

REGISTERED NUMBER: 04070870 (England and Wales)

**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2017
for
IQUS Limited**

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for the Year Ended 31 December 2017**

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**Company Information
for the Year Ended 31 December 2017**

DIRECTORS:

D Lieu
A Tomaru
C J Ibbetson

REGISTERED OFFICE:

20a Appleton Court
Calder Park
Wakefield
West Yorkshire
WF2 7AR

REGISTERED NUMBER:

04070870 (England and Wales)

SENIOR STATUTORY AUDITOR:

Martin Smith FCCA

AUDITORS:

Malcolm Jones & Co Limited
Statutory Auditors
Accountants and Business Advisers
West Hill House
Allerton Hill
Chapel Allerton
Leeds
West Yorkshire
LS7 3QB

**Strategic Report
for the Year Ended 31 December 2017**

The directors present their strategic report for the year ended 31 December 2017.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Overall revenue has increased to £1,816,564 (2016 £1,535,105) and the directors report a profit before income tax of £543,952 in 2017 compared with a profit before income tax of £754,877 in 2016.

The directors and management team work closely with the parent company (M3, Inc.) to anticipate risks from economic or global factors and plan accordingly. We remain confident about our business prospects because we continue to maintain our dominant market share in core historical healthcare sectors and we continue to gain market share from competitors in new healthcare and other markets.

IQUS Limited is owned by Axio Medical Holdings Ltd, a subsidiary of M3, Inc. M3, Inc., established in September 2000, is listed on the Tokyo Stock Exchange First Section (Securities code 2413).

PRINCIPAL RISKS 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 within the Healthcare industry which is highly regulated. Changes to these regulations can have a significant impact on our ability to provide services to this group.

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.

The emergence of significant competitive services would threaten the Company's growth but the high demand for the software currently outweighs the competitive risk.

Industry changes

Changes related to e-rostering and workforce management such as those in 'The NHS Five Year Forward View' that were published in October 2014 and set out a new shared vision for the future of the NHS based around new models of care present opportunities and threats.

GDPR

GDPR comes into effect on 25th May 2018. The Company has been undertaking numerous steps to ensure early compliance with the standard and the opportunities that these changes bring outweigh the risks.

Brexit

Whilst the Company's client base is 95% UK healthcare based and will be largely unaffected by Brexit, the Company continues to monitor the government's position regarding Brexit assessing the impact on the Company on an ongoing basis.

KEY PERFORMANCE INDICATORS (KPI'S)

The Company's key performance indicators are its reach to healthcare companies, revenue growth and profit. In 2017 the company achieved revenue of £1,816,564 (2016 £1,535,105) which represents a growth of 18% from 2016. The company achieved a profit before income tax of £543,952 (2016: £754,877) which represents a decrease of 28% from 2016.

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 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.

**Strategic Report
for the Year Ended 31 December 2017**

POSITION OF THE BUSINESS

As at 31 December 2017 the Company had net assets of £743,093 (2016: assets of £2,281,032).

ON BEHALF OF THE BOARD:

C J Ibbetson - Director

24 April 2018

**Report of the Directors
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the development and supply of computer software and hardware.

DIVIDENDS

An interim dividend of 211.13 per share on the "A" Ordinary 1p shares was paid on 17 August 2017. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the "B" Ordinary 1p shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 December 2017 will be £ 2,000,000 .

FUTURE DEVELOPMENTS

Details regarding the future developments of the company can be found in the Strategic Report.

DIRECTORS

The directors who have held office during the period from 1 January 2017 to the date of this report are as follows:

Dr C S Jones - resigned 27 January 2017
B Fatchett - resigned 27 January 2017
D Lieu - appointed 27 January 2017
Dr T R Ringrose - appointed 27 January 2017
A Tomaru - appointed 27 January 2017
C J Ibbetson - appointed 31 January 2017

Dr T R Ringrose ceased to be a director after 31 December 2017 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he 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.

**Report of the Directors
for the Year Ended 31 December 2017**

AUDITORS

The auditors, Malcolm Jones & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C J Ibbetson - Director

24 April 2018

Report of the Independent Auditors to the Members of IQUS Limited

Opinion

We have audited the financial statements of IQUS Limited (the 'company') for the year ended 31 December 2017 on pages eight to eighteen, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the notes to the financial statements, which includes the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In the previous period, the directors took advantage of audit exemption under s477 of the Companies Act 2006. As a consequence of this, the comparative figures in these financial statements have not been subject to an audit. Our opinion on the financial statements has not been changed as a result of this.

Report of the Independent Auditors to the Members of IQUS Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Martin Smith FCCA (Senior Statutory Auditor)
for and on behalf of Malcolm Jones & Co Limited
Statutory Auditors
Accountants and Business Advisers
West Hill House
Allerton Hill
Chapel Allerton
Leeds
West Yorkshire
LS7 3QB

24 April 2018

**Statement of Comprehensive Income
for the Year Ended 31 December 2017**

	Notes	31.12.17 £	£	31.12.16 £	£
TURNOVER			1,816,564		1,535,105
Cost of sales			<u>533,938</u>		<u>342,527</u>
GROSS PROFIT			1,282,626		1,192,578
Distribution costs		81,568		43,521	
Administrative expenses		<u>667,458</u>		<u>414,787</u>	
			<u>749,026</u>		<u>458,308</u>
			533,600		734,270
Other operating income			<u>2,528</u>		<u>-</u>
OPERATING PROFIT	4		536,128		734,270
Interest receivable and similar income			<u>7,824</u>		<u>20,607</u>
PROFIT BEFORE TAXATION			543,952		754,877
Tax on profit	5		<u>103,402</u>		<u>150,975</u>
PROFIT FOR THE FINANCIAL YEAR			440,550		603,902
OTHER COMPREHENSIVE INCOME			<u>-</u>		<u>-</u>
TOTAL COMPREHENSIVE INCOME					
FOR THE YEAR			<u>440,550</u>		<u>603,902</u>

Balance Sheet
31 December 2017

	Notes	31.12.17 £	£	31.12.16 £	£
FIXED ASSETS					
Intangible assets	7		158,426		86,856
Tangible assets	8		<u>64,353</u>		<u>11,593</u>
			222,779		98,449
CURRENT ASSETS					
Debtors	9	255,359		346,369	
Cash at bank and in hand		<u>1,309,084</u>		<u>2,834,197</u>	
		1,564,443		3,180,566	
CREDITORS					
Amounts falling due within one year	10	<u>1,001,817</u>		<u>978,314</u>	
NET CURRENT ASSETS			<u>562,626</u>		<u>2,202,252</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			785,405		2,300,701
PROVISIONS FOR LIABILITIES	12		<u>42,312</u>		<u>19,669</u>
NET ASSETS			<u>743,093</u>		<u>2,281,032</u>
CAPITAL AND RESERVES					
Called up share capital	13		105		100
Share premium	14		21,506		-
Retained earnings	14		<u>721,482</u>		<u>2,280,932</u>
SHAREHOLDERS' FUNDS			<u>743,093</u>		<u>2,281,032</u>

The financial statements were approved by the Board of Directors on 24 April 2018 and were signed on its behalf by:

C J Ibbetson - Director

**Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2016	100	1,739,530	-	1,739,630
Changes in equity				
Dividends	-	(62,500)	-	(62,500)
Total comprehensive income	-	603,902	-	603,902
Balance at 31 December 2016	<u>100</u>	<u>2,280,932</u>	<u>-</u>	<u>2,281,032</u>
Changes in equity				
Issue of share capital	5	-	21,506	21,511
Dividends	-	(2,000,000)	-	(2,000,000)
Total comprehensive income	-	440,550	-	440,550
Balance at 31 December 2017	<u><u>105</u></u>	<u><u>721,482</u></u>	<u><u>21,506</u></u>	<u><u>743,093</u></u>

The notes form part of these financial statements

**Cash Flow Statement
for the Year Ended 31 December 2017**

	Notes	31.12.17 £	31.12.16 £
Cash flows from operating activities			
Cash generated from operations	1	736,492	832,026
Tax paid		<u>(134,106)</u>	<u>(37,285)</u>
Net cash from operating activities		<u>602,386</u>	<u>794,741</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(88,941)	(86,856)
Purchase of tangible fixed assets		(67,893)	(5,437)
Sale of tangible fixed assets		-	7,501
Interest received		<u>7,824</u>	<u>20,607</u>
Net cash from investing activities		<u>(149,010)</u>	<u>(64,185)</u>
Cash flows from financing activities			
Share issue		21,511	-
Equity dividends paid		<u>(2,000,000)</u>	<u>(62,500)</u>
Net cash from financing activities		<u>(1,978,489)</u>	<u>(62,500)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,525,113)</u>	<u>668,056</u>
Cash and cash equivalents at beginning of year	2	2,834,197	2,166,141
Cash and cash equivalents at end of year	2	<u>1,309,084</u>	<u>2,834,197</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2017**

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

	31.12.17	31.12.16
	£	£
Profit before taxation	543,952	754,877
Depreciation charges	32,345	9,933
Loss/(profit) on disposal of fixed assets	159	(1,963)
Finance income	<u>(7,824)</u>	<u>(20,607)</u>
	568,632	742,240
Decrease/(increase) in trade and other debtors	91,010	(118,750)
Increase in trade and other creditors	<u>76,850</u>	<u>208,536</u>
Cash generated from operations	<u><u>736,492</u></u>	<u><u>832,026</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>1,309,084</u>	<u>2,834,197</u>

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u><u>2,834,197</u></u>	<u><u>2,166,141</u></u>

**Notes to the Financial Statements
for the Year Ended 31 December 2017**

1. STATUTORY INFORMATION

IQUS Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Turnover

Turnover comprises the invoice value of goods and services supplied, excluding value added tax.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 33% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historic experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 estimates and assumptions that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. EMPLOYEES AND DIRECTORS

	31.12.17	31.12.16
	£	£
Wages and salaries	664,728	505,560
Social security costs	8,939	-
Other pension costs	<u>14,085</u>	<u>11,916</u>
	<u>687,752</u>	<u>517,476</u>

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

	31.12.17	31.12.16
Directors	1	-
Office and admin staff	<u>18</u>	<u>16</u>
	<u>19</u>	<u>16</u>

	31.12.17	31.12.16
	£	£
Directors' remuneration	72,250	-
Directors' pension contributions to money purchase schemes	<u>2,686</u>	<u>-</u>

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

Money purchase schemes	<u>1</u>	<u>-</u>
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4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.17	31.12.16
	£	£
Depreciation - owned assets	14,974	9,932
Loss/(profit) on disposal of fixed assets	159	(1,963)
Development costs amortisation	17,371	-
Auditors' remuneration	4,500	-
Fees paid to the auditor for accountancy services	<u>1,500</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

5. TAXATION

Analysis of the tax charge

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

	31.12.17 £	31.12.16 £
Current tax:		
UK corporation tax	80,759	134,106
Deferred tax	22,643	16,869
Tax on profit	<u>103,402</u>	<u>150,975</u>

UK corporation tax has been charged at 19% .

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.17 £	31.12.16 £
Profit before tax	<u>543,952</u>	<u>754,877</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	103,351	150,975
Effects of:		
Capital allowances in excess of depreciation	(6,728)	-
Depreciation in excess of capital allowances	-	502
Development costs allowed	(16,899)	(17,371)
Deferred tax	22,643	16,869
Change in rate of tax	1,035	-
Total tax charge	<u>103,402</u>	<u>150,975</u>

6. DIVIDENDS

	31.12.17 £	31.12.16 £
"A" Ordinary shares of 1p each		
Interim	<u>2,000,000</u>	<u>62,500</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

7. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 January 2017	86,856
Additions	88,941
At 31 December 2017	<u>175,797</u>
AMORTISATION	
Amortisation for year	17,371
At 31 December 2017	<u>17,371</u>
NET BOOK VALUE	
At 31 December 2017	<u>158,426</u>
At 31 December 2016	<u>86,856</u>

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2017	21,283
Additions	67,893
Disposals	(647)
At 31 December 2017	<u>88,529</u>
DEPRECIATION	
At 1 January 2017	9,690
Charge for year	14,974
Eliminated on disposal	(488)
At 31 December 2017	<u>24,176</u>
NET BOOK VALUE	
At 31 December 2017	<u>64,353</u>
At 31 December 2016	<u>11,593</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17 £	31.12.16 £
Trade debtors	237,168	243,637
Other debtors	468	71,011
Prepayments	17,723	31,721
	<u>255,359</u>	<u>346,369</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	£	£
Prepaid support contracts	776,598	646,793
Tax	80,759	134,106
Social security and other taxes	93,892	127,515
Accrued expenses	50,568	69,900
	<u>1,001,817</u>	<u>978,314</u>

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.17	31.12.16
	£	£
Within one year	<u>6,875</u>	<u>6,500</u>

12. PROVISIONS FOR LIABILITIES

	31.12.17	31.12.16
	£	£
Deferred tax		
Accelerated capital allowances	<u>42,312</u>	<u>19,669</u>
		Deferred tax
		£
Balance at 1 January 2017		19,669
Accelerated capital allowances		<u>22,643</u>
Balance at 31 December 2017		<u>42,312</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.12.17	31.12.16
Number:	Class:	Nominal value:	£	£
9,473	"A" Ordinary	1p	95	95
998	"B" Ordinary	1p	10	5
			<u>105</u>	<u>100</u>

471 "B" Ordinary shares of 1p each were allotted as fully paid at a premium of 45.67 per share during the year.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

14. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2017	2,280,932	-	2,280,932
Profit for the year	440,550		440,550
Dividends	(2,000,000)		(2,000,000)
Cash share issue	-	21,506	21,506
At 31 December 2017	<u>721,482</u>	<u>21,506</u>	<u>742,988</u>

15. ULTIMATE PARENT COMPANY

M3 Inc (incorporated in Japan) is regarded by the directors as being the company's ultimate parent company.

16. RELATED PARTY DISCLOSURES

During the year, 100% of the company's share capital was acquired by Axio Medical Holdings Limited.

Included in expenses is £119,596 relating to salary recharges and corporate travel paid to M3 group companies.

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