

Axco Insurance Information Services Limited

Annual report and financial statements for the year ended 30 June 2022

Company Registration No: 03073807

Axco Insurance Information Services Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 30 June 2022

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Axco Insurance Information Services Limited

Annual report and financial statements for the year ended 30 June 2022

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Axco Insurance Information Services Limited

COMPANY INFORMATION

for the year ended 30 June 2022

DIRECTORS

M Milner
G Millward

COMPANY SECRETARY

S Tahir (resigned 31 July 2022)

COMPANY NUMBER

03073807

REGISTERED OFFICE

5th Floor
10 Whitechapel High Street
London
E1 8QS

BUSINESS ADDRESS

5th Floor
10 Whitechapel High Street
London
E1 8QS

BANKING AGENT

Barclays Bank plc
1 Churchill Place
London
E14 5HP

SOLICITOR

Osborne Clarke
One London Wall
London
EC2Y 5EB

Axco Insurance Information Services Limited is a private limited company limited by shares.

Axco Insurance Information Services Limited

STRATEGIC REPORT

for the year ended 30 June 2022

The directors submit the Strategic report of Axco Insurance Information Services Limited ('the Company') for the year ended 30 June 2022.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company's principal activities during the year continued to be the production and supply of technical insurance-related data and information. The Company is focussed on developing its business so as to maintain its market presence and share. The directors expect this activity to continue for the foreseeable future.

Revenue increased from £10,367,303 in 2021 to £10,831,132 in 2022, and operating profit increased from £1,359,634 in 2021 to £2,568,704 in 2022. Total net assets as at 30 June 2022 were £4,019,656 (2021: £920,840). During the year the Company received exceptional income of £2,521,511 relating to the waiving of 0% interest intercompany loans with fellow group companies which were liquidated in the year.

BUSINESS OBJECTIVES AND STRATEGY

The Company seeks to deliver sustainable growing profit from its portfolio of products in a number of markets through continued commitment to building strong management teams, organisational effectiveness, investment in technology and tight cost control.

PRINCIPAL RISK AND UNCERTAINTIES

Many of the key business risks and uncertainties affecting the company arise from rapidly changing technology, which gives rise to the need for constant development and investment.

Further discussion of these risks and uncertainties, in the context of Wilmington plc as a whole, is provided in the group's annual report, which does not form part of this report.


FINANCIAL RISK MANAGEMENT

Interest rate risk, liquidity risk and capital risk are managed on a group-wide basis by the Company's ultimate parent company, Wilmington plc. The Company operates in accordance with funding policies controlled by the executive directors of the ultimate parent company. The Company is exposed to credit risk associated with selling on credit, which it manages through credit control procedures.

KEY PERFORMANCE INDICATORS

The directors of Axco Insurance Information Services Limited and Wilmington plc manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis of key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Axco Insurance Information Services Limited. The development, performance and position of the divisions, which includes the Company, is discussed in the group's annual report, which does not form part of this report.

By order of the board

DocuSigned by:

50F270811096457

G Millward
Director
06 December 2022

Axco Insurance Information Services Limited

DIRECTORS' REPORT

for the year ended 30 June 2022

The directors submit their report and the financial statements of Axco Insurance Information Services Limited for the year ended 30 June 2022. Refer to the Strategic report on page 2 for the disclosure on the Company's financial risk management.

DIVIDENDS

The Company paid a dividend of £1,722,661 (2021: £4,550,997), which is £4.79 (2021: £12.66) per ordinary share. Refer to the Strategic report for future developments.

DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated were:

M Milner
G Millward

DIRECTORS THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision was in place for Directors throughout the year and at the date of the approval of the financial statements.

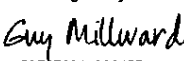
EXEMPTION FROM AUDIT

For the year ending 30 June 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

On behalf of the board

DocuSigned by:

50F270811096457

G Millward
Director
06 December 2022

Axco Insurance Information Services Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 30 June 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Axco Insurance Information Services Limited
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2022

	Note	2022 £	2021 £
REVENUE	2	10,831,132	10,367,303
Cost of sales		<u>(6,120,869)</u>	<u>(6,672,949)</u>
Gross profit		4,710,263	3,694,354
Administrative expenses		<u>(2,141,559)</u>	<u>(2,334,720)</u>
OPERATING PROFIT		2,568,704	1,359,634
Adjusting item	3	<u>2,521,511</u>	<u>—</u>
PROFIT BEFORE TAXATION	3	5,090,215	1,359,634
Tax on profit on ordinary activities	5	<u>(268,738)</u>	<u>(528,636)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>4,821,477</u>	<u>830,998</u>

The revenue and operating profit for the year arises from the Company's continuing operations.

The Company has no other comprehensive income other than those included in the results above.

Axco Insurance Information Services Limited

BALANCE SHEET

as at 30 June 2022

Company Registration No. 03073807

	Note	2022 £	2021 £
FIXED ASSETS			
Intangible assets	6	810,235	1,567,872
		810,235	1,567,872
CURRENT ASSETS			
Debtors	7	10,792,065	9,380,000
Cash at bank and in hand		—	3,297
		10,792,065	9,383,297
Creditors: Amounts falling due within one year	8	(7,487,086)	(9,934,771)
NET CURRENT ASSETS/(LIABILITIES)		3,304,979	(551,474)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,115,214	1,016,398
Creditors: Amounts falling due after one year	9	(95,558)	(95,558)
NET ASSETS		4,019,656	920,840
CAPITAL AND RESERVES			
Called up share capital	10	359,450	359,450
Share premium account		25,550	25,550
Retained earnings		3,634,656	535,840
TOTAL SHAREHOLDERS' FUNDS		4,019,656	920,840


The notes on pages 8 to 14 form an integral part of these financial statements.

For the year ended 30 June 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of the financial statements.

The financial statements and related notes on pages 5 to 14 were approved by the board of directors and authorised for issue on 06 December 2022 and are signed on its behalf by

DocuSigned by:

 50F270811096457
 G Millward
 Director

Axco Insurance Information Services Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

Company Registration No. 03073807

	Called up share capital £	Share premium account £	Retained earnings £	Total shareholders' funds £
At 30 June 2020	359,450	25,550	4,255,839	4,640,839
Profit and total comprehensive income for the financial year	—	—	830,998	830,998
Dividends paid	—	—	(4,550,997)	(4,550,997)
At 30 June 2021	359,450	25,550	535,840	920,840
Profit and total comprehensive income for the financial year	—	—	4,821,477	4,821,477
Dividends paid	—	—	(1,722,661)	(1,722,661)
At 30 June 2022	359,450	25,550	3,634,656	4,019,656

Axco Insurance Information Services Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

Company Registration No. 03073807

GENERAL INFORMATION

Axco Insurance Information Services Limited ('the Company') produces and supplies technical insurance-related data and information. The Company is a private company and is incorporated and domiciled in the UK. The address of the registered office is 10 Whitechapel High Street, London, E1 8QS.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company is an indirect wholly owned subsidiary of Wilmington plc and is included in the consolidated financial statements of Wilmington plc, which are publicly available.

The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash flow statement and related notes;
- Disclosures in respect of capital management;
- Certain disclosures in respect of IFRS 15 Revenue from contracts with customers;
- Comparative period reconciliations for share capital and intangible assets;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of compensation of key management personnel and transactions entered into between two or more wholly-owned members of a group.

As the consolidated financial statements of Wilmington plc include the equivalent disclosures, the Company has also taken the exemptions FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and IFRS 7 Financial Instruments.

GOING CONCERN

The directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons the directors continue to adopt the going concern basis in preparing the financial statements.

REVENUE

Revenue is measured at the transaction price and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue is recognised at a point in time when a performance obligation is satisfied by transferring a good or service to the customer. An asset is transferred when the customer obtains control of that asset. Revenue is recognised over time when a performance obligation is satisfied by the customer simultaneously receiving and consuming the benefits over the period of the contract.

When payment is received in advance of a performance obligation being satisfied it is recorded on the balance sheet as deferred revenue. Revenue is then recognised at the point in time or over the period that the performance obligation is satisfied.

Axco Insurance Information Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTANGIBLE FIXED ASSETS

Goodwill is not amortised but reviewed for impairment on an annual basis, or more frequently if there are indications that goodwill may be impaired. The recoverable amount is the higher of the value in use and the fair value less costs to sell. If Goodwill is impaired, the impairment losses are allocated firstly against goodwill, and then on a pro-rata basis against intangible and other assets. Reversal of an impairment loss for goodwill is prohibited.

Intangible assets are stated at historical cost less accumulated amortisation.

Capitalised development (internally generated intangible assets) are only capitalised where it is probable that they will generate future economic benefits and satisfy the other criteria set out in IAS 38. Internally generated intangible assets are amortised from when they become available for use.

Amortisation rates applicable to internally generated intangible assets are 3 years. Amortisation is included within administrative expenses.

TAXATION

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax for the current and prior years is provided at the amount expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. None of the deferred tax balance relates to unprovided deferred tax.

FOREIGN CURRENCIES

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

PENSIONS

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company in an independently administered fund. Contributions are charged to the statement of comprehensive income in the period in which they are incurred. The Company has no further obligation once the contributions have been paid.

DIVIDENDS

Dividends are recognised in the financial statements when the shareholders' right to receive payment is established.

Axco Insurance Information Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TRADE AND OTHER DEBTORS

Trade debtors are initially recognised at the transaction price, which is usually the invoiced amount. They are subsequently carried at amortised cost using the effective interest method (if the time value of money is significant), less provisions made for doubtful debts using the expected credit losses model. Provisions are made where there is evidence of a risk of non-payment taking into account ageing, previous losses experienced and general economic conditions. For trade debtors, the Company applies the simplified approach which requires expected lifetime losses to be recognised from the initial recognition of the debtor.

AMOUNTS OWED BY GROUP UNDERTAKINGS

Amounts owed by group undertakings are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less provision for impairment. The Company recognises expected credit losses using a lifetime expected loss allowance unless the asset is considered to have a low credit risk, in which case the loss allowance recognised is limited to 12 months' expected losses. Amounts owed by group undertakings are classified according to the intention of repayment of the loans.

TRADE AND OTHER CREDITORS

Trade and other creditors are initially recognised at fair value, which is usually the invoiced amount. They are subsequently carried at amortised cost using the effective interest method (if the time value of money is significant).

AMOUNTS OWED TO GROUP UNDERTAKINGS

Amounts owed to group undertakings are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method. Amounts owed to group undertakings are classified according to the intention of repayment of the loans.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no critical accounting judgments or significant estimation uncertainties contained in the financial statements.

IMPACT OF ADOPTION OF NEW ACCOUNTING STANDARDS

There has been no material impact on the financial statements from the adoption of new standards or amendments in the year ended 30 June 2022.

2 REVENUE

Revenue is attributable to one class of business.

	2022	2021
	£	£
The Company's revenue by geographical area was as follows:		
United Kingdom	1,998,360	3,113,155
Europe other than United Kingdom	2,424,205	1,786,909
North America	5,146,216	4,369,909
Rest of world	1,262,351	1,097,330
	<u>10,831,132</u>	<u>10,367,303</u>

Axco Insurance Information Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

3 PROFIT BEFORE TAXATION

	2022	2021
	£	£
Profit before taxation is stated after charging:		
Amortisation of capitalised development costs	—	369,730
Adjusting item	2,521,511	—
Foreign exchange loss	10,970	72,838
Fees for taxation compliance	6,713	6,901
	<u>2,539,194</u>	<u>449,469</u>

The adjusting item relates to the waiving of 0% interest intercompany loans with fellow group companies which were liquidated in the year.

4 STAFF COSTS

	2022	2021
	£	£
Wages and salaries*	1,918,441	2,185,422
Social security costs	299,517	246,742
Other pension costs	96,313	88,112
	<u>2,314,271</u>	<u>2,520,276</u>

	2022	2021
	Number	Number
Monthly average number of employees during the year, including directors		
Administration	6	6
Sales and marketing	13	13
Production	36	33
	<u>55</u>	<u>52</u>

Two (2021: three) of the Company's directors are remunerated by Wilmington plc, their emoluments are disclosed in the financial statements of that company. None (2021: none) of the Company's directors were remunerated by the Company.

Two directors (2021: three) were entitled to shares under a long term incentive plan. None of the Company's directors (2021: none) accrued benefits under money purchase pension schemes during the year.

* Wages and salaries exclude £nil (2021: £374,372) redundancy costs

Axco Insurance Information Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

5	TAX ON PROFIT	2022	2021
		£	£
	Current taxation:		
	UK corporation tax on profits of the year	485,903	269,433
	Group relief	—	(185,979)
	Adjustments in respect of prior years	(217,165)	445,182
	Tax on profit on ordinary activities	<u>268,738</u>	<u>528,636</u>

Factors affecting the tax charge for the year:

The tax assessed for the year is lower (2021: higher) than the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%).

	2022	2021
	£	£
Profit before taxation	<u>5,090,215</u>	<u>1,359,634</u>
Profit multiplied by the standard rate of UK corporation tax of 19.00% (2021: 19.00%)	967,141	258,330
Effects of:		
Adjustments in respect of prior years	(217,165)	445,182
Group relief	—	(185,979)
Adjusting item not taxable	(479,087)	—
Items not subject to tax	<u>(2,151)</u>	<u>11,103</u>
Total tax charge for the year	<u>268,738</u>	<u>528,636</u>

Factors affecting current and future tax charges:

The main rate of corporation tax will increase from 19% to 25% effective from 1 April 2023 following substantive enactment of the Finance Bill 2021 on 24 May 2021.

Adjustments in respect of prior years relate to the application of group relief.

Axco Insurance Information Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

6 INTANGIBLE ASSETS

	Goodwill £	Capitalised development £	Total £
COST			
At 30 June 2021	1,473,153	2,844,577	4,317,730
Disposals	—	(2,844,577)	(2,844,577)
At 30 June 2022	1,473,153	—	1,473,153
ACCUMULATED AMORTISATION & IMPAIRMENT			
At 30 June 2021	662,918	2,086,940	2,749,858
Disposals	—	(2,086,940)	(2,086,940)
At 30 June 2022	662,918	—	662,918
NET BOOK VALUE			
At 30 June 2021	810,235	757,637	1,567,872
At 30 June 2022	810,235	—	810,235

The Company tests goodwill annually for impairment. The recoverable amount of the goodwill is determined as the higher of the value in use calculation or fair value less the carrying value.

The value in use calculations use pre-tax cash flow projections based on financial budgets and forecasts approved by the Board covering a three year period. These pre-tax cash flows beyond the three year period are extrapolated using estimated long-term growth rates.

Key assumptions for the value in use calculations are those regarding discount rates, cash flow forecasts and long-term growth rates. Management has used a pre-tax discount rate of 15.2% (2021: 12.3%). Managements impairment calculations based upon the above assumptions show significant headroom.

7 DEBTORS

	2022 £	2021 £
Amounts due within one year:		
Trade debtors	5,433	65,736
Amounts owed by group undertakings	10,555,915	9,099,366
Other debtors	73,978	73,978
Prepayments and accrued income	156,739	140,920
	<u>10,792,065</u>	<u>9,380,000</u>

Amounts owed by group undertakings are unsecured, interest free and receivable on demand.

Amounts owed by group undertakings include balances that correspond to third party invoices that were issued in the name of the Company but which have or will be settled to Wilmington Shared Services Limited on behalf of the Company. Wilmington Shared Services Limited provides services to the Company and other group companies, and the outstanding third party invoices arising from that activity are classified as trade debtors in its financial statements, which can be obtained at www.companieshouse.gov.uk.

Axco Insurance Information Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

8	CREDITORS: Amounts falling due within one year	2022	2021
		£	£
	Accruals and deferred income	6,342,966	5,364,584
	Amounts owed to group undertakings	807,614	3,418,078
	Other creditors	61,029	59,802
	Corporation tax	275,477	300,738
	Other taxation and social security	—	791,569
		<u>7,487,086</u>	<u>9,934,771</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Amounts owed to group undertakings include balances that correspond to third party invoices that were issued in the name of the Company, but which have or will be settled by Wilmington Shared Services Limited on behalf of the Company. Wilmington Shared Services Limited provides services to the Company and other group companies, and the outstanding third-party invoices arising from that activity are classified as trade creditors in its financial statements, which can be obtained at www.companieshouse.gov.uk.

9	CREDITORS: Amounts falling due after one year	2022	2021
		£	£
	Deferred tax liability	<u>95,558</u>	<u>95,558</u>

10	CALLED UP SHARE CAPITAL	2022	2021	2022	2021
		Number	Number	£	£
	Allotted, issued and fully paid:				
	Ordinary shares of £1 each	<u>359,450</u>	<u>359,450</u>	<u>359,450</u>	<u>359,450</u>

11	DIVIDENDS	2022	2021
		£	£
	Dividends for which the Company became liable during the year:		
	Dividends paid per ordinary share		
	2022: £4.79 per ordinary share (2021: £12.66 per ordinary share)	<u>1,722,661</u>	<u>4,550,997</u>

12	CONTINGENT LIABILITIES
	The Company has entered into a guarantee in respect of the ultimate parent company's committed revolving credit facility of £20,000,000. The initial agreement expired July 2020 which was then extended to July 2024. During the year the facility was reduced from £65,000,000 to £20,000,000. This guarantee is considered to be an inter group insurance arrangement and in accordance with IFRS 4 is accounted for as a contingent liability. At 30 June 2022, the Company had a contingent liability of £nil (2021: £20,430,488) in respect of drawdowns from this facility. Details of the financing facility can be found in the financial statements of Wilmington plc, the ultimate parent company.

13	ULTIMATE PARENT UNDERTAKING
	The Company is controlled by Wilmington Publishing & Information Limited, its immediate parent.

The ultimate parent company, and the parent undertaking of the largest and smallest group for which consolidated financial statements are prepared, is Wilmington plc, which is incorporated in the UK and for which financial statements are available from 10 Whitechapel High Street, London, E1 8QS.