

Company Registration No. 02386638 (England and Wales)

**NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**



# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## COMPANY INFORMATION

---

<b>Directors</b>	A J Kingsley A J Gibbons R D Hawkins M R Kingsley M Jones
<b>Secretary</b>	H Hankinson
<b>Company number</b>	02386638
<b>Registered office</b>	NetSupport House Towngate East Market Deeping Peterborough PE6 8NE
<b>Auditor</b>	Rawlinsons Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire PE1 2SP
<b>Business address</b>	NetSupport House Towngate East Market Deeping Peterborough PE6 8NE

---

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## CONTENTS

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Profit and loss account	7
Statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 28

---

# **NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**

---

The directors present the strategic report for the year ended 31 March 2017.

### **Fair review of the business**

NetSupport Ltd (NetSupport) is the founder member of the NetSupport Group and was incorporated in the United Kingdom in 1989, originally under the name of Productive Computer Insight Limited.

The Company is located in its own purpose built and wholly owned premises in Market Deeping (near Peterborough). NetSupport specialises in the development of commercial software packages to manage and support Local, Wide Area and Dispersed networks including a new breed of mobile and wireless based technology.

Our flagship products are:-

NetSupport Manager, our highly successful Remote Control package,  
NetSupport School, award winning classroom management solution,  
NetSupport Assist, Classroom Management for Mac and Linux computers,  
NetSupport DNA, a next generation, multi-platform enterprise management suite,  
NetSupport DNA servicedesk, a wholly web based ITIL based helpdesk solution,  
NetSupport Protect, an innovative desktop protection and end point security solution,  
NetSupport Notify, enterprise wide desktop notification tool,  
NetSupport 24-7, an on-demand remote support and customer collaboration tool.

In addition the Business Continuity and Disaster Recovery centre located at the Market Deeping premises continues to attract new customers and generate valuable additional income.

During 2016/17 NetSupport successfully launched significant updates to its Education and Corporate IT management suite, NetSupport DNA. In particular 2016/17 saw a huge increase in demand within the education space for a reliable and robust school IT management solution that would also deliver Safeguarding features required by schools under the KCSIE (Keeping Children safe in education) and Prevent duty legislation.

NetSupport DNA was met with significant praise for the press and subsequent customer uptake and was the catalyst for significant increase in revenues during the year across all key markets. Revenues for the group rose 22% from £7.6m to £9.3m on the back of this demand and reflected a growth in orders for both NetSupport DNA and our Classroom management solution NetSupport School.

For the year ahead, with a release of NetSupport Manager for Corporate remote management, and a focus on further evolution of NetSupport DNA, including the release of platform support for ChromeOS, MacOS and iOS across the suite and development of new strategic markets, NetSupport expects to see a continuation of this upward trend during 2017/18 .

The board were delighted to see Pre-tax profits rise strongly 55% from £2.3m to £3.6m on the strength primarily of significantly increased revenues, as well as a weaker pound and strong operational efficiencies during the year.

The strategy of the Board is to continue the investment program in quality staff and products, most importantly in maintaining a pro-active development program with diversification into new sectors. As part of this strategy the group have opened a new development centre in Birmingham, UK on the Aston Science park. This has allowed us to recruit new graduate developers to support our expansion.

The Board remains highly confident that after a challenging few years in many markets, that the new range of updates and solutions developed now offer the right functionality to meet the current demands of IT managers across all markets and is confident of positive growth for the year ahead.

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## STRATEGIC REPORT (CONTINUED)

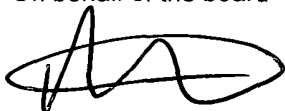
*FOR THE YEAR ENDED 31 MARCH 2017*

---

### **Principal risks and uncertainties**

NetSupport are fortunate to have a broad customer base covering many verticals, however within the education sector revenues are almost exclusively public sector sourced and as such any significant changes in government policy, national funding formulas for schools and so on, could have an impact in the health and ongoing growth of the sector. The launch of Windows 10S also poses both uncertainty and opportunity in terms of future desktop licence deployments in education.

On behalf of the board



A J Kingsley

**Director**

8 September 2017

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2017**

---

The directors present their annual report and financial statements for the year ended 31 March 2017.

### Principal activities

The principal activity of the group continued to be that of the ongoing development, marketing, sales and technical support of the NetSupport range of Remote Control, Network and Desktop Management Services.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A J Kingsley  
A J Gibbons  
R D Hawkins  
M R Kingsley  
M Jones

### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £2,211,650. The directors do not recommend payment of a further dividend.

### Auditor

Rawlinsons were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



A J Kingsley

**Director**

8 September 2017

# **NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2017***

---

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

We have audited the financial statements of NetSupport Ltd and its subsidiary undertakings for the year ended 31 March 2017 set out on pages 7 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

#### **Respective responsibilities of directors and auditor**

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group'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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

#### 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.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)  
for and on behalf of Rawlinsons

8 September 2017

Chartered Accountants  
Statutory Auditor

Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

---

	Notes	2017 £	2016 £
<b>Turnover</b>	<b>3</b>	9,331,853	7,656,973
Cost of sales		9,526	(23,452)
<b>Gross profit</b>		<u>9,341,379</u>	<u>7,633,521</u>
Administrative expenses		(5,710,975)	(5,303,423)
Other operating income		-	29
<b>Operating profit</b>	<b>4</b>	<u>3,630,404</u>	<u>2,330,127</u>
Interest receivable and similar income	<b>8</b>	8,599	10,799
<b>Profit before taxation</b>		<u>3,639,003</u>	<u>2,340,926</u>
Taxation	<b>9</b>	(735,932)	(401,551)
<b>Profit for the financial year</b>		<u><u>2,903,071</u></u>	<u><u>1,939,375</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

---

	2017 £	2016 £
<b>Profit for the year</b>	2,903,071	1,939,375
<b>Other comprehensive income</b>		
Currency translation differences	396,348	104,081
<b>Total comprehensive income for the year</b>	<u>3,299,419</u>	<u>2,043,456</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

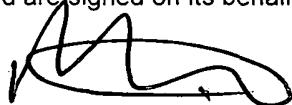
# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## GROUP BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		1,117,063		1,278,184
Tangible assets	12		1,490,824		1,487,010
			<u>2,607,887</u>		<u>2,765,194</u>
<b>Current assets</b>					
Stocks	15	500		500	
Debtors	16	3,988,287		3,985,712	
Cash at bank and in hand		4,926,017		3,697,509	
		<u>8,914,804</u>		<u>7,683,721</u>	
<b>Creditors: amounts falling due within one year</b>	17	(886,455)		(904,054)	
<b>Net current assets</b>			<u>8,028,349</u>		<u>6,779,667</u>
<b>Total assets less current liabilities</b>			<u>10,636,236</u>		<u>9,544,861</u>
<b>Provisions for liabilities</b>	18		1,051		4,657
<b>Net assets</b>			<u>10,637,287</u>		<u>9,549,518</u>
<b>Capital and reserves</b>					
Called up share capital	20		89,000		89,000
Capital redemption reserve			10,000		10,000
Profit and loss reserves			10,538,287		9,450,518
<b>Total equity</b>			<u>10,637,287</u>		<u>9,549,518</u>

The financial statements were approved by the board of directors and authorised for issue on 8 September 2017 and are signed on its behalf by:



A J Kingsley  
Director

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

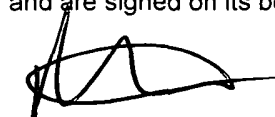
## COMPANY BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		1,428,356		1,461,032
Investments	13		2,783,979		2,783,979
			<u>4,212,335</u>		<u>4,245,011</u>
<b>Current assets</b>					
Stocks	15	500		500	
Debtors	16	1,098,114		1,645,486	
Cash at bank and in hand		3,306,325		2,421,854	
		<u>4,404,939</u>		<u>4,067,840</u>	
<b>Creditors: amounts falling due within one year</b>	17	(606,613)		(649,556)	
<b>Net current assets</b>			<u>3,798,326</u>		<u>3,418,284</u>
<b>Total assets less current liabilities</b>			<u>8,010,661</u>		<u>7,663,295</u>
<b>Provisions for liabilities</b>	18		3,508		5,667
<b>Net assets</b>			<u><u>8,014,169</u></u>		<u><u>7,668,962</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		89,000		89,000
Capital redemption reserve			10,000		10,000
Profit and loss reserves			7,915,169		7,569,962
<b>Total equity</b>			<u><u>8,014,169</u></u>		<u><u>7,668,962</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,556,857 (2016 - £2,011,279 profit).

The financial statements were approved by the board of directors and authorised for issue on 8 September 2017 and are signed on its behalf by:



A J Kingsley  
Director

Company Registration No. 02386638

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2015</b>		89,000	10,000	8,407,422	8,506,422
<b>Year ended 31 March 2016:</b>					
Profit for the year		-	-	1,939,375	1,939,375
Other comprehensive income:					
Currency translation differences		-	-	104,081	104,081
Total comprehensive income for the year		-	-	2,043,456	2,043,456
Dividends	10	-	-	(1,000,360)	(1,000,360)
<b>Balance at 31 March 2016</b>		89,000	10,000	9,450,518	9,549,518
<b>Year ended 31 March 2017:</b>					
Profit for the year		-	-	2,903,071	2,903,071
Other comprehensive income:					
Currency translation differences on overseas subsidiaries		-	-	396,348	396,348
Total comprehensive income for the year		-	-	3,299,419	3,299,419
Dividends	10	-	-	(2,211,650)	(2,211,650)
<b>Balance at 31 March 2017</b>		89,000	10,000	10,538,287	10,637,287

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2015</b>		89,000	10,000	6,559,043	6,658,043
<b>Year ended 31 March 2016:</b>					
Profit and total comprehensive income for the year		-	-	2,011,279	2,011,279
Dividends	10	-	-	(1,000,360)	(1,000,360)
<b>Balance at 31 March 2016</b>		89,000	10,000	7,569,962	7,668,962
<b>Year ended 31 March 2017:</b>					
Profit and total comprehensive income for the year		-	-	2,556,857	2,556,857
Dividends	10	-	-	(2,211,650)	(2,211,650)
<b>Balance at 31 March 2017</b>		89,000	10,000	7,915,169	8,014,169

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

---

	Notes	2017		2016	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24	3,650,728		2,524,266	
Income taxes paid		(131,133)		(912,884)	
<b>Net cash inflow from operating activities</b>		<b>3,519,595</b>		<b>1,611,382</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(94,036)		(59,007)	
Proceeds on disposal of tangible fixed assets		6,000		-	
Interest received		8,599		10,799	
<b>Net cash used in investing activities</b>		<b>(79,437)</b>		<b>(48,208)</b>	
<b>Financing activities</b>					
Dividends paid to equity shareholders		(2,211,650)		(1,000,360)	
<b>Net cash used in financing activities</b>		<b>(2,211,650)</b>		<b>(1,000,360)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>1,228,508</b>		<b>562,814</b>	
Cash and cash equivalents at beginning of year		3,697,509		3,134,695	
<b>Cash and cash equivalents at end of year</b>		<b>4,926,017</b>		<b>3,697,509</b>	

---

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

#### Company information

NetSupport Ltd and its subsidiary undertakings ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is NetSupport House, Towngate East, Market Deeping, Peterborough, PE6 8NE.

The group consists of NetSupport Ltd and its subsidiary undertakings and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of NetSupport Ltd and its subsidiary undertakings and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

The company recognises software sales income on supply of its products. Revenue from maintenance contracts is recognised as the company earns the right to consideration as it performs its obligations under the terms of those contracts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual installments over its estimated useful economic life of 20 years.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings freehold	2% straight line
Plant and machinery	20% straight line
Fixtures, fittings & equipment	15% straight line
Software and computer technical equipment	33.3% straight line
Motor vehicles	25% straight line

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017	2016
	£	£
<b>Turnover</b>		
NetSupport sales	9,331,853	7,656,973
	<u>          </u>	<u>          </u>
<b>Other significant revenue</b>		
Interest income	8,599	10,799
	<u>          </u>	<u>          </u>

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

<b>3</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
	<b>Turnover analysed by geographical market</b>		
		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	UK, Europe and rest of World	9,331,853	7,656,973
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Operating loss</b>		
		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Operating loss for the year is stated after charging/(crediting):		
	Exchange gains	(528,410)	(121,652)
	Depreciation of owned tangible fixed assets	94,415	90,769
	Profit on disposal of tangible fixed assets	(6,000)	-
	Amortisation of intangible assets	161,121	161,121
	Operating lease charges	96,216	82,259
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Auditor's remuneration</b>		
		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Fees payable to the company's auditor and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the group and company	12,000	12,000
	Audit of the financial statements of the company's subsidiaries	3,500	3,500
		<u>          </u>	<u>          </u>
		15,500	15,500
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Employees</b>		
	The average monthly number of persons (including directors) employed by the group and company during the year was:		
		<b>2017</b>	<b>2016</b>
		<b>Number</b>	<b>Number</b>
	Sales and marketing	34	30
	Admin and finance	12	12
	Development, testing and technical support	37	35
	Board	4	4
		<u>          </u>	<u>          </u>
		87	81
		<u>          </u>	<u>          </u>

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2017	2016
		£	£
	Wages and salaries	3,829,004	3,267,567
	Social security costs	355,086	303,180
	Pension costs	47,257	41,664
		<u>4,231,347</u>	<u>3,612,411</u>
7	Directors' remuneration		
		2017	2016
		£	£
	Remuneration for qualifying services	<u>589,153</u>	<u>453,259</u>
	Remuneration disclosed above includes the following amounts paid to the highest paid director:		
		2017	2016
		£	£
	Remuneration for qualifying services	<u>212,152</u>	<u>180,616</u>
8	Interest receivable and similar income		
		2017	2016
		£	£
	<b>Interest income</b>		
	Interest on bank deposits	6,949	6,127
	Other interest income	1,650	4,672
	Total income	<u>8,599</u>	<u>10,799</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	<u>6,949</u>	<u>6,127</u>
9	Taxation		
		2017	2016
		£	£
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	370,379	207,887
	Foreign current tax on profits for the current period	361,947	191,599
	Total current tax	<u>732,326</u>	<u>399,486</u>

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 9 Taxation (Continued)

#### Deferred tax

Origination and reversal of timing differences	3,606	2,065
	<u>          </u>	<u>          </u>
Total tax charge	735,932	401,551
	<u>          </u>	<u>          </u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	3,639,003	2,340,926
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	727,801	468,185
Research and development tax credit	(123,231)	(135,521)
Foreign exchange differences	93,801	31,322
Depreciation add back	16,405	16,473
Capital allowances	(14,674)	(13,200)
Movement in deferred tax	3,606	2,066
Goodwill amortisation	32,224	32,226
	<u>          </u>	<u>          </u>
Taxation charge for the year	735,932	401,551
	<u>          </u>	<u>          </u>

### 10 Dividends

	2017	2016
	£	£
Interim paid	2,211,650	1,000,360
	<u>          </u>	<u>          </u>

### 11 Intangible fixed assets

Group	Goodwill
	£
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	2,339,046
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 April 2016	1,060,862
Amortisation charged for the year	161,121
	<u>          </u>
At 31 March 2017	1,221,983
	<u>          </u>

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 11 Intangible fixed assets

(Continued)

#### Carrying amount

At 31 March 2017

1,117,063

At 31 March 2016

1,278,184

The company had no intangible fixed assets at 31 March 2017 or 31 March 2016.

### 12 Tangible fixed assets

Group	Buildings freehold	Plant and machinery	Fixtures, fittings & equipment	Software and computer technical equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2016	1,684,572	1,620,911	228,451	103,625	34,330	3,671,889
Additions	-	53,771	23,137	2,507	14,621	94,036
Disposals	-	-	-	-	(16,395)	(16,395)
Exchange adjustments	-	10,900	2,150	15,633	-	28,683
At 31 March 2017	1,684,572	1,685,582	253,738	121,765	32,556	3,778,213
<b>Depreciation and impairment</b>						
At 1 April 2016	304,806	1,545,533	206,079	94,132	34,330	2,184,880
Depreciation charged in the year	26,691	45,240	12,143	6,990	3,351	94,415
Eliminated in respect of disposals	-	-	-	-	(16,395)	(16,395)
Exchange adjustments	-	7,855	1,835	14,799	-	24,489
At 31 March 2017	331,497	1,598,628	220,057	115,921	21,286	2,287,389
<b>Carrying amount</b>						
At 31 March 2017	1,353,075	86,954	33,681	5,844	11,270	1,490,824
At 31 March 2016	1,379,766	74,711	23,040	9,493	-	1,487,010

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 12 Tangible fixed assets (Continued)

Company	Buildings freehold	Plant and machinery	Fixtures, Motor vehicles fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2016	1,684,572	1,542,656	187,416	3,432,579
Additions	-	31,404	10,671	42,075
At 31 March 2017	<u>1,684,572</u>	<u>1,574,060</u>	<u>198,087</u>	<u>3,474,654</u>
<b>Depreciation and impairment</b>				
At 1 April 2016	304,806	1,470,263	178,543	1,971,547
Depreciation charged in the year	26,691	42,058	6,002	74,751
At 31 March 2017	<u>331,497</u>	<u>1,512,321</u>	<u>184,545</u>	<u>2,046,298</u>
<b>Carrying amount</b>				
At 31 March 2017	<u>1,353,075</u>	<u>61,739</u>	<u>13,542</u>	<u>1,428,356</u>
At 31 March 2016	<u>1,379,766</u>	<u>72,393</u>	<u>8,873</u>	<u>1,461,032</u>

### 13 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	14	-	-	2,783,979	2,783,979

#### Movements in fixed asset investments

Company	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2016 and 31 March 2017	2,783,979
<b>Carrying amount</b>	
At 31 March 2017	<u>2,783,979</u>
At 31 March 2016	<u>2,783,979</u>

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 14 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
NetSupport Incorporated	USA	Sale of NetSupport range	Ordinary	100.00	
PCI Software GmbH	Germany	Sale of NetSupport range	Ordinary	100.00	
NetSupport Software Limited	UK	Sale of NetSupport range	Ordinary	100.00	
NetSupport Canada Limited	Canada	Sale of NetSupport range	Ordinary		100.00
PowerWeb Multi Media Limited	UK	Sale of NetSupport range	Ordinary	100.00	

### 15 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	500	500	500	500

### 16 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Amounts falling due within one year:</b>				
Trade debtors	3,667,428	2,953,377	371,109	429,230
Corporation tax recoverable	284,693	862,845	77,611	545,619
Amounts due from group undertakings	-	52,098	645,129	584,114
Other debtors	15,870	95,784	4,265	86,523
Prepayments and accrued income	20,296	21,608	-	-
	<u>3,988,287</u>	<u>3,985,712</u>	<u>1,098,114</u>	<u>1,645,486</u>

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 17 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Payments received on account	378,881	344,758	378,881	344,758
Trade creditors	106,200	251,804	38,863	149,380
Amounts due to group undertakings	-	-	-	1,747
Corporation tax payable	92,310	69,269	-	-
Other taxation and social security	189,565	132,021	125,086	90,200
Other creditors	7,365	14,780	-	-
Accruals and deferred income	112,134	91,422	63,783	63,471
	<u>886,455</u>	<u>904,054</u>	<u>606,613</u>	<u>649,556</u>

### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2017 £	Liabilities 2016 £
Accelerated capital allowances	(1,051)	(4,657)
	<u>          </u>	<u>          </u>

Company	Liabilities 2017 £	Liabilities 2016 £
Accelerated capital allowances	(3,508)	(5,667)
	<u>          </u>	<u>          </u>

### 19 Retirement benefit schemes

Defined contribution schemes	2017 £	2016 £
Charge to profit or loss in respect of defined contribution schemes	47,257	41,664
	<u>          </u>	<u>          </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# NETSUPPORT LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 20 Share capital

	Group and company	
	2017	2016
	£	£
<b>Ordinary share capital Issued and fully paid</b>		
89,000 Ordinary shares of £1 each	89,000	89,000

### 21 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	589,152	453,259

### 22 Directors' transactions

Dividends totalling £24,850 (2016 - £11,240) were paid in the year in respect of shares held by the company's directors.

### 23 Controlling party

The holding company of NetSupport Limited is 4A Investments (Jersey) Ltd, and the ultimate controlling party is Mr and Mrs Apsey.

### 24 Cash generated from group operations

	2017	2016
	£	£
Profit for the year after tax	2,903,071	1,939,375
Adjustments for:		
Taxation charged	735,932	401,551
Investment income	(8,599)	(10,799)
Gain on disposal of tangible fixed assets	(6,000)	-
Amortisation and impairment of intangible assets	161,121	161,121
Depreciation and impairment of tangible fixed assets	94,415	90,769
Net effect of foreign exchange differences	392,154	103,805
Movements in working capital:		
(Increase) in debtors	(580,564)	(251,451)
(Decrease)/increase in creditors	(40,802)	89,895
<b>Cash generated from operations</b>	<b>3,650,728</b>	<b>2,524,266</b>