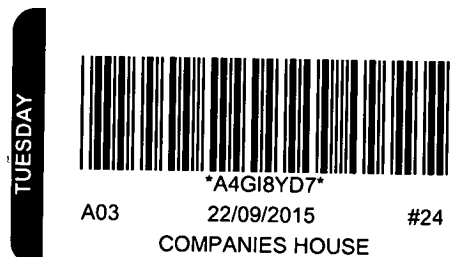


M3 (EU) Limited (formerly Doctors.net.uk Limited)

Annual report and financial
statements for the year ended
31 December 2014



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Strategic Report

Business review and future developments

On 1st August 2014 Doctors.net.uk Limited changed its name to M3 (EU) Limited. On 30th September 2014 M3 (EU) Limited executed a sale and transfer of business agreement to purchase the business, assets and liabilities of M3 Global Research Limited, a fellow group undertaking (note 19). These financial statements reflect the combined balance sheet and the trading activities for the former Doctors.net.uk Limited business for the whole of 2014 and the three months trading activities for the former M3 Global Research Limited now included in M3 (EU) Limited.

Overall revenue has increased to £13.5m (2013 - £8.6m) which reflects an increase in core revenues and the additional revenue for the merged company. The directors are pleased to report a profit on ordinary activities before taxation of £1.4m in 2014 compared with a profit of £0.9m in 2013.

The directors and management team work closely with the parent company (M3 Inc.) to anticipate risks from economic or global factors and plan accordingly. Despite the tough macroeconomic climate we remain confident about our business prospects because our main clients are investing a higher percentage of the marketing budgets to digital marketing services and the company is gaining market share from competitors for online market research services. The ability to target specific groups of doctors, both in the UK and globally, and to measure the impact of the messaging provides our clients with a highly valuable and measurable marketing tool for new therapies.

M3 (EU) Limited (formerly Doctors.net.uk Limited) is owned by M3 USA Corporation, a subsidiary of M3 Inc. M3 Inc., established in September 2000, is listed on the Tokyo Stock Exchange First Section (Securities code 2413).

Principal risk and uncertainties

The key business risks and uncertainties affecting the company are set out below:

Employee retention

The company's performance and growth is dependent upon the ability to hire, retain and motivate sufficient numbers of talented people with the right mix of skills and experience needed to serve our clients and expand our business.

Regulation

The company mainly trades with the pharmaceutical industry which is highly regulated. Changes to these regulations could have a significant impact on our ability to provide services to this group.

The market research consultancy part of the business (formally the M3 Global Research Limited business) is accredited by ISO standard 26362 which ensures internal regulation standards are maintained.

Competition

The company's growth and success is dependent on the ability to successfully compete with other companies that provide similar services to healthcare companies.

Strategic Report (continued)

The emergence of a significant competitor within digital media services would threaten the company's growth but the high demand for digital media services currently outweighs the competitive risk.

Industry changes

Changes such as consolidation in the pharmaceutical industry, pricing pressures, patent expiries or healthcare reform could affect the demand and pricing of all our services.

Key performance indicators (KPIs)

The company's key performance indicators are reach to healthcare professionals globally, revenue growth and profit.

Financial risk management

The company manages its own financial operations and financial risk carefully. The company is cash positive and can also rely on its parent company for additional funding and cash flow requirements. The directors have received written confirmation of financial support from the parent company for at least 12 months from the date of approval of these financial statements. The company has limited foreign exchange risk. The company has implemented policies and procedures to manage invoicing and cash collections which reduce bad debts and credit risks.

Position of the business

As at 31 December 2014 the company had net liabilities of £2,354,770 (2013; £3,751,687).

On behalf of the board



Timothy R Ringrose
Director

20 Western Avenue, Milton Park
Abingdon, OX14 4SH
18 September 2015

Directors' Report

The directors present their annual report and the audited financial statements of the company for the financial year ended 31 December 2014.

Principal activities

M3 (EU) Limited (formerly Doctors.net.uk Limited) owns and operates the UK's largest online network of GMC registered medical doctors and administers services of MDLinx.com for healthcare professionals throughout Europe. The company generates revenue from the delivery of online promotional programmes, online continuing medical education (CME) programmes, recruitment services and market research studies for a wide range of clients. The customer base includes pharmaceutical and medical device companies, public and private sector healthcare providers, recruitment companies, technology companies, charities and financial services.

On 30th September 2014 M3 (EU) Limited executed a sale and transfer agreement to purchase the business, assets and liabilities of M3 Global Research Limited, a fellow group undertaking. The principal activity of this business is that of market research consultancy.

Going concern

The directors have performed an assessment of the company's ability to continue as a going concern and have received written confirmation of financial support from the parent company for a period that of at least 12 months from the date of approval of these financial statements by the board of directors. As such, these financial statements have been prepared on the going concern basis.

Other

The Company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Proposed dividend

The directors do not recommend the payment of a dividend (2013: nil).

Independent Auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Timothy R Ringrose
Akihiko Tomaru
Itaru Tanimura

Directors' Report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of information to auditors

Each of the persons who are a director at the date of approval of this report confirms that:

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

On behalf of the board



Timothy R Ringrose

Director

20 Western Avenue, Milton Park
Abingdon, OX14 4SH
18 September 2015

Independent auditors' report to the members of M3 (EU) Limited

Report on the financial statements

Our opinion

In our opinion, M3 (EU) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

M3 (EU) Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

we have not received all the information and explanations we require for our audit; or

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditor's report to the members of M3 (EU) Limited *(continued)*

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;

- the reasonableness of significant accounting estimates made by the directors; and

- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosure in the financial statements.

Independent auditor's report to the members of M3 (EU) Limited *(continued)*

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Daniel Dennett (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
18 September 2015

Profit and loss account

For the year ended 31 December 2014

	<i>Note</i>	2014 £	2013 £
Turnover	2	13,479,014	8,618,529
Cost of sales		(6,719,517)	(3,573,425)
		<hr/>	<hr/>
Gross profit		6,759,497	5,045,104
Administrative expenses		(5,308,534)	(4,095,573)
		<hr/>	<hr/>
Operating profit	3	1,450,963	949,531
Other interest receivable and similar income	6	5,007	-
Interest payable and similar charges	7	(57,977)	(75,086)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,397,993	874,445
Tax on profit on ordinary activities	8	(1,076)	-
		<hr/>	<hr/>
Profit for the financial year	16	1,396,917	874,445
		<hr/>	<hr/>

All items dealt with in arriving at the profit on ordinary activities before taxation relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above, and their historical cost equivalents.

The company has no recognized gains or losses other than those shown in the profit and loss account above and therefore no separate statement of total recognized gains and losses has been presented.

The notes presented on pages 10 to 21 form an integral part of these financial statements.

Balance sheet

As at 31 December 2014

	Note	2014	2013
		£	£
Fixed assets			
Intangible assets	9	238,590	-
Tangible assets	10	709,039	502,137
Investments	11	700	500
		<u>948,329</u>	<u>502,637</u>
Current assets			
Debtors	12	7,443,544	2,626,403
Cash at bank and in hand		1,953,171	1,528,445
		<u>9,396,715</u>	<u>4,154,848</u>
Creditors: amounts falling due within one year	13	(12,699,814)	(8,409,172)
		<u></u>	<u></u>
Net current liabilities		(3,303,099)	(4,254,324)
Total assets less current liabilities		(2,354,770)	(3,751,687)
		<u></u>	<u></u>
Net liabilities		(2,354,770)	(3,751,687)
		<u></u>	<u></u>
Capital and reserves			
Called up share capital	15	67,109	67,109
Share premium account	16	7,548,315	7,548,315
Profit and loss account	16	(9,970,194)	(11,367,111)
		<u></u>	<u></u>
Total shareholders' deficit	17	(2,354,770)	(3,751,687)
		<u></u>	<u></u>

The financial statements on pages 8 to 21 were approved by the board of directors on 18 September 2015 and were signed on its behalf by:



Timothy R Ringrose
Director

Notes to the financial statements for the year ended 31 December 2014

1 Principal accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year as are set out below.

The company is exempt by virtue of Section 405 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present financial information about the company as an individual undertaking and not about its group.

Going concern

The directors have performed an assessment of the company's ability to continue as a going concern and have received written confirmation of financial support from the parent company for a period that of at least 12 months from the date of approval of these financial statements by the board of directors. As such, these financial statements have been prepared on the going concern basis.

Deferred taxation

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

A net deferred tax asset is recognised as 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 the carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

Intangible assets – database development

Database development expenditure represents the costs incurred in building a database of contacts willing to partake in specific areas of market research. These costs are being amortised over their expected useful life of five years. Costs of maintaining the databases are written off as incurred.

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

Tangible fixed assets

Tangible fixed assets are stated at their historic purchase cost (together with any incidental expenses of acquisition) less accumulated depreciation.

Depreciation is calculated so as to write off the cost of tangible fixed assets to their expected residual values on a straight-line basis over the expected useful lives of the assets concerned. The principal rates of depreciation applied are:

Computer equipment & related software licences	-	33% per annum
Office furniture	-	20% per annum
Office equipment	-	33% per annum
Leasehold improvements	-	over the minimum lease period

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of exchange 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 profit and loss account.

Operating leases

Rental charges for operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Investments

Investments are stated at cost less any provisions made to reflect permanent diminution in value where appropriate. The directors review the carrying value of investments and make adjustments to the provisions for permanent diminution as necessary when an impairment trigger has been noted.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of M3 USA Corporation incorporated in the USA, a subsidiary of M3 Inc., and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). On the same basis the company has also taken advantage of the exemptions allowed under Financial Reporting Standard 8 "Related Party Disclosures" and has not disclosed transactions with other group companies as 100% of the company's voting rights are controlled within the group.

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

2 Turnover

Turnover represents the invoiced value of projects completed and services supplied to customers during the year, excluding value added tax. The company recognises revenue as earned, which is over the service period as the information is delivered or related services are performed. Advance payments for services and subscriptions are credited to deferred revenues and reflected in operating revenue over the subscription term, which is generally one year. Turnover arises principally from sponsored communication, education materials and market research studies and is earned wholly in the United Kingdom.

	2014 £	2013 £
By class of business:		
Advertising	8,782,133	7,201,215
Market Research	4,696,881	1,417,314
	<hr/>	<hr/>
	13,479,014	8,618,529
	<hr/>	<hr/>

3 Operating profit

	2014 £	2013 £
<i>Operating profit is stated after charging:</i>		
Depreciation of tangible fixed assets	248,211	137,827
Amortisation of intangible fixed assets	12,577	-
Loss on disposal of fixed assets	53,741	-
Operating lease rentals:		
Land and buildings	141,974	138,560
Services provided by the company's auditors:		
Fees payable for the audit	26,000	20,000
	<hr/>	<hr/>

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

4 Staff numbers and costs

The monthly average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2014 Number	2013 Number
Directors	1	1
Others	100	69
	<hr/>	<hr/>
	101	70
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2014 £	2013 £
Wages and salaries	4,810,464	4,047,012
Social security costs	538,473	469,119
Contributions to money purchase pension scheme	310,694	168,530
	<hr/>	<hr/>
	5,659,631	4,684,661
	<hr/>	<hr/>

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

5 Directors' emoluments

	2014 £	2013 £
Directors' emoluments	179,494	178,941
Contribution to money purchase pension scheme	26,714	14,392
	<u>206,208</u>	<u>193,333</u>

The highest paid director received emoluments of £179,494 and pension contributions of £26,714 (2013: emoluments of £178,941 and pension contributions of £14,392).

Only one (2013: one) director was remunerated in each year.

Two (2013: two) directors are employed by other companies in the M3 Inc. Group and are remunerated by those companies in respect of those services to the group as a whole and for which no recharge is made to the company.

The number of directors for whom retirement benefits are accrued under defined contribution schemes amounted to one (2013: one).

6 Other interest receivable and similar income

	2014 £	2013 £
Bank interest receivable	5,007	-
	<u>5,007</u>	<u>-</u>

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

7 Interest payable and similar charges

	2014 £	2013 £
Interest payable to group companies	57,977	75,086
	<u>57,977</u>	<u>75,086</u>

8 Tax on profit on ordinary activities

There is a corporation tax charge of £1,076 (2013: nil) and no deferred tax charge or credit for the year (2013: £nil).

Tax assessed for the year is lower (2013: Lower) than the standard effective rate of corporation tax in the United Kingdom at 21.49% (2013: 23.25%).

	2014 £	2013 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,397,993	874,445
	<u>1,397,993</u>	<u>874,445</u>
Profit on ordinary activities multiplied by the standard rate in the UK 21.49% (2013: 23.25%)	300,473	203,279
<i>Effects of:</i>		
Fixed asset differences	(21,218)	938
Expenses not deductible for tax purposes	15,606	13,341
Other tax adjustments, reliefs and transfers	65,247	-
Depreciation in excess of capital allowances	(67,177)	(54,716)
Short term timing differences	10,953	(3,924)
Use of tax losses brought forward	(302,808)	(158,918)
	<u>1,076</u>	<u>-</u>
Current tax charge for the year	1,076	-

A tax charge of £1,076 has arisen on non bank interest received as this type of income is unable to receive relief from brought forward losses. As at 31 December 2014 gross tax losses amounted to £8,221,152 (2013: £9,630,009) which are available to be relieved against future profits of the same trade (note 14).

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

9 Intangible assets

	Database development £
Cost	
At 1 January 2014	-
Addition (Acquisition of trade and assets of M3 Global Research Limited)	251,147
	<hr/>
At 31 December 2014	251,147
	<hr/>
Accumulated depreciation	
At 1 January 2014	-
Charge for the year	12,557
	<hr/>
At 31 December 2014	12,557
Net book amount	
At 31 December 2014	238,590
	<hr/> <hr/>
At 31 December 2013	-
	<hr/> <hr/>

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

10 Tangible assets

	Computer equipment & related software licences £	Office furniture & equipment £	Leasehold improvements £	Total £
Cost				
At 1 January 2014	737,147	75,183	254,087	1,066,417
Purchase of trade and assets of M3 Global Research Limited	180,674	34,403	166,993	382,070
Additions	95,243	1,462	30,080	126,785
Disposals	-	-	(254,087)	(254,087)
At 31 December 2014	1,013,064	111,048	197,073	1,321,185
Accumulated depreciation				
At 1 January 2014	303,619	69,793	190,868	564,280
Charge for the year	229,047	3,425	15,739	248,211
Disposals	-	-	(200,345)	(200,345)
At 31 December 2014	532,666	73,218	6,262	612,146
Net book amount				
At 31 December 2014	480,398	37,830	190,811	709,039
At 31 December 2013	433,528	5,390	63,219	502,137

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

11 Investments

	2014 £	2013 £
Investment in subsidiary undertaking	700	500
Net book value	700	500

During the year the company incorporated two new subsidiary companies with total investment of £200.

The subsidiary undertakings of the company which are incorporated in England and Wales are wholly owned by the company, are listed below. The share capital of these subsidiaries comprises £1 ordinary shares.

Subsidiary name	Registered in	Holding	Activity	Status	£
uknursing.net Limited	England & Wales	100%	General business services	Dormant	100
medeConnect Limited	England & Wales	100%	General business services	Dormant	100
JobConnect Limited	England & Wales	100%	General business services	Dormant	100
PharmaConnect Limited	England & Wales	100%	General business services	Dormant	100
Networks in Health Limited	England & Wales	100%	General business services	Dormant	100
M3 Health Limited	England & Wales	100%	General business services	Dormant	100
Doctorsnetuk Limited	England & Wales	100%	General business services	Dormant	100

The directors believe that the carrying value of the investments is supported by their underlying net assets.

12 Debtors

	2014 £	2013 £
Trade debtors	4,960,087	1,471,990
Other debtors	10,237	370
Prepayments and accrued income	2,473,220	1,154,043
	7,443,544	2,626,403

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

13 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	738,973	442,084
Other creditors including taxation and social security	1,115,159	747,620
Corporation tax	1,076	-
Accruals and deferred income	3,700,006	2,404,897
Amounts owed to group undertakings	7,144,600	4,814,571
	<u>12,699,814</u>	<u>8,409,172</u>

Amounts owed to and from the group undertakings includes £5.7m which is secured and repayable on demand. Interest was charged during the year between 1.13% and 1.17% (2013: 1.17%).

14 Deferred tax

The amounts provided for deferred taxation, and the amounts not provided, are set out below:

	2014		2013	
	Provided £	Unprovided £	Provided £	Unprovided £
Fixed asset timing difference	-	162,710	-	225,220
General provisions	-	12,699	-	2,508
Trading losses carried forward	-	1,644,231	-	1,926,002
	<u>-</u>	<u>1,819,640</u>	<u>-</u>	<u>2,153,730</u>

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitably taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

15 Called up share capital

	2014 £	2013 £
Authorised share capital		
6,710,932 (2013: 6,710,932) Ordinary shares of £0.01 each	67,109	67,109
Allotted and fully paid		
6,710,932 (2013: 6,710,932) Ordinary shares of £0.01 each	67,109	67,109

16 Reserves

	Called up share capital £	Share premium account £	Profit & loss account £
At 1 January 2014	67,109	7,548,315	(11,367,111)
Profit for the financial year	-	-	1,396,917
At 31 December 2014	67,109	7,548,315	(9,970,194)

17 Reconciliation of movements in shareholders' deficit

	2014 £	2013 £
Profit for the financial year	1,396,917	874,445
Reduction in shareholders' deficit	1,396,917	874,445
Shareholders' deficit at 1 January 2014	(3,751,687)	(4,626,132)
Shareholders' deficit at 31 December 2014	(2,354,770)	(3,751,687)

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

18 Financial commitments

Annual commitments under non-cancellable operating leases in respect of land and building at 31 December 2014 are as follows:

	2014 £	2013 £
Within one year	-	-
Within two to five years	200,000	-
After five years	178,200	138,560
	<u> </u>	<u> </u>

19 Acquisition of trade and business assets of M3 Global Research Limited

The trade and business assets of M3 Global Research Limited, a fellow group undertaking, were purchased on 30 September 2014, for a consideration of £229,443.

	Fair Value £
Intangible assets	251,147
Tangible assets	382,070
Debtors	2,459,424
Cash	536,971
Creditors falling due within one year	(3,400,169)
	<u> </u>
Net assets	229,443
	<u> </u>
Consideration	229,443
	<u> </u>
Goodwill arising	-
	<u> </u>

In the current year the acquired business generated turnover of £3.1m and operating profit of £193k

20 Ultimate parent undertaking

The Company is a subsidiary undertaking of M3 Inc., which is the ultimate parent company incorporated in Japan.

The largest group in which the results of the Company are consolidated is that headed by M3 Inc., incorporated in Japan. The smallest group in which they are consolidated is that headed by M3 USA Corporation incorporated in USA. The consolidated financial statements of these groups are available to the public and may be obtained from M3 Inc., Akasaka Intercity 10th floor, 1-11-44 Akasaka, Minato-ku, Tokyo 107-0052 Japan and M3 USA Corporation, 1215 17th St NW, Suite 100, Washington, DC 20036, USA.