,253)	(96,752)
At 30 June 2014	212,740	66,658	304,282	583,680
Depreciation				
At 1 July 2013	48,334	13,038	109,485	170,857
Charge for the year	58,602	10,628	63,069	132,299
On disposals	(64,499)	-	(31,765)	(96,264)
At 30 June 2014	42,437	23,666	140,789	206,892
Net book value				
At 30 June 2014	170,303	42,992	163,493	376,788
At 30 June 2013	25,174	18,956	72,094	116,224

Notes to the Financial Statements

For the year ended 30 June 2014

9. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
MWR Infosecurity (Pty) Limited	Ordinary	75%
Bytegeist GmbH	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2014 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name	Aggregate of share capital and reserves £	Profit £
MWR Infosecurity (Pty) Limited	102,793	39,557
Bytegeist GmbH	5,040	(15,575)
Company		Investments in subsidiary companies £
Cost or valuation		
At 1 July 2013		50
Additions		20,724
At 30 June 2014		20,774
Net book value		
At 30 June 2014		20,774
At 30 June 2013		50

10. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
MWR Infosecurity (Pty) Limited	South Africa	75	Subsidiary
Bytegeist GmbH	Germany	100	Subsidiary

The subsidiaries have been included in the consolidation. The other 25% of MWR Infosecurity (Pty) Limited is owned by the directors of MWR Infosecurity (Pty) Limited..

Notes to the Financial Statements

For the year ended 30 June 2014

11. Debtors

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Due after more than one year				
Other debtors	122,709	9,071	122,709	9,071
Due within one year				
Trade debtors	1,176,984	1,136,041	955,007	1,089,447
Amounts owed by group undertakings	-	-	149,713	34,778
Other debtors	657,479	345,195	518,456	324,524
Tax recoverable	21,077	19,613	21,077	-
Deferred tax asset (see note 14)	188,449	-	179,875	-
	<u>2,166,698</u>	<u>1,509,920</u>	<u>1,946,837</u>	<u>1,457,820</u>

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

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	177,828	101,500	177,828	101,500
Trade creditors	586,190	243,580	185,578	243,508
Amounts owed to group undertakings	-	-	50,635	-
Corporation tax	-	33,168	-	33,168
Other taxation and social security	367,246	315,660	367,246	307,641
Other creditors	1,118,292	565,602	1,118,292	520,316
	<u>2,249,556</u>	<u>1,259,510</u>	<u>1,899,579</u>	<u>1,206,133</u>

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

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	620,503	372,167	620,503	372,167

The bank loan has been secured against the company's leasehold property, computer equipment and fixtures and fittings.

Notes to the Financial Statements

For the year ended 30 June 2014

14. Deferred taxation

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
At 1 July 2013	(10,255)	(8,661)	(18,829)	(17,235)
Released during/(charge for) the year (P&L)	198,704	(1,594)	198,704	(1,594)
At 30 June 2014	188,449	(10,255)	179,875	(18,829)

The deferred taxation balance is made up as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	(10,255)	(8,202)	(5,310)	(17,235)
Tax losses brought forward	198,704	(2,053)	183,942	(1,594)
Short term timing differences	-	-	1,243	-
	188,449	(10,255)	179,875	(18,829)

15. Share capital

	2014	2013
	£	£
Authorised, allotted, called up and fully paid		
3,484,000 (2013 - 10,740) Ordinary shares of £0.01 each	34,840.00	107.40
1,200,000 (2013 - 1,540) Ordinary A shares of £0.01 each	12,000.00	15.40
	46,840	123

16. Reserves

Group	Share premium account	Profit and loss account
	£	£
At 1 July 2013	3,103,260	402,905
Loss for the year	-	(449,387)
Foreign exchange on the translation of subsidiary	-	(13,967)
At 30 June 2014	3,103,260	(60,449)

Notes to the Financial Statements

For the year ended 30 June 2014

16. Reserves (continued)

Company	Share premium account £	Profit and loss account £
At 1 July 2013	3,103,260	329,101
Loss for the year	-	(470,444)
At 30 June 2014	<u>3,103,260</u>	<u>(141,343)</u>

An adjustment to the prior year reserves has been processed through the financial statements as a result of a change in accounting policy used by the company. Previously capitalised development expenses amounting to £20,730 have been expensed through the Profit and Loss account. The prior year reserves have also been adjusted to aid the comparability of the financial statements and to highlight the change in accounting policy.

17. Minority interests

Equity	£
At 1 July 2013	25,885
Proportion of profit after taxation for the year	42,833
Foreign exchange movement	(4,963)
At 30 June 2014	<u>63,755</u>

18. Operating lease commitments

At 30 June 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within 1 year	-	44,328	-	-
Between 2 and 5 years	<u>213,907</u>	<u>43,542</u>	<u>15,941</u>	<u>22,477</u>

19. Related party transactions

	2014 £	2013 £
Sales made to MWR Infosecurity Pty Limited	134,491	42,401
Purchases made from MWR Infosecurity Pty Limited	<u>6,182</u>	<u>24,288</u>

The net balance owed from MWR Infosecurity (Pty) Limited at the year end was £88,243 (2013: £34,777).
The net balance owed from Bytegeist GmbH at the year end was £20,932 (2013: £nil).

Notes to the Financial Statements

For the year ended 30 June 2014

19. Related party transactions (continued)

During the year the group paid £24,000 (2013: £22,500) for services rendered by non-executive directors.

20. Controlling party

The group is controlled by Mr I Shaw, Mr A Fidgen and Environmental Technology Fund by virtue of their shareholdings of 25.5%, 22.9% and 25.6% respectively.