

IMUTUAL PLC
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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for the Year Ended 30 June 2016**

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COMPANY INFORMATION
for the Year Ended 30 June 2016

DIRECTORS:

R Yendall
Mrs S Yendall

SECRETARY:

R Yendall

REGISTERED OFFICE:

12 Payton Street
Stratford upon Avon
Warwickshire
CV37 6UA

REGISTERED NUMBER:

07296295 (England and Wales)

AUDITORS:

Cooper Adams Ltd
Chartered Accountants
and Statutory Auditors
12 Payton Street
Stratford upon Avon
Warwickshire
CV37 6UA

STRATEGIC REPORT for the Year Ended 30 June 2016

The directors present their strategic report for the year ended 30 June 2016.

The year under review was the company's sixth year of operation. We made continuous improvements to our cashback service, with a dual aim of generating the maximum amount of cashback for members whilst also establishing a reputation as the most reliable and trustworthy cashback website. Since the last annual report, imutual has:

- Maintained a highly reliable cashback service across over 3000 merchants;
- Honoured our unique "Cashback guarantee" to cement our growing reputation as the UK's most trustworthy cashback site;
- Supported the Cashback Investment Club, which allows members to drip-feed their cashback earnings into stockmarket investments.

REVIEW OF BUSINESS

During the year, our revenues increased by 17.5% to £168,468. Total administrative expenses were only £39,561. By way of comparison, the combined expenses of the two largest UK cashback websites are in the region of £13m per year. At some point, the Directors will need to normalise their remuneration but remain committed to ensuring the financial stability of the company. Uniquely amongst cashback websites, your directors continue to protect members cashback balances courtesy of personal guarantees. The accounts show profit after tax of £19,050 compared with a net profit of £3,762 the previous year. imutual is different from other companies, in that it seeks to maximise the benefits to members rather than the profits for its shareholders. However, this increased profit helps to strengthen the company's balance sheet and to demonstrate the potential of the company's business model.

We attracted a further 1,295 members to the website during the year. imutual's approach to recruitment has been to rely on word-of-mouth recommendation rather than spend members' funds on advertising. Increasing the size of our membership is vital to the continued growth of your company, and in order for our business model to succeed it is essential that our member shareholders take every opportunity to promote their company and recommend its service to friends, family and colleagues. We will continue to support, encourage and reward members who help to generate positive publicity for imutual, and are always open to ideas and initiatives that our members might like to suggest.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are aware of their responsibilities to review and manage any perceived risks to the business. Our analysis of current areas of risk for the company is as follows:

Credit risk

imutual's revenues are spread across several hundred different merchants, and each merchant relationship is managed through one of around twenty third party affiliate networks. The company takes care to ensure that it does not become over-reliant on revenue from a single source and takes active steps to manage credit risk.

Commercial risk

The company operates standard marketing agreements with affiliate networks, in an industry with which the directors have considerable experience. The company has taken expert advice from several sources with regards to the share offer, and will continue to review its legal framework to ensure that the imutual business model complies with the UK's regulatory environment.

Cashflow

In general, website members are only paid once imutual receives payment from the merchant for the associated transactions. In addition, the company has minimal overheads to maintain and strives to keep sufficient cash resources to meet any future expenses.

FINANCIAL POSITION

The company reported a profit after tax of £19,050 and the closing reserves were (£13,655.) The company has reported a negative net asset position throughout its six years of operation, and members should note that the directors have given a written undertaking to provide ongoing financial support for the company. Additionally, cashback balances (which represent the overwhelming proportion of company creditors) are explicitly protected by a Directors Guarantee.

**STRATEGIC REPORT
for the Year Ended 30 June 2016****PLANS FOR FUTURE PERIODS**

We will continue to make incremental improvements to our cashback service, extending the range of cashback offers and consolidating unique elements such as the Cashback Guarantee and Investment Club. Given the limited resources available to the company, there are unlikely to be any significant product developments during the next financial period. However, we will continue to encourage viral promotion of imutual in order to generate increased revenues. These in turn can be used to invest further in the site's development in future years.

ON BEHALF OF THE BOARD:

R Yendall - Director

22 November 2016

REPORT OF THE DIRECTORS for the Year Ended 30 June 2016

The directors present their report with the financial statements of the company for the year ended 30 June 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a marketing company.

The company generates revenues through the promotion of online retail offers on its website imutual.co.uk, earning commission on a Cost-per-action (CPA) basis. It passes that cashback to its customers and also offers free shares in the company as an incentive for them to transact on the website and recommend it to others.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2015 to the date of this report.

R Yendall
Mrs S Yendall

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 accounting estimates that are reasonable and prudent;
- 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
for the Year Ended 30 June 2016**

AUDITORS

The auditors, Cooper Adams Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R Yendall - Director

22 November 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF IMUTUAL PLC

We have audited the financial statements of imutual Plc for the year ended 30 June 2016 on pages eight to nineteen. 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 Financial Reporting Standard 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page four, 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 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 Strategic Report and the Report of the Directors 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 company's affairs as at 30 June 2016 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF IMUTUAL PLC

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.

David Cooper FCA (Senior Statutory Auditor)
for and on behalf of Cooper Adams Ltd
Chartered Accountants
and Statutory Auditors
12 Payton Street
Stratford upon Avon
Warwickshire
CV37 6UA

22 November 2016

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 June 2016

	Notes	2016 £	2015 £
TURNOVER		168,468	143,411
Cost of sales		105,095	107,547
GROSS PROFIT		63,373	35,864
Administrative expenses		39,561	31,236
OPERATING PROFIT	3	23,812	4,628
Interest receivable and similar income		-	75
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		23,812	4,703
Tax on profit on ordinary activities	4	4,762	941
PROFIT FOR THE FINANCIAL YEAR		19,050	3,762
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		19,050	3,762

The notes form part of these financial statements

BALANCE SHEET
30 June 2016

	Notes	2016 £	2015 £
CURRENT ASSETS			
Debtors	5	70,229	45,920
Cash at bank		<u>5,051</u>	<u>301</u>
		75,280	46,221
CREDITORS			
Amounts falling due within one year	6	<u>88,935</u>	<u>77,956</u>
NET CURRENT LIABILITIES		<u>(13,655)</u>	<u>(31,735)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(13,655)	(31,735)
CREDITORS			
Amounts falling due after more than one year	7	<u>-</u>	<u>980</u>
NET LIABILITIES		<u>(13,655)</u>	<u>(32,715)</u>
CAPITAL AND RESERVES			
Called up share capital	9	12,557	12,547
Retained earnings	10	<u>(26,212)</u>	<u>(45,262)</u>
		<u>(13,655)</u>	<u>(32,715)</u>

The financial statements were approved by the Board of Directors on 22 November 2016 and were signed on its behalf by:

R Yendall - Director

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2014	12,538	(49,024)	(36,486)
Changes in equity			
Issue of share capital	9	-	9
Total comprehensive income	-	3,762	3,762
Balance at 30 June 2015	<u>12,547</u>	<u>(45,262)</u>	<u>(32,715)</u>
Changes in equity			
Issue of share capital	10	-	10
Total comprehensive income	-	19,050	19,050
Balance at 30 June 2016	<u><u>12,557</u></u>	<u><u>(26,212)</u></u>	<u><u>(13,655)</u></u>

CASH FLOW STATEMENT
for the Year Ended 30 June 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	4,135	(1,896)
Tax paid		(15)	-
Net cash from operating activities		<u>4,120</u>	<u>(1,896)</u>
Cash flows from investing activities			
Interest received		-	75
Net cash from investing activities		<u>-</u>	<u>75</u>
Cash flows from financing activities			
Amount introduced by directors		643	1,965
Amount withdrawn by directors		(23)	(3,292)
Share issue		10	9
Net cash from financing activities		<u>630</u>	<u>(1,318)</u>
Increase/(decrease) in cash and cash equivalents		<u>4,750</u>	<u>(3,139)</u>
Cash and cash equivalents at beginning of year	2	301	3,440
Cash and cash equivalents at end of year	2	<u>5,051</u>	<u>301</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 June 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	23,812	4,703
Increase in loans to group companies	(1,680)	(1,658)
Finance income	-	(75)
	<u>22,132</u>	<u>2,970</u>
Increase in trade and other debtors	(27,391)	(339)
Increase/(decrease) in trade and other creditors	<u>9,394</u>	<u>(4,527)</u>
Cash generated from operations	<u><u>4,135</u></u>	<u><u>(1,896)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2016

	30.6.16	1.7.15
	£	£
Cash and cash equivalents	<u>5,051</u>	<u>301</u>

Year ended 30 June 2015

	30.6.15	1.7.14
	£	£
Cash and cash equivalents	<u>301</u>	<u>3,440</u>

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 June 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company is showing net current liabilities and net liabilities as at 30 June 2016. The financial statements have been prepared on a going concern basis which assumes that the company will continue in operation for the foreseeable future.

The directors believe that the company will achieve sufficient growth in order for the company to continue to trade as a going concern.

If the company was unable to continue its operations for the foreseeable future, adjustments would be required to provide for any reclassification and impairment of assets to their recoverable amounts. These financial statements do not include any such adjustments.

Turnover

Turnover represents the amounts receivable from affiliate networks and other customers in the year, excluding value added tax. Commissions generated are recognised at the point that the original transaction takes place. A provision is made for any transactions not validated by merchants at the date of the audit report.

Deferred tax

Deferred tax 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 a right to pay less or to receive more tax.

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

2. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	25,064	23,202
Other pension costs	5,090	-
	<u>30,154</u>	<u>23,202</u>

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

	2016	2015
Administration	1	1
Management	1	1
	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2016

3. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Auditors' remuneration	2,038	1,998
Directors' remuneration	10,140	8,250
Directors' pension contributions to money purchase schemes	5,000	-

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	-
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4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	-	15
Deferred tax	4,762	926
Tax on profit on ordinary activities	4,762	941

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	57,721	30,574
Amounts owed by group undertakings	8,020	6,340
Other debtors	10	-
Deferred tax asset	4,244	9,006
Prepayments	234	-
	70,229	45,920

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	74,418	69,547
Corporation tax	-	15
Social security and other taxes	8,644	2,823
Directors' current accounts	1,062	442
Accrued expenses	4,811	5,129
	88,935	77,956

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2016

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Other creditors	-	980
	<u> </u>	<u> </u>

8. DEFERRED TAX

	£
Balance at 1 July 2015	(9,006)
Charge to Statement of Comprehensive Income during year	4,762
	<u> </u>
Balance at 30 June 2016	<u>(4,244)</u>

9. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal Value:	Paid up	£
7,583,098	Ordinary	£0.00001	100%	76
4,992,416,902	Ordinary	£0.00001	25%	12,481
				<u> </u>
5,000,000,000				<u>12,557</u>

During the year 1,297,996 (2015: 1,313,254) ordinary shares of £0.00001 each were fully paid up at par.

10. RESERVES

	Retained earnings £
At 1 July 2015	(45,262)
Profit for the year	19,050
	<u> </u>
At 30 June 2016	<u>(26,212)</u>

11. ULTIMATE PARENT COMPANY

The company's ultimate parent company is IMTL Member Shares Ltd.

12. RELATED PARTY DISCLOSURES

R Yendall

A director of the company.

During the year R Yendall received £128 (2015: £120) from imutual Plc for commissions earned through affiliate networks, as a member of the imutual Plc website. The amount owed to R Yendall at the year end was £15 (2015: £28) and is included in trade creditors.

During the year R Yendall paid £643 (2015: £630) in expenses on behalf of the company. At the balance sheet date £1,062 (2015: £442) was owed to R Yendall.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2016****12. RELATED PARTY DISCLOSURES - continued****Mrs S Yendall**

A director of the company.

During the year S Yendall received £30 (2015: £19) from imutual Plc for commissions earned through affiliate networks, as a member of the imutual Plc website. The amount owed to S Yendall at the year end was £43 (2015: £23) and is included in trade creditors.

imutual Worldwide Ltd

A company controlled by R Yendall.

During the year net loans of £990 were made to (2015: £991 received from) imutual Worldwide Ltd . At the year end £10 was owed from (2015: £980 was owed to) imutual Worldwide Ltd.

During the year imutual Plc received net loans of £991 (2015: £991) from imutual Worldwide Ltd. The amount owed to imutual Worldwide Ltd at the year end was £980 (2015 £980).

13. ULTIMATE CONTROLLING PARTY

The company is controlled by R Yendall, director of the company, by virtue of his 100% shareholding in the parent company, IMTL Member Shares Ltd.

RECONCILIATION OF EQUITY
1 July 2014
(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
CURRENT ASSETS				
Debtors		44,849	-	44,849
Cash at bank		3,440	-	3,440
		<u>48,289</u>	<u>-</u>	<u>48,289</u>
CREDITORS				
Amounts falling due within one year		(84,775)	-	(84,775)
NET CURRENT LIABILITIES		<u>(36,486)</u>	<u>-</u>	<u>(36,486)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(36,486)</u>	<u>-</u>	<u>(36,486)</u>
NET LIABILITIES		<u>(36,486)</u>	<u>-</u>	<u>(36,486)</u>
CAPITAL AND RESERVES				
Called up share capital		12,538	-	12,538
Retained earnings		(49,024)	-	(49,024)
		<u>(36,486)</u>	<u>-</u>	<u>(36,486)</u>

RECONCILIATION OF EQUITY - continued
30 June 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
CURRENT ASSETS				
Debtors		45,920	-	45,920
Cash at bank		301	-	301
		<u>46,221</u>	<u>-</u>	<u>46,221</u>
CREDITORS				
Amounts falling due within one year		(77,956)	-	(77,956)
NET CURRENT LIABILITIES		<u>(31,735)</u>	<u>-</u>	<u>(31,735)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(31,735)	-	(31,735)
CREDITORS				
Amounts falling due after more than one year		(980)	-	(980)
NET LIABILITIES		<u>(32,715)</u>	<u>-</u>	<u>(32,715)</u>
CAPITAL AND RESERVES				
Called up share capital		12,547	-	12,547
Retained earnings		(45,262)	-	(45,262)
		<u>(32,715)</u>	<u>-</u>	<u>(32,715)</u>

The notes form part of these financial statements

RECONCILIATION OF PROFIT
for the Year Ended 30 June 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	143,411	-	143,411
Cost of sales	(107,547)	-	(107,547)
GROSS PROFIT	35,864	-	35,864
Administrative expenses	(31,236)	-	(31,236)
OPERATING PROFIT	4,628	-	4,628
Interest receivable and similar income	75	-	75
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4,703	-	4,703
Tax on profit on ordinary activities	(941)	-	(941)
PROFIT FOR THE FINANCIAL YEAR	3,762	-	3,762