Registered No 04340937

TMG.TV Limited

Report and Financial Statements

For the 15 months ended 31 March 2013

Company Information

Directors	Mr RA Law Mr DJ Wilson
Company Secretary	Mr J Constantin
Registered Office	GB House Kingsfield Court Chester Business Park CHESTER CH4 9GB
Business Address	1 Wilford Business Park Ruddington Lane West Bridgford NOTTINGHAM NG11 7EP
Registered Auditor	Ernst & Young LLP 100 Barbirolli Square MANCHESTER M2 3EY
Solicitors	Squire Sanders Hammonds Trinity Court 16 John Dalton Street MANCHESTER M60 8HA

Directors' report

The directors present their report and the financial statements for the 15 month period ended 31 March 2013

The comparative period is unaudited

Results and dividends

The profit for the year, after taxation, amounted to £296,832 (2011 £214,053) An interim dividend of £36,000 was paid during the year and the directors do not recommend the payment of a final dividend (2011 – £188,000)

Principal activity and review of the business

The principal activity of the Company is that of providing background checking services through online and offline verification and authentication of individuals, enabling organisations to safeguard, recruit and engage with confidence The Company also engaged in the provision of creative communications and media services in which the trade and net assets relating to that part of the business were disposed of on 5 November 2012 The results relating to that part of the business are therefore reported as discontinued operations within this report

On 5 November 2012, the entire share capital of the company was acquired by GB Group PLC

Change in accounting reference date

During the financial period, the Directors of the Company agreed to change the accounting reference date from 31 December to 31 March Accordingly the financial information in these financial statements reflects the figures for the fifteen month period from 1 January 2012 to 31 March 2013 The comparative period is for the year to 31 December 2011 and is therefore not directly comparable

Principal risks and uncertainties

Management use a model to identify and assess the impact of risks to the business under four key headings – financial, strategic, operational and knowledge For each risk, the likelihood and consequence are identified, management controls are confirmed and results reported The significant risks and uncertainties faced by the Company were common with those faced by the immediate parent undertaking GB Group PLC and as such are set out in its Annual Report Additionally, the corporate governance report of GB Group PLC provides further detail about the risk management processes in place through its group companies

Directors

The directors who served the company during the period were as follows

Mr Richard Anthony Law (appointed 5 November 2012)
Mr David John Wilson (appointed 5 November 2012)
Mr Keith Daniel (resigned 5 November 2012)
Mrs Alison Daniel (resigned 5 November 2012)

Mr John Constantin served as Company Secretary from 5 November 2012
Mr Keith Daniel served as Company Secretary prior to his resignation on 5 November 2012

Directors' report (continued)

Directors' liabilities

During the period the company had in force an indemnity provision in favour of the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Political and charitable donations

During the period the company made charitable donations of £681 (2011 – £nil) No political donations were made in the year (2011 – £nil)

Auditors

During the period, Ernst & Young LLP were appointed as auditors of the company The financial statements for the year to 31 December 2011 were unaudited as the Company was entitled to exemption from audit under the Companies Act 2006 at that date

Ernst & Young LLP are deemed re-appointed as the company's auditor under the Companies Act 2006

By order of the Board

John Constantin
Company Secretary
11 December 2013

Statement of directors' responsibilities

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 company and of the profit or loss of the company 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 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 company will continue in business

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

Independent auditors' report

to the members of TMG.TV Limited

We have audited the financial statements of TMG TV Limited for the fifteen months ended 31 March 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22 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 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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

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 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 Report and Financial Statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the financial statements

In our opinion the financial statements·

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the period 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report (continued)

to the members of TMG.TV 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

Other matter

The comparatives for the year ended 31 December 2011 are unaudited

Ernst & Young LLP

Gary Harding (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP (Statutory Auditor)
Manchester
Date 12 December 2013

Profit and Loss Account

for the 15 month period ended 31 March 2013

	Notes	*15 months ending 31 March 2013 £*	*Unaudited Year ending 31 December 2011 £*
Turnover			
Continuing operations		2,298,974	1,743,170
Discontinued operations		1,353,887	1,857,943
	2	3,652,861	3,601,113
Cost of sales	5	(1,385,577)	(2,291,794)
Gross profit		2,267,284	1,309,319
Net operating expenses (excluding exceptional items)	5	(1,922,243)	(1,054,520)
Other operating income	3	53,564	46,501
Exceptional items	6	(19,048)	-
Operating profit			
Continuing operations		515,365	552,188
Discontinued operations		(116,760)	(250,888)
Exceptional items		(19,048)	-
	4	379,557	301,300
Interest receivable and similar income	9	101	714
Interest payable and similar charges	10	(3,268)	(4,757)
Profit on ordinary activities before taxation		376,390	297,257
Tax	11	(79,558)	(83,204)
Profit for the financial year	18	296,832	214,053

The results for the period include those relating to a creative communications proportion of the business in which the trade and net assets were disposed of on 5 November 2012 The remaining operations consist of the CRB checking business and are continuing

Statement of total recognised gains and losses

for the 15 month period ended 31 March 2013

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £296,832 in the 15 month period ended 31 March 2013 (2011 – £214,053)

Balance Sheet

As at 31 March 2013

	Notes	As at 31 March 2013 £	*Unaudited* As at 31 December 2011 £
Fixed assets			
Tangible assets	12	199,981	728,683
		199,981	728,683
Current assets			
Debtors	13	734,002	839,402
Cash at bank and in hand		1,393,786	192,274
		2,127,788	1,031,676
Creditors amounts falling due within one year	14	(1,254,093)	(810,409)
Net current assets		873,695	221,267
Total assets less current liabilities		1,073,676	949,950
Creditors: amounts falling due after more than one year	15	-	(144,779)
Provisions for liabilities	16	(53,252)	(45,579)
Net assets		1,020,424	759,592
Capital and reserves			
Called up share capital	17	2	2
Profit and loss account	18	1,020,422	759,590
Shareholders' funds		1,020,424	759,592

Approved by the Board

DJ Wilson
Director
11 December 2013

Company Registration No 04340937

Notes to the financial statements

1. Accounting policies

Basis of preparation

The financial statements for the 15 months ended 31 March 2013 were authorised for issue by the Board of Directors on 11 December 2013 and the balance sheet was signed on the Board's behalf by Mr D Wilson

TMG TV Limited is a company incorporated and domiciled England

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

The accounting policies that follow set out those policies that apply in preparing the financial statements for the 15 months ending 31 March 2013 With the exception of a revision to the basis of calculating depreciation, which is disclosed later, the Company has applied the same policies throughout the period

Statement of cash flows

The company has taken advantage of the exemption available under FRS 1 (revised) not to prepare a statement of cash flows

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied and is recognised on the despatch of goods

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of purchase, of each asset over its expected useful life on the following bases

Land and buildings	–	50 years straight line
Plant & machinery	–	4 years straight line
Motor vehicles	–	25% reducing balance

During the period, the directors revised the basis of calculating depreciation on plant and machinery from 25% reducing balance to 25% straight line Depreciation charged for the 15 months ended 31 March 2013 reflects that basis

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Operating lease commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at rates of exchange ruling at the date of the transaction All foreign exchange differences are taken to the profit and loss account in the year in which they arise

Notes to the financial statements

1. Accounting policies (continued)

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources and borrowing facilities to continue operational existence for the foreseeable future Accordingly, the company continues to adopt the going concern basis in preparing the financial statements

Deferred taxation

Corporation tax is provided on the assessable profits of the company at the appropriate rates in force

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pensions

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable

2. Turnover

Turnover, which is stated net of value added tax, represents the amount of goods and services invoiced to customers in the United Kingdom

The discontinued operations comprise the part of the business that was engaged in creative communications

Notes to the financial statements

3. Other operating income

	15 months ending 31 March 2013 £	Year ending 31 December 2011 (unaudited) £
Rental income	53,564	46,501

4. Operating profit

This is stated after charging

	15 months ending 31 March 2013 £	Year ending 31 December 2011 (unaudited) £
Depreciation of tangible fixed assets owned by the company	168,656	83,303
Loss on disposal of fixed assets	4,730	-
Pension costs	63,156	261,150

Fees paid to the auditors for UK audit and non-audit services were borne by the parent company

5. Analysis of cost of sales and net operating expenses

	15 months ending 31 March 2013 £	Year ending 31 December 2011 (unaudited) £
Cost of sales		
Continuing	817,470	671,364
Discontinued	568,107	1,620,430
	1,385,577	2,291,794
Administrative expenses		
Continuing	984,827	519,618
Discontinued	937,416	534,902
Net operating expenses	1,922,243	1,054,520

Notes to the financial statements

6. Exceptional costs

Exceptional costs of £19,048 were incurred in the period ended 31 March 2013 in relation to the costs of staff reorganisation

7. Directors' emoluments

On 5 November 2012 the share capital of the Company was acquired in full by GB Group PLC and at that point the previous directors resigned The aggregate emoluments of the directors up to and including 4 November 2012 and the comparative year were as follows

	15 months ended 31 March 2013	*Year ended 31 December 2011 (unaudited)*
	£	*£*
Aggregate emoluments	72,308	310,353

Following the acquisition, Mr RA Law and Mr DJ Wilson were appointed directors They are both also directors of the ultimate parent undertaking, GB Group PLC, and fellow subsidiaries In the year to 31 March 2013, the two directors received emoluments totalling £659,000 (2012 £718,000) Further information can be found in the GB Group PLC financial statements

The directors do not believe it is practicable to apportion these amounts between services as directors of the Company and their services as directors of the holding and fellow subsidiary companies

During the period up to and including 4 November 2012, retirement benefits borne by the Company were accruing to 2 directors (2011 2) in respect of defined contribution schemes Following the acquisition there were no directors accruing retirement benefits borne by the Company

Notes to the financial statements

8. Staff costs

	15 months ending 31 March 2013	Year ending 31 December 2011 (unaudited)
	£	£
Wages and salaries	1,406,748	1,302,090
Social security costs	135,785	121,492
Pension costs	63,156	261,150
	1,605,689	1,684,732

The average monthly number of employees during the year was made up as follows

	15 months ending 31 March 2013	Year ending 31 December 2011 (unaudited)
	No	No
Sales and administration	29	50
Technical	5	10

9. Interest receivable

	15 months ending 31 March 2013	Year ending 31 December 2011 (unaudited)
	£	£
Bank interest	101	714

Notes to the financial statements

10. Interest payable

	15 months ending 31 March 2013 £	Year ending 31 December 2011 (unaudited) £
Loan interest	3,268	4,757

11. Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	15 months ending 31 March 2013 £	Year ending 31 December 2011 (unaudited) £
Current tax		
UK corporation tax charge on profit for the year	96,885	67,758
Adjustments in respect to prior periods	-	(14)
Total current tax (note 11(b))	96,885	67,744
Deferred tax (see note 11(c))		
Origination and reversal of timing differences	(17,327)	15,460
Tax on profit on ordinary activities	79,558	83,204

Notes to the financial statements

11. Taxation (continued)

(b) Factors affecting current tax charge for the year

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 24 4% (2011 26 5%) The differences are explained below

	15 months ending 31 March 2013	*Year ending 31 December 2011 (unaudited)*
	£	£
Profit on ordinary activities before taxation	376,390	297,257
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24 4% (2011 – 26 5%)	91,839	78,773
Effects of		
Expenses not deductible for tax purposes	11,317	11,720
Losses surrendered within the group for group relief	(19,627)	-
Other timing differences	(2,204)	(1,303)
Adjustment in relation to small profits relief	-	(7,450)
Capital allowances in excess of depreciation	15,560	(13,996)
	96,885	67,744

(c) Deferred taxation

	As at 31 March 2013	*As at 31 December 2011 (unaudited)*
	£	£
At beginning of the period	45,579	30,119
(Release)/charge for the period	(17,327)	15,460
At end of the period	28,252	45,579

Notes to the financial statements

11. Taxation (continued)

The provision for deferred taxation is made up as follows

	As at 31 March 2013	*As at 31 December 2011 (unaudited)*
	£	*£*
Accelerated capital allowances	28,252	45,579

(d) Factors that may affect the future tax charges

A reduction in the UK corporation tax rate from 24% to 23% has been substantively enacted and is effective from 1 April 2013 In addition, the Government has already announced its intention to further reduce UK corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015

12. Tangible fixed assets

	Land and Buildings	*Plant and machinery*	*Motor vehicles*	*Total*
	£	*£*	*£*	*£*
Cost				
At 1 January 2012 (unaudited)	478,231	613,163	1,500	1,092,894
Additions	-	103,646	-	103,646
Disposals	(478,231)	(232,189)	(1,500)	(711,920)
At 31 March 2013	-	484,620	-	484,620
Depreciation				
At 1 January 2012 (unaudited)	76,328	287,437	446	364,211
Provided during the period	7,173	161,263	220	168,656
Eliminated on disposal	(83,501)	(164,061)	(666)	(248,228)
At 31 March 2013	-	284,639	-	284,639
Net book value				
At 31 March 2013	-	199,981	-	199,981
At 31 December 2011 (unaudited)	401,903	325,726	1,054	728,683

Notes to the financial statements

12. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	15 months ending 31 March 2013	*Year ending 31 December 2011 (unaudited)*
	£	*£*
Plant and machinery	-	7,308

13. Debtors

	15 months ending 31 March 2013	*Year ending 31 December 2011 (unaudited)*
	£	*£*
Trade debtors	620,204	588,325
Other debtors and prepayments	113,798	251,077
	734,002	839,402

14. Creditors: amounts falling due within one year

	15 months ending 31 March 2013	*Year ending 31 December 2011 (unaudited)*
	£	*£*
Bank loans and overdrafts	-	29,544
Net obligations under finance leases and hire purchase contracts	-	1,800
Trade creditors	661,347	541,077
Corporation tax	97,276	67,758
Social security and other taxes	64,978	115,985
Other creditors	158,172	54,245
Amounts owing to parent undertaking	272,320	-
	1,254,093	810,409

Notes to the financial statements

15. Creditors: amounts falling due after more than one year

	15 months ending 31 March 2013 £	Year ending 31 December 2011 (unaudited) £
Bank loans and overdrafts	-	138,333
Net obligations under finance leases and hire purchase contracts	-	6,446
	-	144,779

16. Provisions

	15 months ending 31 March 2013 £	Year ending 31 December 2011 (unaudited) £
Deferred taxation	28,252	45,579
Provision for dilapidation cost on leased premises	25,000	-
	53,252	45,579

17. Issued share capital

Authorised	As at 31 March 2013 No	As at 31 December 2011 No	As at 31 March 2013 £	As at 31 December 2011 £
Ordinary shares of £1 each	2	2	2	2

Allotted, called up and fully paid	As at 31 March 2013 No	As at 31 December 2011 No	As at 31 March 2013 £	As at 31 December 2011 £
Ordinary shares of £1 each	2	2	2	2

Notes to the financial statements

18. Statement of movement on reserves

	Profit and loss account £
At 1 January 2011 (unaudited)	733,537
Profit for the year	214,053
Dividends equity capital	(188,000)
At 31 December 2011 (unaudited)	759,590
Profit for the period	296,832
Dividends equity capital	(36,000)
At 31 March 2013	1,020,422

19. Shareholder's funds

	£
At 1 January 2011 (unaudited)	733,539
Loss for the year	214,053
Dividends equity capital	(188,000)
At 31 December 2012 (unaudited)	759,592
Profit for the period	296,832
Dividends equity capital	(36,000)
At 31 March 2013	1,020,424

20. Dividends

	15 months ending 31 March 2013 £	Year ending 31 December 2011 (unaudited) £
Dividends paid on equity capital	36,000	188,000

Notes to the financial statements

21. Related party transactions

The company is a wholly owned subsidiary of GB Group PLC and has taken advantage of the exemption under FRS 8 not to disclose transactions with other group companies and investees of the group qualifying as related parties

22. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is GB Group PLC which is registered in England and Wales The Company is included in the consolidated financial statements of GB Group PLC Copies of GB Group PLC's financial statements may be obtained from The Company Secretary, GB House, Kingsfield Court, Chester Business Park, CH4 9GB