Company Number 06172239

Internet plc

Annual Report 2013

Contents

Introduction and Highlights

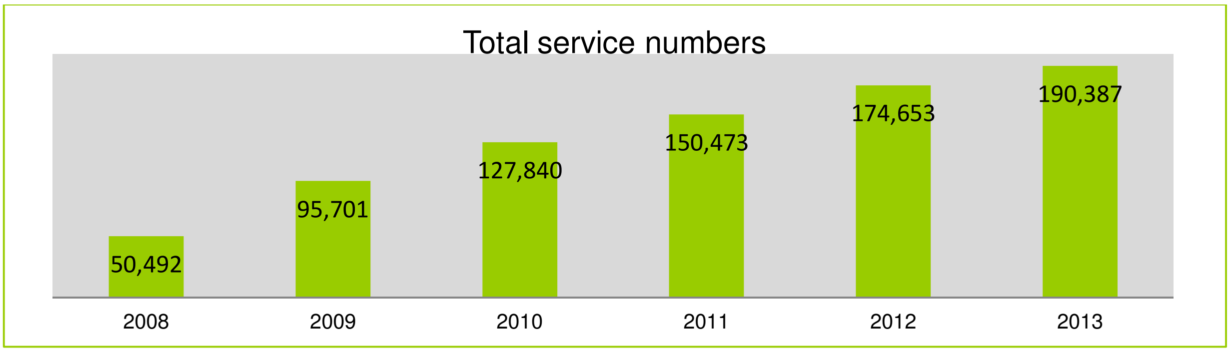
Strategy

- To become one of the leading providers of internet hosting solutions to small and medium sized businesses (SMEs) by focusing on delivering scalable market leading hosting products at competitive prices
- To continue to extend our range of products and services to provide our customers with a one-stop shop for all their internet requirements
- To maintain and expand our highly automated system to minimise overheads and maximise efficiency
- To continue to provide a high level of customer service to meet the exacting standards of our business customers, in order to promote repeat purchase, recommendation by existing customers and maintenance of high renewal rates

Highlights

	2013	**2012**
Revenue	£1,557,000	£1,451,000
Gross Profit	£792,000	£756,000
Earnings before interest, taxation, depreciation, amortisation, Phase II pre-launch costs, AIM admission costs and FRS 20 share based payments	£(169,000)	£ (88,000)
Loss before tax	£(900,000)	£(270,000)
Number of customers	67,259	61,036
Number of Active domains	169,486	154,072
Number of Active hosting services	20,901	20,581

- Revenue increased by 7.3% reflecting good organic growth
- Number of active domains increased by 10.0%
- Number of active hosting services increased by 1.6%
- £242,000 investment in infrastructure
- £278,000 investment in personnel to enable expansion into the next phase of development



Chairman's Statement

I am pleased to present the 31 March 2013 financial results for Daily Internet plc (Daily).

Performance Summary

The Group has made steady progress during the financial year under review and in-line with one of the goals set out in my Statement last year it achieved cash flow break even at the operating unit level (excluding the investment in our Phase II growth) during the second quarter of 2012.

The Daily brand continues to be well regarded in the marketplace as demonstrated by continued organic growth against a backdrop of a flat UK economy. Our continually improving renewal rates demonstrate our ability to deliver excellent customer service and value.

The Group has now developed a broad portfolio of hosting products, email and domain name registration services to provide both the small business user and consumer with all their hosting requirements. Our customer base has continued to grow and from this we have built a recurring revenue base that will provide funding to develop and maintain the current product set for the foreseeable future.

The launch and introduction of our dedicated server product in January 2013 completed Phase II of our strategic development to provide a one-stop shop for hosting products for SMEs and individuals.

Outlook

We continue to develop our existing product base and introduce new products as the market demands. Our new web design product launched after the year end has been well received and complements our existing product portfolio.

The management team at Daily will continue to work hard with enthusiasm and energy seeking out new technologies to further capture market share, increase revenue and consolidate our position; and at the same time endeavouring to target and execute accretive acquisitions to enable us to extend our reach into new markets with new brands at a much faster rate than organic growth.

Placing

The Company completed two fundraisings during the year amounting to £1,075,000 after expenses and the funds raised were utilised in completing phase II of the company's development strategy and funding the admission to AIM which was successfully completed in January 2013.

Conclusion

I take this opportunity to thank all our shareholders for their continued support and the Daily staff for their passion, dedication and commitment to the company and our customers.

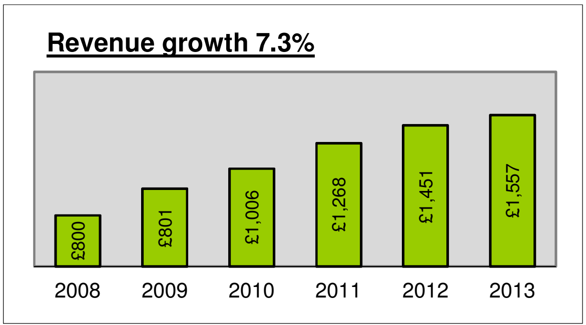
Michael Edelson

Chairman
27 September 2013

Operational and Financial Review

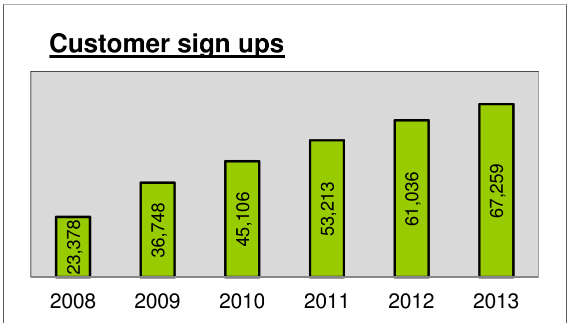
Performance

2013 has been another year of continued revenue growth. Revenue for the Group reached nearly £1.6 million for the year to 31 March 2013, an increase of 7.3% compared to the previous year.



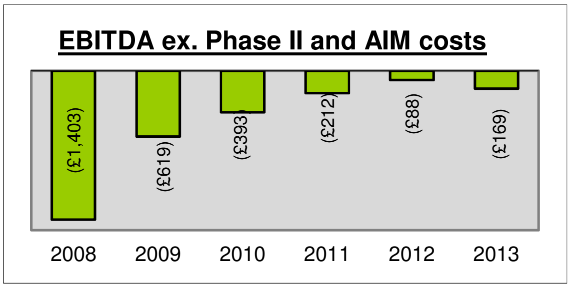
Daily Internet offers hosting services paid for on a variable subscription basis. Where the subscription is paid for on an annual basis, sales attributable to future periods are deferred. As such, revenue reported in the accounts is different from actual cash received. The Group's cash receipts for the year amounted to £1,550,000 compared to £1,503,000 for the previous year; an increase of 3%. The amount of cash received which has been deferred to future periods at 31 March 2013 is £307,000.

Marketing and staff costs represent the majority of our operating expenses. During 2013 we have continued to improve marketing efficiencies by using social media channels, improving our brand recognition and increasing our market reputation. Customer and other referrals are now a key driver for gaining new sales and customers; as such marketing spend for the year reduced by 16% to £187,000 and customer signups increased by 10% to a total of 67,000 by 31 March 2013.

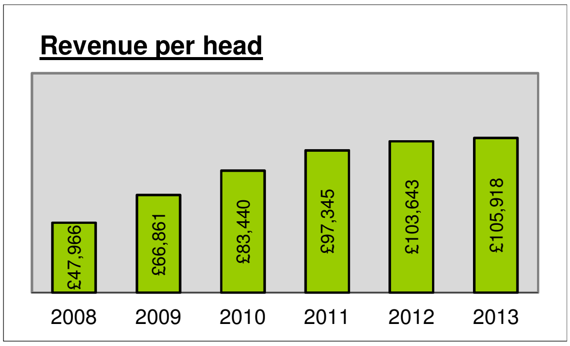


During the year the Group invested £278,000 in its Phase II project pre-launch, adding personnel within the Sales and Marketing and Customer Service departments, and in January 2013 launched a new Dedicated Server product range.

Gross profit for the year was £792,000 (2012: £756,000) representing a gross margin of 50.9% (2012: 52.1%). EBITDA* loss for the year to 31 March 2013 is reported in the financial statements at £705,000 (2012: £139.000). Included within this figure are additional costs of £278,000 (2012: £51,000) for Phase II development and £234,000 of AIM admission costs and share based payment costs of £24,000. The underlying EBITDA loss being £169,000 (2012: £88,000).



Focus on excellent customer service and continued systems improvements within the Group's established product set have driven increased revenue per operational head. In the coming year we aim to continue to drive additional new sales and maintain our renewal base without incurring additional staff costs



*EBITDA – Earnings before interest, taxation, depreciation and amortisation

Balance sheet and Treasury

The Group has continued to invest in its infrastructure during the year to 31 March 2013, having spent £242,000 during the year on the maintenance and expansion of its core products (2012: £124,000). The total investment at 31 March 2013 in the Group's tangible and intangible assets amounts to £1,053,000 (2012: £811,000), these are written down over time in accordance with the Company's depreciation policy and the net book value of these assets is reported at £330,000 (2012: £192,000).

Net cash outflow from operating activities during the year amounted to £680,000 (2012: £9,000). Of this amount £234,000 related to AIM listing costs and £278,000 related to pre-launch Phase II costs. Cash at bank at 31 March 2013 was ahead of plan at £373,000 (2012: £108,000). A facility of £580,000, which is available until 31 March 2015, has been arranged for working capital requirements, of which £405,000 has been utilised as at 31 March 2013. The Directors are confident that this amount is sufficient to allow the Group to continue its organic growth and to achieve an overall cashflow breakeven position in the current financial year. However, fundraising would be required should an acquisition target become available.

Payables falling due within one year are reported at £806,000 (2012: £709,000). This figure includes an amount of £307,000 (2012: £283,000) for deferred revenue which will be released to profit in future years.

Payables falling due after one year are reported at £792,000 (2012: £708,000). This includes an amount of £260,000 (2012: £269,000) representing the carrying value on convertible loan notes which were renewed on 9 January 2012 and the £405,000 loan facility referred to above.

Julie Joyce

Finance Director
27 September 2013

Board of Directors and Senior Managers

Board

John Michael Edelson – Non-Executive Chairman
Michael Edelson brings a wealth of experience as a Board Director to Daily Internet plc. He has been a Founder Director or Chairman of a number of companies admitted to the AIM market, including Prestbury Group plc, Knutsford Group plc, Mercury Recycling Group plc (now Ironveld plc) and ASOS PLC. He was a non-executive Chairman of Bramhall plc, subsequently renamed Magic Moments Internet plc and then Host Europe plc, which acquired Magic Moments Design Limited in September 1999, a company of which Abby Hardoon was one of the founding members. He has also been on the Board of Manchester United Football Club since 1982. Mr. Edelson's current directorships include being the non-executive chairman of Fastnet Oil and Gas plc, a company admitted to trading on AIM.

Abby Hardoon – Managing Director
Mr Hardoon, the founding shareholder of Daily Internet plc is a Business Administration graduate from George Washington University. He was a founder of NETDesign Limited and Magic Moments Internet plc. Following the admission of Magic Moments to trading on AIM in September 1999 he served as Chief Executive Officer. Under Mr Hardoon's leadership, that company acquired two other Hosting companies, WebFusion Internet Solutions Limited and One2One GmbH (now Host Europe GmbH). Mr Hardoon successfully grew the combined business organically into profitability until it was sold in April 2004 to PIPEX Communications plc for over £31 million.

Julie Joyce - Finance Director
Mrs. Joyce is a Fellow of the Chartered Association of Certified Accountants. She was employed as Finance Manager of WebFusion Internet Solutions Limited, an internet hosting company which was bought by Magic Moments Internet plc in May 2000. She became Group Financial Controller for Host Europe plc and its Group companies following its acquisition of WebFusion Internet Solutions Limited and continued in this role for the SME hosting division of PIPEX Communications plc after the sale to PIPEX in April 2004. She also has extensive auditing and private practice experience, having spent ten years in this sector prior to her move into commerce and industry.

Robert Khalastchy - Non-Executive Director
Mr Khalastchy is a graduate from the University of Sussex where he received a Bachelor's degree in Electronic Engineering. For the past 20 years he has been involved in commercial property management working with high net worth overseas clients, assisting in the management of their total UK portfolio and various planning applications, as well as the day to day management of the portfolio. In 2001 he set up RK Management Limited, a commercial property management company handling a portfolio in excess of £35 million. In 2012 he set up Sterling Property Management, a residential block property management company which manages several prestigious blocks in Central and West London.

Senior Managers

Alison Curry-Taylor - Operations Director
Mrs Curry-Taylor worked with WebFusion Internet Solutions Limited from formation and continued to work for Host Europe plc post-acquisition. During her tenure with both companies, she successfully directed the growth of the SME hosting business unit and was responsible for delivering several key projects and products.

Simon Amor - Research & Development Director
Mr Amor worked with WebFusion Internet Solutions Limited and Host Europe plc for nearly 6 years. He was pivotal in the development of the major systems deployed by Host Europe plc. In addition to his technical contribution to Host Europe, he also successfully managed the Research and Development team.

Report of the Directors

The Directors present their Annual Report and Audited Financial Statements for the year ended 31 March 2013.

Principal Activities

The principal activities of the Group during the year were the provision of web hosting, e-mail and domain name registration services.

Business Review and Future Developments

A review of the Group's operations and performance during the financial year, setting out the position at the year end, significant changes in the year and providing an indication of the outlook for the future is contained in the Chairman's Statement on page 3 and the Operational and Financial Review on pages 4 to 5.

Principal risks and uncertainty

In line with the nature, size and complexity of the business the senior management team work very closely to identify and evaluate areas of risk, and to develop and monitor action plans to deal with any potential threats. All outcomes are reported to the Board and support is given as necessary to ensure actions are carried out.

Identifiable areas of risk include:

- Dependency on key suppliers – the Group is dependent on certain key suppliers for the continued operation of its business, the most significant of which are the supply of third party software and datacentre services. If any of these suppliers fail in the provision of these services this could have an adverse effect on the Group's ability to provide services to its customers. However, the Group continually assess suppliers for both price competitiveness and technical innovation and are confident that alternative providers could be found.

- Customer retention – due to its subscription model the Group has a high level of recurring revenue. Any diminution in service levels could impact customer retention levels. However, the Group constantly monitors service levels and the low level of customer attrition is evidence of the Group's ability to provide the level of service required.

- Employees – the Group is a service organisation and as such, is dependent on the skills, knowledge and commitment of its staff. The performance of the Group is dependent on retaining its staff. We mitigate this risk by offering competitive reward packages.

Political and charitable donations

The Company made no political or charitable donations during the year but the Group supports charities through the provision of discounted services.

Results and Dividends

The Consolidated Statement of Comprehensive Income for the year is set out on page 14. The Directors do not propose the payment of a Dividend for the year ended 31 March 2013.

Directors

The Directors of the Company who held office during the year are as follows:

- Michael Edelson — Chairman
- Abby Hardoon — Managing Director
- Julie Joyce — Finance Director
- Robert Khalastchy — Non-Executive Director

The interests of current Directors in shares and options are detailed in the Directors' Remuneration Report on page 9 and 10.

Significant Shareholdings

As of 26 September 2013 the Company has been notified of the following significant shareholdings:

Significant holdings of ordinary shares of 0.5P	%
Abby Hardoon Adulayavichit	17.01%
Ferlim Nominees Limited	10.36%
Cheviot Capital (Nominees) Ltd	6.69%
Hargreaves Lansdown (Nominees) Limited	6.26%
A Morton	5.73%
Mr John Thompson	5.21%
Loeb Aron & Company Ltd	4.90%
Pentagon Sterling Satellite Fund Limited	3.78%
Mr John Michael Edelson	3.22%
W B Nominees Limited	3.15%

Report of the Directors continued

Corporate Governance

The directors recognise the importance of sound corporate governance. The directors comply with the main provisions of the QCA Corporate Governance Guidelines for smaller quoted companies, insofar as is possible and appropriate, given the size and nature of the company.

The directors seek to reconcile the need for good corporate governance with an appropriately costed board structure which is appropriate for the group in its current state.

The board monitors and evaluates performance of individuals via financial and non-financial targets. Performance of the group is evaluated by review of monthly results against budget, together with understanding of significant variances and updates of expectations for the year.

Employees

It is the policy of the Group that there should be no unfair discrimination in recruiting and promoting staff, including applicants who are disabled. The Directors are committed to maintaining and developing communication and consultation processes with employees, who in turn are encouraged to develop an awareness of the issues affecting the Group. The Directors place considerable emphasis on employees sharing in the success of the Group. This is achieved through the participation in share option schemes. Due to the nature and size of the business, employees are constantly encouraged to communicate with the Group's senior management to discuss business issues and potential improvements.

Supplier Payment Policy

It is the Group's policy to settle debts with its suppliers, in the absence of any dispute, in accordance with the terms and conditions agreed with each supplier. The average number of supplier days outstanding at 31 March 2013 based on the amounts invoiced by suppliers during the financial year was 51 days (2012: 45 days).

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going Concern

The Directors have reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future. For this reason they adopt the going concern basis for preparing the financial statements.

Annual General Meeting

The Annual General Meeting will be held on 25 October 2013 at 10.00 am at The Company's registered office at Number 14 Riverview Vale Road, Heaton Mersey, Stockport, Cheshire, SK4 3GN.

The full wording of the resolutions to be tabled at the forthcoming Annual General Meeting is set out in the notice of the meeting on pages 48 to 50 and includes a special resolution to adopt new articles of association in an updated form suitable for a Company admitted to trading on AIM.

Auditors

PKF (UK) LLP have merged their business into BDO LLP and accordingly have signed their auditor's report in the name of the merged firm. A resolution to appoint BDO LLP as auditors of the company will be put to the Annual General Meeting.

By order of the board

Julie Joyce

Finance Director
27 September 2013

Directors' Remuneration Report

Introduction

Whilst the Group is not obliged to comply with the Directors' Remuneration Report Regulations 2007, the Directors have agreed to adopt the ethos of those regulations and to disclose information relating to the current Directors.

The report is not subject to audit and a resolution to approve it will be proposed at the Company's Annual General Meeting.

Remuneration Policy

The Group has a policy to attract, motivate and reward individuals of the highest calibre who are committed to growing the value of the business and to maximising returns to shareholders.

The policy is as relevant to Executive Directors as it is to employees, as we aim to reward Executive Directors and senior employees aligned to the performance of the Group.

The remuneration structure for all employees considers remuneration rates of competitors to ensure continuity and commitment.

Directors' Service Contracts

Copies of Directors' service contracts will be available for inspection at the Annual General Meeting.

Pension Arrangements

The Group does not operate a final salary pension scheme. Executive Directors who are entitled to receive pension contributions may nominate a defined contribution scheme into which the Company makes payments on their behalf.

Directors' Remuneration

A summary of the total remuneration paid to current Directors is set out below:

	2013			2012		
	Salary £000	Benefits in kind £000	Total £000	Salary £000	Benefits in kind £000	Total £000
Michael Edelson	36	-	36	36	-	36
Abby Hardoon	56	4	60	3	2	5
Julie Joyce	86	2	88	74	2	76
Robert Khalastchy	6	-	6	6	-	6

There were no pension contributions within the year.

DAILY

Directors' Remuneration Report continued

Directors' Interests in Ordinary Shares of Daily Internet plc

The Directors in office at the end of the year had interests in the ordinary share capital of the company as shown below:

	Number of Ordinary Shares	Percentage Interest
Michael Edelson	3,828,571	3.22%
Abby Hardoon	20,233,627	17.01%
Julie Joyce	150,000	0.13%
Robert Khalastchy	253,846	0.21%

Directors' Interests in Share Options

The Directors had interests in options over ordinary shares of the Company at the end of the year as shown below:

Employee	Options over ordinary shares Total	Grant Date	Expiry Date
Michael Edelson	-	-	-
Abby Hardoon	900,000	19-12-2013	18-12-2023
Julie Joyce	1,000,000	19-12-2013	18-12-2023
Robert Khalastchy	300,000	19-12-2013	18-12-2023

Directors' Warrants

The Directors held the following warrants over the ordinary shares of the Company at the end of the year as follows:

Employee	Exercise price	No. of Warrants	Grant Date	Expiry Date
Michael Edelson	5p	100,000	09.01.12	08.01.22

Mr Edelson's warrants are exercisable at any time before 8 January 2022, provided that the Company may require the exercise of these warrants if its shares are traded at a price in excess of 8p per share for a period of 60 business days and an aggregate value of bargains exceeding £60,000 occurs over that period.

Directors' Responsibilities

The Directors are responsible for preparing the Report of the Director's 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 Group and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and Company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

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 they have been prepared in accordance with IFRSs as adopted by the European Union, 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 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 requirements of 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.

Website publication

The Directors are responsible for ensuring the annual report and the Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAILY INTERNET PLC

We have audited the financial statements of Daily Internet PLC for the year ended 31 March 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 Statement of Directors' Responsibilities, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 March 2013 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAILY INTERNET PLC continued

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.

Donald Bancroft (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
3 Hardman Street
Manchester
M3 3AT
United Kingdom

27 September 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Consolidated Statement of Comprehensive Income

for the Year Ended 31 March 2013

	Notes	2013 Group £,000	2012 Group £,000
Revenue	**4**	1,557	1,451
Cost of sales		(765)	(695)
Gross profit		792	756
Administration expenses before amortisation, depreciation, Phase II costs and share based payments		961	844
Depreciation and other amortisation		104	68
Phase II costs	7	278	51
AIM admission costs		234	-
Share based payments		24	-
Administrative expenses	**5**	(1,601)	(963)
Loss from operations		(809)	(207)
Finance costs	**6**	(91)	(63)
Loss before taxation		(900)	(270)
Taxation	**10**	-	-
Total comprehensive loss attributable to the equity holders of the company		**(900)**	**(270)**
Basic and fully diluted loss per share	**9**	£0.011	£0.004

The Group's results are derived from continuing operations.

The accompanying notes form an integral part of this consolidated statement of comprehensive income.

Consolidated Statement of Financial Position as at 31 March 2013

	Notes	2013 Group £,000	2012 Group £,000
Assets			
Non-current assets			
Goodwill	**11**	392	392
Intangible assets	**11**	-	9
Property, plant and equipment	**12**	330	183
		722	584
Current assets			
Trade and other receivables	**14**	49	47
Cash and cash equivalents		373	108
		422	155
Total Assets		**1,144**	**739**
Equity and Liabilities			
Equity attributable to the equity shareholders of the parent			
Called up share capital	**18**	595	313
Share premium reserve		3,438	2,629
Other reserve		173	242
Retained losses		(4,660)	(3,862)
		(454)	(678)
Non-current liabilities			
Obligations under finance leases	**17**	127	34
Convertible loan notes	**15**	260	269
Other loans	**15**	405	405
		792	708
Current liabilities			
Trade and other payables	**15**	730	687
Obligations under finance leases	**17**	76	22
		806	709
Total Equity and Liabilities		**1,144**	**739**

The financial statements on pages 14 to 20 were approved by the Board and authorised for issue on 27 September 2013

J. Joyce
Director

Registered number 06172239

Company Statement of Financial Position as at 31 March 2013

	Notes	2013 Company £,000	2012 Company £,000
Assets			
Non-current assets			
Investments	**13**	1,264	1,722
Amounts due from subsidiary undertakings	**14**	134	2,324
		1,389	4,046
Current assets			
Trade and other receivables	**14**	12	23
Cash and cash equivalents		277	1
		289	24
Total Assets		**1,687**	**4,070**
Equity and Liabilities			
Equity attributable to the equity shareholders of the parent			
Called up share capital	**18**	595	313
Share premium reserve		3,438	2,629
Other reserve		173	102
Retained losses		(4,157)	(524)
		49	2,520
Non-current liabilities			
Amounts due from subsidiary undertakings	**15**	860	860
Convertible loan note	**15**	260	269
Other loans	**15**	405	405
		1,525	1,534
Current liabilities			
Trade and other payables	**15**	113	16
		113	16
Total Equity and Liabilities		**1,687**	**4,070**

The financial statements on pages 14 to 20 were approved by the Board and authorised for issue on 27 September 2013

J. Joyce
Director

Registered number 06172239

Consolidated Statement of Changes in Equity

for the Year Ended 31 March 2013

	Attributable to equity holders of the parent				
	Share capital £000	Share premium reserve £000	Other reserve £000	Retained losses £000	Total £000
At 1 April 2011	**305**	**2,600**	**242**	**(3,592)**	**(445)**
Loss and total comprehensive income for the year	-	-	-	(270)	(270)
Issue of share capital	8	29	-	-	37
At 1 April 2012	**313**	**2,629**	**242**	**(3,862)**	**(678)**
Loss and total comprehensive income for the period	-	-	-	(900)	(900)
Issue of share capital	282	866	-	-	1,148
Expenses of share issue	-	(57)	-	-	(57)
Movement in share option reserve	-	-	(78)	102	24
Equity element of convertible loan note	-	-	9	-	9
At 31 March 2013	**595**	**3,438**	**173**	**(4,660)**	**(454)**

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share Premium Reserve	Amount subscribed for share capital in excess of nominal values.
Other Reserve	Amount reserved for share based payments to be released over the life of the instruments and the equity element of convertible loan notes.
Retained losses	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Company Statement of Changes in Equity

for the Year Ended 31 March 2013

	Share capital £000	Share premium reserve £000	Other reserve £000	Retained losses £000	Total £000
	Attributable to equity holders of the Company				
At 1 April 2011	**305**	**2,600**	**102**	**(424)**	**2,583**
Loss and total comprehensive income for the year	-	-	-	(100)	(100)
Issue of share capital	8	29	-	-	37
At 1 April 2012	**313**	**2,629**	**102**	**(524)**	**2,520**
Loss and total comprehensive income for the period	-	-	-	(3,735)	(3,735)
Issue of share capital	282	866	-	-	1,148
Movement in share option reserve	-	-	62	102	164
Expenses of share issue	-	(57)	-	-	(57)
Equity element of convertible loan note	-	-	9	-	9
At 31 March 2013	**595**	**3,438**	**173**	**(4,157)**	**49**

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share Premium Reserve	Amount subscribed for share capital in excess of nominal values.
Other Reserve	Amount reserved for share based payments to be released over the life of the instruments and the equity element of convertible loan notes.
Retained losses	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Consolidated Statement of Cash Flows

for the Year Ended 31 March 2013

	2013 Group £000	2012 Group £000
Cash flows used in operating activities		
Loss generated from operations	(809)	(207)
Adjustments for:		
Depreciation and other amortisation	104	68
Share based payments	24	-
Operating cash flows before movement in working capital	(681)	(139)
(Increase) in trade and other receivables	(2)	(20)
Increase in trade and other payables	3	150
Net cash used in operating activities	(680)	(9)
Cash flows from investing activities		
Payments to acquire property, plant & equipment	(242)	(124)
Net cash used in investing activities	(242)	(124)
Cash flows from financing activities		
Issue of ordinary share capital	1,091	37
Drawdown of loan facility	-	130
Interest paid	(5)	(36)
Loan note interest paid	(26)	(24)
Interest element of finance lease payments	(20)	(3)
Capital repayment of finance leases	(54)	(13)
New lease finance secured on assets	201	51
Net cash from financing activities	1,187	142
Net increase in cash and cash equivalents	265	9
Cash and cash equivalents at the beginning of the year	108	99
Cash and cash equivalents at the end of the year	**373**	**108**

Company Statement of Cash Flows

for the Year Ended 31 March 2013

	2013 Company £000	2012 Company £000
Cash flows used in operating activities		
Loss generated from operations	(3,211)	(76)
Adjustments for:		
Share based payments	7	-
Impairment in amounts owed by subsidiary undertakings	2,809	-
Operating cash flows before movement in working capital	(395)	(76)
Decrease (Increase) in trade and other receivables	11	(18)
Increase (Decrease) in trade and other payables	57	(3)
Net cash used in operating activities	(327)	(97)
Cash flows from investing activities		
Payments to Subsidiary Company	(462)	(49)
Net cash used in investing activities	(462)	(49)
Cash flows from financing activities		
Issue of ordinary share capital	1,091	37
Drawdown of loan facility	-	130
Loan note interest paid	(26)	(24)
Net cash from financing activities	1,065	143
Net increase in cash and cash equivalents	276	(3)
Cash and cash equivalents at the beginning of the year	1	4
Cash and cash equivalents at the end of the year	**277**	**1**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

1 Accounting policies

Basis of preparation

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and as applied in accordance with the Companies Act 2006. This is the first year adoption of IFRS for both the Group and the Company. The reconciliation of accounting policies between UK GAAP and IFRS can be seen in note 23.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the Financial Statements and their effect are disclosed in note 2.

Going concern

The Directors have prepared the Financial Statements on a going concern basis which assumes that the group and the company will continue to meet liabilities as they fall due.

The directors have reviewed forecasts prepared 12 months ending 30 September 2014 and considered the projected trading forecasts and resultant cash flows together with confirmed loan facilities and other sources of finance.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group can continue to operate within the current facilities available to it.

The Directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Changes in accounting policies

a. New standards, interpretations and amendments, effective from 1 April 2012:

    None of the new standards, interpretations and amendments, effective for the first time from 1 April 2012, have had a material effect on the financial statements.

b. New standards, interpretations and amendments not yet effective:

    The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Group's future financial statements:

        IFRS 9 Financial Instruments – effective from 1 January 2015 proposes the introduction of a fair value through other comprehensive income (FVOCI) measurement category for simple debt instruments. In this measurement category, the statement of financial position will reflect the fair value carrying amount while amortised cost information is presented in profit or loss. The difference between the fair value and amortised cost information will be recognised in other comprehensive income (OCI).

    None of the other new standards, interpretations and amendments, which are effective for periods beginning after 1 April 2012 and which have not been adopted early, are expected to have a material effect on the Group's future financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2013 continued

1 Accounting policies continued

Revenue

Revenue represents the fair value of amounts received or receivable for goods and services provided net of trade discounts and VAT. Revenue from the sale of domain name registrations is recognised when the domain name is registered or renewed. Revenue from value added services is recognised as these services are delivered. Revenue from hosting services is recognised over the life of each contract.

Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiary undertakings made up to 31 March 2013. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the Consolidated Statement of Comprehensive Income from the date of acquisition or up to the date of disposal. Intra Group sales and profits are eliminated fully on consolidation. Under Section 408(4) of the Companies Act 2006 the Company is exempt from the requirement to present its own Statement of Comprehensive Income.

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the consolidated statement of comprehensive income.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Trade receivables are minimal as the Group operates a cash on delivery model for recurring subscriptions. An impairment provision will be recognised if there is evidence that the amount is irrecoverable and will be shown in administrative expenses in the Consolidated Statement of Comprehensive Income. Cash and cash equivalents includes cash in hand, deposits held at call with banks.

1 Accounting policies continued

Financial liabilities

The Group does not hold liabilities for trading nor has it designated any financial liabilities as being at fair value through profit or loss. The Group's financial liabilities include trade and other payables and loans. The treatment of finance leases and convertible debt are shown below.

Share Capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Other reserve" within shareholders' equity, net of income tax effects.

Share based payments

The fair value of employee options granted is charged to the consolidated statement of comprehensive income with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received. The fair value of the options granted is measured using the Black Scholes pricing model, taking into account the terms and conditions upon which the options were granted.

Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in payables net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Investment in subsidiaries

Fixed asset investments in the Parent Company are shown at cost less provision for impairment.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013 continued

1 Accounting policies continued

Research and Development

Research expenditure is written off to the consolidated statement of comprehensive income in the year in which the expenditure occurs. Development expenditure is treated in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects, there is an intention to complete and sell the product and the costs can be easily measurable. In this situation, the expenditure is capitalised and amortised expense is included in administrative expenses in the Consolidated Statement of Comprehensive Income over the years during which the company is to benefit.

Deferred Taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has 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 on either:

- the same taxable group company; or
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Property plant and equipment

Items of property, plant and equipment are stated at cost less depreciation. Depreciation is provided at annual rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Website design	33.3% straight line
Furniture and equipment	20% – 33.3% reducing balance

2 Significant accounting estimates and judgements

The preparation of this financial information requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the period end date and the amounts reported for revenues and expenses during each period. However the nature of estimation means that actual outcomes could differ from those estimates.

In applying the Group's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial information.

Deferred tax assets

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits. No deferred tax asset has been recognised in the period covered by the financial information.

Share-based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Judgement is required in determining the most appropriate valuation model and the most appropriate inputs into the model including the level of volatility, the number of options which are expected to vest and the expected life of the option. Further information is given in Note 8.

Research and Development Expenditure

The Board uses its judgement in the assessment of the extent, if any, to which expenditure is identified as development expenditure rather than research expenditure.

Impairment of goodwill

The Group tests goodwill for impairment on an annual basis in line with the accounting policy noted above. This involves judgement regarding the future development of the business and the estimation of the level of future profitability and cash flows to support the carrying value of goodwill.

Impairment of other assets

The Group reviews the carrying value of all other assets for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount.

3 Financial instruments – risk management

The Group's financial instruments comprise cash and liquid resources, convertible bonds and various items such as trade receivables and trade payables that arise directly from its operations.

There have been no substantive changes in the Group's objectives, policies and processes for managing those risks or the methods used to measure them from previous periods.

The Group's objective is to ensure adequate funding for continued growth and expansion.

All of the Group's financial instruments are carried at amortised cost. There is no material difference between the carrying and fair value of its financial instruments, in the current or prior year, due to the instruments bearing interest at floating rates or being of short term nature.

A summary of financial instruments held by category is shown below:

	Group		Company	
	Loans and receivables		Loans and receivables	
Financial assets	**2013 £'000**	**2012 £'000**	**2013 £'000**	**2012 £'000**
Cash and cash equivalents	373	108	277	1
Trade and other receivables	2	-	4	2
Total financial assets	**375**	**108**	**281**	**3**

	Group		Company	
	Financial liabilities at amortised cost		Financial liabilities at amortised cost	
Financial liabilities	**2013 £'000**	**2012 £'000**	**2013 £'000**	**2012 £'000**
Trade and other payables	313	343	20	10
Loans and other borrowings	665	674	665	674
Total financial liabilities	**978**	**1,017**	**685**	**684**

The Group and Company activities expose it to a number of risks such as interest rate risk, liquidity risk and credit risk.

The Group's overall risk management programme seeks to minimise the potential adverse effects on the Group's financial performance. The Board, on a regular basis, reviews key risks and, where appropriate, actions are taken to mitigate the key risks identified.

3 Financial instruments – risk management continued

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to prepare periodic working capital forecasts, allowing an assessment of the cash requirements of the Group and Company, to manage liquidity risk. Cash resources are managed in accordance with planned expenditure forecasts and the directors have regard to the maintenance of sufficient cash resources to fund the Group and Company's immediate operating requirements and capital expenditure.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

Group At 31st March 2013	up to 3 months £,000	Between 3 and 12 months £,000	Between 1 and 2 years £,000	Between 2 and 5 years £,000	Over 5 years £,000
Trade and other payables	313	-	-	-	-
Loans and borrowings	-	-	665	-	-
	313	-	665	-	-

Group At 31st March 2012	up to 3 months £,000	Between 3 and 12 months £,000	Between 1 and 2 years £,000	Between 2 and 5 years £,000	Over 5 years £,000
Trade and other payables	343	-	-	-	-
Loans and borrowings	-	-	-	674	-
	343	-	-	674	-

Company At 31st March 2013	up to 3 months £,000	Between 3 and 12 months £,000	Between 1 and 2 years £,000	Between 2 and 5 years £,000	Over 5 years £,000
Trade and other payables	20	-	-	-	-
Loans and borrowings	-	-	665	-	-
	20	-	665	-	-

Company At 31st March 2012	up to 3 months £,000	Between 3 and 12 months £,000	Between 1 and 2 years £,000	Between 2 and 5 years £,000	Over 5 years £,000
Trade and other payables	10	-	-	-	-
Loans and borrowings	-	-	-	674	-
	10	-	-	674	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013 continued

3 Financial instruments – risk management continued

Interest rate risk

The Group seeks to minimise exposure to interest rate risk by borrowing at fixed interest rates.

Credit risk

The Group's exposure to credit risk is limited as the majority of services provided are under terms whereby payment is due on delivery or in advance of services provided. For cash and cash equivalents, the Group only uses recognised banks with high credit ratings.

Capital Disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, share premium, non-controlling interest, retained earnings, and revaluation reserve).

The Group's objective when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can provide returns for shareholders in future periods and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

4 Revenue and segmentation

Revenue, all of which arises from the Group's principal activity, is generated using a common infrastructure and support function, therefore in the opinion of the Directors its activities constitute one operating segment which can be analysed into its main revenue service streams as follows:

	2013 £'000	2013 %	2012 £'000	2012 %
Revenue by Service				
Domain Names	786	50.5%	720	49.6%
Hosting	688	44.2%	659	45.4%
Other	83	5.3%	72	5.0%
	1,557	**100%**	**1,451**	**100%**

The Group's operating loss, assets and liabilities cannot be accurately allocated to the services shown above as these services are operated by a fully integrated and inseparable infrastructure.

4 Revenue and segmentation – continued

The Group operates out of the UK and sells services to the following geographical locations.

	2013 £'000	2013 %	2012 £'000	2012 %
UK	1,495	96.0%	1,378	95.0%
Europe	28	1.8%	27	1.9%
Rest of World	34	2.2%	46	3.2%
	1,557	**100%**	**1,451**	**100%**

The chief operating decision maker for the Group is the Board of Directors.

5 Expenses

		2013 £,000	2012 £,000
Auditor's remuneration:			
Group:	Audit	15	15
	Taxation - compliance	2	2
	Corporate finance	38	-
	Other advisory	3	-
Company:	Audit	3	4
Depreciation of tangible fixed assets:			
Owned		44	40
Held under finance leases		51	9
Amortisation of Intangible assets		9	19
Share based payments		24	-
Staff costs including Phase II costs		794	463
Rentals payable under operating leases		28	28
Marketing costs		187	224
AIM admission costs		234	-
Other administrative costs		169	178
Total administrative expenses		**1,601**	**982**

6 Finance expense

	2013 £,000	2012 £,000
Interest payable on finance leases	20	3
Interest payable on loan notes	26	24
Other Interest payable	45	36
	91	**63**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013 continued

7 Staff numbers and costs

The average number of full time persons employed by the Group, including executive Directors during the year was:

	2013	2012
Research and Development	6	4
Technical Support	6	5
Sales and Marketing	3	2
Executive and Administration	4	3
	19	**14**

The aggregate payroll costs including executive Directors were as follows:

	2013 £,000	2012 £,000
Wages and salaries	692	415
Social security costs	70	42
Benefits in kind	8	6
Share based payment expense	24	-
	794	**463**

Included within payroll costs of £794,000 are Phase II costs which represent investment and retention of key members of staff to enable the Group to develop, support and market products that complete a full portfolio of hosting products.

Key Management Personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the Company listed on page-6.

	2013 £,000	2012 £,000
Fees and salaries	184	119
Benefits in kind	6	4
Share based payment expense	15	-
	205	**123**

The emoluments of the highest paid director Mrs Julie Joyce were £88,000 (2012 £76,000).

Mr Michael Edelson exercised options over 714,286 ordinary share at a price of £0.007 per share during the period upon admission to AIM in January 2013. Here was no gain on exercise of the options.

The Group does not operate a defined benefits pension scheme and executive Directors who are entitled to receive pension contributions may nominate a defined contribution scheme into which the Company makes pension contributions. No pensions contributions been made in 2013 or 2012.

The fees relating to non-executive Directors are in some cases payable to third parties in connection with the provision of their services.

8 Share based payments and warrants

The Company has granted a number of EMI options. The Directors have the discretion to grant options to subscribe for ordinary shares up to a maximum of 10 per cent of the Company's issued share capital. Options can be granted to any employee of the Group. There is no performance criteria associated with the options. The weighted average exercise price is 2p per share. During the year staff options granted in 2008 were cancelled and new options granted in replacement. There are 2,300,000 options granted to certain of the directors and company secretary.

Rights to options over ordinary shares of the Company are summarised as follows:

			No. of Ordinary Shares				
Grant date	**Exercise period**	**Exercise price**	**At 31 March 2012**	**Granted**	**Exercised**	**Waived**	**At 31 March 2013**
25-May-07	25 May 2010 to 24 May 2017	2.5p	38,462	-	-	(38,462)	-
25-May-07	25 May 2010 to 24 May 2017	5p	38,462	-	-	(38,462)	-
25-May-07	25 May 2010 to 24 May 2017	10p	76,924	-	-	(76,924)	-
25-May-07	25 May 2010 to 24 May 2017	15p	423,077	-	-	(423,077)	-
25-May-07	25 May 2010 to 24 May 2017	20p	192,307	-	-	(192,307)	-
24-Aug-07	24 Aug 2010 to 23 Aug 2017	5p	25,000	-	-	(25,000)	-
24-Aug-07	24 Aug 2010 to 23 Aug 2017	10p	25,000	-	-	(25,000)	-
24-Aug-07	24 Aug 2010 to 23 Aug 2017	15p	200,000	-	-	(200,000)	-
24-Aug-07	24 Aug 2010 to 23 Aug 2017	20p	100,000	-	-	(100,000)	-
24-Aug-07	24 Aug 2010 to 23 Aug 2014	5p	15,000	-	-	(15,000)	-
24-Aug-07	24 Aug 2010 to 23 Aug 2014	10p	5,000	-	-	(5,000)	-
24-Aug-07	24 Aug 2010 to 23 Aug 2014	15p	350,000	-	-	(350,000)	-
24-Aug-07	24 Aug 2010 to 23 Aug 2014	20p	200,000	-	-	(200,000)	-
24-Aug-07	31 July 2007 to 30 July 2017	0.7p	2,321,428	-	(2,232,142)	-	89,286
19-Dec-12	19 Dec 2012 to 18 Dec 2022	2p	-	4,250,000	-	-	4,250,000
			4,010,660	4,250,000	(2,232,142)	(1,689,232)	4,339,286

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013 continued

8 Share based payments and warrants continued

The options have been valued, using the Black Scholes method, using the following assumptions:

Number of instruments granted	89,286	4,250,000
Grant date	23-Mar-09	19-Dec-12
Expiry date	30-Jul-17	18-Dec-12
Contract term (years)	8.2	10
Exercise price	0.7p	2p
Share price at granting	5p	2.5p
Annual risk free rate (%)	5%	0.5%
Annual expected dividend yield (%)	0%	0%
Volatility (%)	50%	40%
Fair value per grant instrument	0.46p	1.36p

The inputs to the share valuation model utilised at the grant of option is shown in the tables above. Management has determined volatility using their knowledge of the business.

Share Warrants

At 31 March 2013 there were 11,869,500 outstanding warrants to subscribe for the ordinary share capital of the Company as follows:

		No. of Warrants and Exercise price		
Grant date	**Expiry Date**	**5p**	**10p**	**Total**
11.03.08 *	10.03.15	-	3,469,500	3,469,500
09.01.12 **	08.01.22	5,600,000	-	5,600,000

The shares will have the same dividend and voting rights as the existing ordinary shares in issue. The fair value of arranger warrants* has been calculated at 2.8p based on the following assumptions - share price at granting 6p, annual risk free rate 5%, volatility 50%.
The fair value of the convertible loan warrants ** has been calculated at 0.009p based on the following assumptions – share price at granting 1.25p, annual risk free rate 0.5%, volatility 20%. No provision has been made for the convertible loan note warrants in shared based payments.

9 Loss per share

	2013	**2012**
Loss for the financial year attributable to shareholders	£900,000	£270,000
Weighted number of equity shares in issue	84,800,825	61,403,002
Basic/diluted loss per share	£0.011	£0.004

Since the conversion of potential ordinary shares to ordinary shares would decrease the net loss per share, they are not dilutive. Accordingly diluted loss per share is the same as basic loss per share.

10 Taxation

	2013 £,000	2012 £,000
Current tax charge	**-**	**-**
Deferred tax		
Timing differences	-	-
Total tax charge	**-**	**-**
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(900)	(270)
Loss on ordinary activities before taxation multiplied by the Standard rate of UK corporation tax of 24% (2012:26%)	(216)	(70)
Effects of:		
Tax losses	216	70
Total tax charge	**-**	**-**

There is no tax charge for any periods reported due to losses arising. The Directors have not provided for the potential deferred tax asset due to the uncertainty of future taxable profits. The tax losses available were approximately £3,760,000 at 31 March 2013 (2012: £3,334,000). The deferred tax asset on these tax losses at 24% (2012: 26%) of £902,000 (2012: £867,000) has not been recognised due to the uncertainty of the recovery.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013 continued

11 Intangible assets

Group	Website Cost £,000	Development Cost £,000	Positive Goodwill £,000	Total £,000
Cost				
At 1 April 2011	166	232	392	790
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2012	166	232	392	790
At 1 April 2012	166	232	392	790
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2013	166	232	392	790
Accumulated amortisation and impairment				
At 1 April 2011	166	204	-	370
On disposals	-	-	-	-
Charge for the year	-	19	-	19
At 31 March 2012	166	223	-	389
At 1 April 2012	166	223	-	389
On disposals	-	-	-	
Charge for the year	-	9	-	9
At 31 March 2013	166	232	-	398
Net book value				
At 1 April 2011	-	28	392	420
At 31 March 2012	-	9	392	401
At 31 March 2013	-	-	392	392

The Company held no Intangible assets at 31 March 2013 or 31 March 2012.

11 Intangible assets – continued

All amortisation and impairment charges are included in the depreciation, amortisation and impairment of non-financial assets classification, which is disclosed as administrative expenses in the statement of comprehensive income.

During the year, goodwill was reviewed for impairment in accordance with IAS 36 “Impairment of Assets”. No impairment charges arose as a result of this review.

The recoverable amount is determined based on discounted cash flow basis and relates to one CGU. The calculation uses pre-tax cash flow projections based on financial budgets approved by the Board covering a two-year period. Cash flows beyond the two-year period are extrapolated using the estimated growth rates stated below. The growth rates and margins used to estimate future performance are based on past performance and the experience of growth rates.

The assumptions used for the impairment reviews are as follows

	Assumptions
Discount rate	15%
Growth rate year 2 to year 5	7%
Terminal growth rate	5%
Forecast period for which cashflows are estimated	2 years

The Group had no contractual liability for development costs at 31st March 2013.

12 Property Plant and Equipment

Group	Furniture and equipment £,000	Total £,000
Cost		
At 1 April 2011	291	291
Additions	124	124
Disposals	(2)	(2)
At 31 March 2012	413	413
At 1 April 2012	413	413
Additions	242	242
Disposals	-	-
At 31 March 2013	655	655
Accumulated depreciation		
At 1 April 2011	183	183
On disposals	(2)	(2)
Charge for the year	49	49
At 31 March 2012	230	230
At 1 April 2012	230	230
On disposals	-	-
Charge for the year	95	95
At 31 March 2013	325	325
Net book value		
At 1 April 2011	108	108
At 31 March 2012	183	183
At 31 March 2013	330	330

Included in the net book value of £330,000 (2012:£183,000) for furniture and equipment are assets held under finance leases with a NBV of £208,000 (2012:£66,000).

The depreciation for the year on these assets was £51,000 (2012:£9,000).

The Company held no property, plant or equipment at 31 March 2013 or 31 March 2012.

13 Investments

	Company 2013 £,000	Company 2012 £,000
Investment in Subsidiaries		
At 1 April 2012	1,722	1722
Additions	-	-
Impairment	(458)	-
Cost 31 March 2013	1,264	1,722

The Company's subsidiary undertakings all of which are wholly owned and included in the consolidated accounts are:

Undertakings	Registration	Principal activity
Daily Internet Services Limited	England	Web hosting and domain name registration
Lambolle Partners plc	England	Investment Company

The recoverable amounts have been determined from discounted cash flow calculations based on cash flow projections from approved budgets covering a two year period to 31 March 2015. The major assumptions can be seen in note 11. This consequently resulted in an impairment of £458,000 in the year.
Lambolle Partners PLC is a dormant Company and therefore exempt from audit.

14 Trade and other receivables

	Group 2013 £,000	Company 2013 £,000	Group 2012 £,000	Company 2012 £,000
Amounts due within one year:-				
Trade debtors	2	-	-	-
Other receivables	-	4	-	1
Prepayments and accrued income	47	8	47	22
	49	12	47	23
Amounts due after more than one year:-				
Amounts owed by subsidiary undertakings	-	134	-	2,324
	-	134	-	2,324
Total Receivables	**49**	**146**	**47**	**2,347**

15 Trade and other payables

Amounts falling due within one year	Group 2013 £,000	Company 2013 £,000	Group 2012 £,000	Company 2012 £,000
Trade payables	177	19	203	9
Corporation tax	-	-	-	-
Other taxes and social security costs	63	1	31	1
Other payables	73	-	109	-
Accruals and deferred income	417	93	344	6
	730	113	687	16

Amounts falling due after one year	Group 2013 £,000	Company 2013 £,000	Group 2012 £,000	Company 2012 £,000
Other loans	405	405	405	405
Amounts due to subsidiary undertakings	-	860	-	860
Convertible loan note (see note 16)	260	260	269	269
	665	1,525	674	1,534

The maturity of other debt is as follows:

Within one to three years	665	665	674	674
Over five years	-	860	-	860
	665	1,525	674	1,534

16 Loans and borrowings

The book value and fair value of loans and borrowings are as follows:

Non-Current	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Convertible Loan	260	260	269	269
Other loan	405	405	405	405
Finance lease creditor (see note 17)	127	-	34	-
	792	**665**	**708**	**674**

Current	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Finance lease creditor (see note 17)	76	-	22	-
	76	**0**	**22**	**-**

Loan facility

A loan facility of £580,000 has been arranged by the Group between Abby Hardoon, a director and major shareholder, John Thompson and Hawkstone Capital Limited. Interest is payable at a minimum rate of 10% and is repayable or convertible at a conversion price of 3p per share on 31st March 2015. The amount drawn down at 31 March 2013 is £405,000 (2012:£405,000).

Convertible Loan note

Fifty six £5,000 convertible loan notes were issued on 4 January 2012 which expire in 2015. The 2015 Loan Notes offer a rate of interest of 9 per cent and are convertible at a conversion price of 3p per share. The Company is able to redeem a minimum of £1,000 nominal value of each New Loan Note as cash flow allows by repaying the redeemed nominal value plus six months pro rata interest, subject to the relevant holders being entitled to convert such loan notes into ordinary shares in the capital of the Company at their election at 3p per share.

A warrant was also issued entitling the holder to subscribe for 100,000 ordinary shares at a price of 5p per share, exercisable at any time before 8 January 2022, provided that the Company may require the exercise of these warrants if its shares are traded at a price in excess of 8p per share for a period of 60 business days and an aggregate value of bargains exceeding £60,000 occurs over that period**.** The value of the convertible loan notes recognised in the balance sheet is calculated as follows:

	2013 £,000	2012 £,000
Face value	280	280
Costs of issue	(11)	(11)
Net proceeds	269	269
Equity component	(13)	-
Unwinding of liability	4	-
Liability component at 31 March 2013	260	269

17 Leases

Group finance leases

Future lease payments are due as follows:

	Minimum lease payments 2012 £,000	Interest 2012 £,000	Present value 2012 £,000
Not later than one year	31	9	22
Later than one year and not later than 5 years	40	6	34
Later than 5 years	-	-	-
	71	15	56

	Minimum lease payments 2013 £,000	Interest 2013 £,000	Present value 2013 £,000
Not later than one year	109	33	76
Later than one year and not later than 5 years	146	19	127
Later than 5 years	-	-	-
	255	52	203

The Company has no finance leases.

Group operating leases

The total future value of minimum lease payments is due as follows:

	Leasehold Property 2013 £,000	Other 2013 £,000	Leasehold Property 2012 £,000	Other 2012 £,000
Within two and five years	70	-	98	-
	70	-	98	-

The Company has no operating leases.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013 continued

18 Share capital

	Group 2013 £,000	Company 2013 £,000	Group 2012 £,000	Company 2012 £,000
Authorised				
150,000,000 Ordinary shares of 0.5p each	750	750	750	750
	750	750	750	750
Allotted, called up and fully paid				
At start of year 62,623,550 Ordinary shares of 0.5p each	313	313	305	305
Issued during the year 56,361,342 Ordinary shares of 0.5p	282	282	8	8
At end of year 118,984,892 Ordinary shares of 0.5p	595	595	313	313

During the year the Company issued 56,361,342 ordinary shares of 0.5p each. The total amount raised of £1,091,000 after costs was used to fund the Company's admission on to AIM, to fund the launch of the Group's Dedicated Server product range and to provide further working capital.

Under the terms of the EMI and unapproved share options a further 4,250,000 ordinary shares could be issued with a nominal value of £21,250.

19 Contingent liabilities

There are no contingent liabilities at the year end.

20 Related party transactions

Details of directors' remuneration are given in the Directors' Remuneration Report. Other related party transactions are as follows:-

Related party relationship	Type of Transaction	Transaction value 2012 £,000	Transaction value 2013 £,000	Balance Due to Related Party 2012 £,000	Balance Due to Related Party 2013 £,000
Directors	Use of personal credit cards to pay online suppliers and rent of office building	611	773	109	74
Directors	Loan facility (included in liabilities)	-	-	45	45
Senior management	Use of personal credit cards to pay online suppliers	4		-	-
Companies in which directors or their immediate family have a significant / controlling interest	Provision of management service	45	36	7	7

The loan provided by the Director incurs interest at 10% pa and is repayable no earlier than March 2015.
A Director has provided a personal guarantee for bank facilities of up to £80,000 dated 17 November 2008.

21 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding Company's profit and loss has not been included in the financial statements. The loss for the financial year is made up as follows:-

	2013 £,000	2012 £,000
Holding company's loss for the year	3,735	100

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013 continued

22 Changes in accounting policies – adoption of IFRS

On January 14th 2013 the Company's shares were admitted for trading on the AIM exchange of the London Stock Exchange. Under the AIM Rules companies are require to report financial information using International Financial Reporting Standards ("IFRS"). These financial statements have been prepared using IFRS and are the first prepared by the Group on this basis. As required under the rules the comparatives have been restated under IFRS and a reconciliation from UK GAAP to IFRS is provided below for the Group.

The Group has taken the optional exemption under IFRS1 First Time Adoption of IFRS and has not reclassified business combinations that took place before 1 April 2011 the date of transition. Therefore the purchase price in excess of assets and liabilities acquired previously as goodwill has not been reclassified into goodwill and other intangible assets.

Reconciliation of consolidated loss reported under UK GAAP for the year ended 31 March 2012 to reported under IFRS.

31st March 2012

	UK GAAP £,000	Amortisation £,000	Total £,000
Turnover	1,451	-	1,451
Cost of sales	(695)	-	(695)
Gross profit	756	-	756
Admin expenses	(1,133)	170	(963)
Operating profit	(377)	170	(207)
Net interest	(63)	-	(63)
(loss)/profit before tax	(440)	170	(270)
Tax on loss	-	-	-
Profit after tax	(440)	170	(270)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013 continued

23 Changes in accounting policies – adoption of IFRS continued

Reconciliation of Consolidated Statement of Financial Performance reported under UK GAAP to IFRS.

31st March 2012

	UK GAAP £,000	Amortisation £,000	Total £,000
Assets			
Non-current assets			
Goodwill	189	203	392
Intangible assets	9	-	9
Property, plant and equipment	183	-	183
	381	203	584
Current assets			
Trade and other receivables	47	-	47
Cash and cash equivalents	108	-	108
	155	-	155
Total Assets	536	203	739
Equity and Liabilities			
Equity attributable to the equity shareholders of the parents			
Called up share capital	313	-	313
Share premium reserve	2,629	-	2,629
Other reserve	242	-	242
Retained losses	(4,065)	203	(3,862)
	(881)	203	(678)
Non-current liabilities			
Obligations under finance leases	34	-	34
Convertible loan noted	269	-	269
Other loans	405	-	405
	708	-	708
Current liabilities			
Trade and other payables	687	-	687
Obligations under finance leases	22	-	22
	709	-	709
Total Equity and Liabilities	536	203	739

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013 continued

23 Changes in accounting policies – adoption of IFRS continued

31st March 2011

	UK GAAP £,000	Amortisation £,000	Total £,000
Assets			
Non-current assets			
Goodwill	359	33	392
Intangible assets	28	-	28
Property, plant and equipment	108	-	108
	495	33	528
Current assets			
Trade and other receivables	27	-	27
Cash and cash equivalents	99	-	99
	126	-	126
Total Assets	621	33	654
Equity and Liabilities			
Equity attributable to the equity shareholders of the parents			
Called up share capital	305	-	305
Share premium reserve	2,600	-	2,600
Other reserve	242	-	242
Retained losses	(3,625)	33	(3,592)
	(478)	33	(445)
Non-current liabilities			
Obligations under finance leases	10	-	10
Convertible loan noted	269	-	269
Other loans	275	-	275
	554	-	554
Current liabilities			
Trade and other payables	537	-	537
Obligations under finance leases	8	-	8
	545	-	545
Total Equity and Liabilities	621	33	654

23 Changes in accounting policies – adoption of IFRS continued

The adoption of IFRS results in changes in the accounting policies in the following areas:

a. Business combinations

IFRS 3 Business combinations prohibits merger accounting and the amortisation of goodwill. The standard requires goodwill to be carried at cost with impairment reviews both annually and when there are implications that the carrying value may not be recoverable. IFRS 3 requires certain intangible assets to be recognised at the date of acquisition and to be amortised on a systematic basis over their economic lives.

As required by IFRS 1, goodwill recognised under previous UK GAAP has been tested for impairment at the date of transition to IFRS.

b. IAS 7 Cash flow statements

The cash flow statement, prepared under IAS 7, shows cash flows from operating activities, investing activities and financial activities. No cashflow reconciliations are provided as other than reclassifying the cash flows into new disclosure categories, there are no significant differences between UK GAAP and IFRS cash flow presentation.

Parent Company

The financial statements of the Company have been prepared using IFRS and are the first prepared by the Company on this basis.

As required under the rules the comparatives have been restated under IFRS. This restatement effects only the cashflow statement.

The cash flow statement, prepared under IAS 7, shows cash flows from operating activities, investing activities and financial activities. No cashflow reconciliations are provided as other than reclassifying the cash flows into new disclosure categories, there are no significant differences between UK GAAP and IFRS cash flow presentation.

Corporate Information

Company Secretary and Registered Office

Clive Maudsley FCA

Number 14 Riverview Vale Road
Heaton Mersey
Stockport
Cheshire
SK4 3GN

Tel: +44 (0) 207 458 5757
Email: investor@daily.co.uk

Company Number

06172239

Nominated advisers

Sanlam Securities (UK) Limited

Registrar

Computershare Investor Services plc.
The Pavilions Bridgwater Road
Bristol
BS13 8AE

Lawyers

Kuit Steinart Levy LLP
3 St Mary's Parsonage
Manchester
M3 2RD

Auditor

BDO LLP
3 Hardman Street
Manchester
M3 3AT

Bankers

Barclays Bank plc.
One Churchill Place
London
E14 5HP

Notice of meeting

Notice is hereby given that the Annual General Meeting of Daily Internet plc will be held on 25 October 2013 at 10.00 am at the Company's registered office at Number 14 Riverview, Vale Road, Heaton Mersey, Stockport, Cheshire, SK4 3GN for the purpose of considering and, if thought fit, passing the resolutions set out below, of which Resolutions 1 to 6 will be proposed as ordinary resolutions and Resolutions 7 and 8 will be proposed as a special resolutions.

In addition, it should be noted that the value of the Company's net assets is now less than half of its called-up share capital. In these circumstances the Directors are required under section 656 of the Companies Act 2006 to consider at a General Meeting of the Company whether any, and if so what, steps should be taken to deal with the situation. In light of the Group's trend of continued improvement and management expectations of future performance, the Directors do not consider it necessary to have any specific resolutions proposed at the Annual General Meeting but the situation will be considered at the end of the Annual General Meeting.

Ordinary Business

To consider and, if thought fit, pass the following resolutions:

1. **TO** receive, consider and adopt the Annual Report and Financial Statements for the year ended 31 March 2013, together with the Directors' and Auditors' Reports contained therein.

2. **TO** reappoint Abby Hardoon Adulayavichit as a director who retires by rotation.

3. **TO** reappoint Julie Ann Joyce as a director who retires by rotation.

4. **TO** reappoint Robert Khalastchy as a director who retires by rotation.

5. **TO** reappoint BDO LLP Chartered Accountants as auditors of the Company and authorise the Directors to fix their remuneration.

6. **THAT** the Directors be generally and unconditionally authorised to allot equity securities (as defined in section 560(1) of the Companies Act 2006 ("the Act")):
   a. up to an aggregate nominal amount of £59,493 in connection with an offer by way of a rights issue:
      I. to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
      II. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

      but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

   b. in any other case, up to an aggregate nominal amount of £244,903 (such amount to be reduced by the nominal amount of any equity securities allotted under resolution 6(a) above in excess of £59,493),provided that this authority shall, unless renewed, varied or revoked by the Company, expire 15 months from the date this resolution is passed or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

      This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

      For the purposes of the resolution: 'Relevant Securities' means:

      I. shares in the Company other than shares allotted pursuant to: an employee share scheme (as defined by section 1166 of the CA 2006); a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and

      II. any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the CA 2006). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

Special business

As special business, to consider and, if thought fit, pass the following resolutions,

7 **THAT**, subject to the passing of resolution 6, the Directors be given the general power to allot equity securities (as defined by section 560 of the Act) for cash, either pursuant to the authority conferred by resolution 6 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

a. the allotment of ordinary shares of £0.005 (0.5 pence) each ("Ordinary Shares") pursuant to options granted to directors, employees and consultants to the Company up to an aggregate nominal value of £22,000;

b. the allotment of Ordinary Shares pursuant to the convertible loan note instrument dated 4 January 2012 up to an aggregate nominal value of £50,867 (including interest);

c. the allotment of Ordinary Shares pursuant to warrants granted pursuant to a warrant instruments dated, 21 January 2008 and 4 January 2012 up to an aggregate nominal value of £45,348;

d. the allotment of Ordinary Shares to certain lenders, including Abby Hardoon Adulayavichit, by way of capitalisation of loan facility, as renewed on 4th January 2013 up to an aggregate nominal value of £67,500;

e. the allotment of equity securities in connection with an offer by way of a rights issue:
   i. to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
   ii. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

   but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

f. the allotment (otherwise than pursuant to resolutions 7(a) to (e) above) of equity securities up to an aggregate nominal amount of £59,493.

The power granted by this resolution will expire 15 months from the date this resolution is passed or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

8 **THAT** new articles of association in the form produced to the Meeting and initialled for the purposes of identification by the Chairman of the Meeting be adopted in substitution for, and to the exclusion of, all existing articles of association of the Company.

By order of the board

Clive Maudsley
Company Secretary
27 September 2013

Registered Office
Number 14 Riverview
Vale Road
Heaton Mersey
Stockport
Cheshire
SK4 3GN

Notes

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies who need not be a member of the Company to attend and to vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.

2. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power of attorney, must reach the Company's Registered Office, Number 14 Riverview, Vale Road, Heaton Mersey, Stockport, Cheshire, SK4 3GN not less than 48 hours before the time of the meeting or of any adjournment of the meeting.

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 the Company specifies that to be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the number of votes they may cast), holders of ordinary shares must be entered on the relevant register of securities by 10.00 am on 23 October 2013. Changes to entries on the relevant register of securities after 11.00am on 23 October 2013 shall be disregarded in determining the rights of any person to attend and vote at the meeting.

4. Copies of the service contracts and letters of appointment of each of the Directors of the Company together with the Register of Directors' Interests will be available for inspection at the registered office of the company during usual business hours on any weekday (Saturday and public holidays excluded) and at the place of the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting.

5. The Directors have no present intention of exercising either the allotment authority under resolution 6 or the disapplication of pre-emption rights authority under resolution 7 other than as required pursuant to the authorities set out in paragraphs (a) to (f) of resolution 6.

6. The Annual Report and Financial statements can be downloaded from the investor section of our website at the following location http://www.daily.co.uk/investors/financial-reports.html