

**REGISTERED NUMBER: 04070870 (England and Wales)**

**Strategic Report, Report of the Directors and  
Audited Financial Statements for the Year Ended 31 December 2021  
for  
IQUS Limited**

THURSDAY



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for the Year Ended 31 December 2021**

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**Company Information  
for the Year Ended 31 December 2021**

**DIRECTORS:**

A Tomaru  
A Richter

**REGISTERED OFFICE:**

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

**REGISTERED NUMBER:**

04070870 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Andrew Wilkinson FCA

**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 2021**

The directors present their strategic report for the year ended 31 December 2021.

**BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

Overall revenue has increased to £2,783,810 (2020 £2,433,827) and the directors report a profit before income tax of £819,075 in 2021 compared with a profit before income tax of £774,192 in 2020.

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 M3 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 predominantly 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**

"The NHS Five Year Forward View" published in October 2014 and "Next steps on the NHS Five Year Forward View" published in March 2017 set out a new shared vision for the future of the NHS based around new models of care. This shared vision encompassed changes relating to e-rostering and workforce management that continue to present opportunities and threats.

**GDPR**

GDPR came into effect on 25th May 2018. The Company undertook numerous steps to ensure compliance with the regulation and continues to monitor developments and guidance related to ongoing GDPR compliance and best practice. The opportunities that changes related to GDPR brought continue to outweigh the risks.

**Brexit Considerations**

The uncertainty reduced following the UK withdrawing from the EU on 31 January 2020 and entering into an Implementation period which ended on 31 December 2020. The Company continues to monitor the government's position as it progresses the trade deal negotiation and exit conditions. We consider the risk on the overall business to be low as the Company's client base is 96% UK healthcare based and will be largely unaffected by Brexit but we will continue to assess the changing environment to mitigate any new risks as they arise. As a service business, tax and customs administration remains unaffected. As part of a multi-national group with associated companies both inside and out of the EU, access to markets and employment remains under all current scenarios.

**Covid-19**

The Company continues to monitor the governments' position regarding COVID-19 and has taken careful measures to ensure the business is prepared to mitigate the risks around this as they arise. The business is now fully remote working during this period to ensure staff are protected and has strong cash reserves in place to meet all obligations as they fall due. The Company is actively working with Customers and Healthcare Professionals to maximise support to the wider business community during this uncertain time.

**Strategic Report  
for the Year Ended 31 December 2021**

**SECTION 172 STATEMENT**

In accordance with section 172 of the Companies Act 2006, each of the directors acts in the way they consider, in good faith, would most likely promote the success of the company for the benefit of all its stakeholders as a whole.

Our key stakeholders are our staff, customers, suppliers and healthcare professionals and all key Board decisions take into account the impact on all relevant stakeholders.

The goal of the M3 group is to make use of the Internet to increase, as much as possible, the number of people who can live longer and healthier lives, and to reduce, as much as possible, the amount of unnecessary medical costs.

COVID has been a particular focus for the board over the last year, focussing on how we can help both our stakeholders and the wider community during this challenging time. Staff have worked remotely to maximise safety, we have worked with customers to focus on their changing needs during this time and we have used best efforts to ensure all suppliers remain paid to terms. We continue to work to keep all stakeholders up to date with changes in rules and government advice.

We have increased our reporting to staff, sharing news and results across teams to maximise employee engagement and visibility, with a particular focus on supporting mental health.

The Board work closely with other companies across the M3 Group to ensure consistency in vision and 1 of the 2 directors sit on the board of the ultimate parent company M3 Inc. The Board continue to provide oversight governance to ensure that the business remains compliant with its policies and maintains a high standard of business conduct.

**KEY PERFORMANCE INDICATORS (KPI'S)**

The Company's key performance indicators are its reach to healthcare companies, revenue growth and profit. In 2021 the company achieved revenue of £2,783,810 (2020 £2,433,827) which represents a growth of 14.38% from 2020. The company achieved a profit before income tax of £819,075 (2020: £774,192) which represents an increase of 5.80% from 2020.

**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.

**POSITION OF THE BUSINESS**

As at 31 December 2021 the Company had net assets of £567,604 (2020: assets of £703,823).

**ON BEHALF OF THE BOARD:**



A Richter - Director

20 September 2022

**Report of the Directors  
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

**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 £84.45 per share on the "A" Ordinary 1p shares was paid on 30 August 2021. 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 2021 will be £800,000.

**FUTURE DEVELOPMENTS**

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

**DIRECTORS**

A Tomaru has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

D Lieu - resigned 29 June 2021

C J Ibbetson - resigned 31 May 2021

M D York Jr - appointed 29 January 2021

A Richter - appointed 21 May 2021

M D York Jr ceased to be a director after 31 December 2021 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.

**IQUS Limited (Registered number: 04070870)**

**Report of the Directors  
for the Year Ended 31 December 2021**

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'A Richter', written in a cursive style.

A Richter - Director

20 September 2022

## **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 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **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.

### **Auditors' 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit, in respect to fraud are to identify and assess the risks of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

Our approach was as follows:

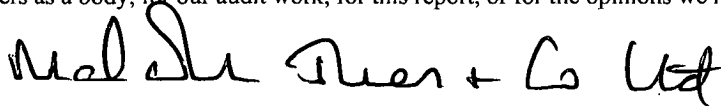
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the reporting framework (FRS 102 as adopted by the UK and the Companies Act 2006) and the relevant tax compliance regulations.
- We noted that the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.
- We understood how the company is complying with those frameworks and regulations by making enquiries of the directors and management.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where they considered there was susceptibility to fraud. For all matters where risk was considered to be higher, we performed audit procedures to address each identified fraud risk.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
IQUS Limited**

**Use of our report**

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.

A handwritten signature in black ink, appearing to read 'Malcolm Jones & Co Ltd', is written over the printed name of the auditor.

Andrew Wilkinson FCA (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

20 September 2022

**Statement of Comprehensive  
Income  
for the Year Ended 31 December 2021**

|  | Notes | 31.12.21<br>£ | £         | 31.12.20<br>£ | £         |
|--|-------|---------------|-----------|---------------|-----------|
| <b>TURNOVER</b>                                    |       |               | 2,783,810 |               | 2,433,827 |
| Cost of sales                                      |       |               | 821,656   |               | 773,308   |
| <b>GROSS PROFIT</b>                                |       |               | 1,962,154 |               | 1,660,519 |
| Distribution costs                                 |       | 59,427        |           | 55,316        |           |
| Administrative expenses                            |       | 1,083,287     |           | 832,235       |           |
|  |       |               | 1,142,714 |               | 887,551   |
| <b>OPERATING PROFIT</b>                            | 4     |               | 819,440   |               | 772,968   |
| Interest receivable and similar income             |       |               | (365)     |               | 1,224     |
| <b>PROFIT BEFORE TAXATION</b>                      |       |               | 819,075   |               | 774,192   |
| Tax on profit                                      | 5     |               | 155,294   |               | 147,097   |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>               |       |               | 663,781   |               | 627,095   |
| <b>OTHER COMPREHENSIVE INCOME</b>                  |       |               | -         |               | -         |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE YEAR</b> |       |               | 663,781   |               | 627,095   |

The notes form part of these financial statements

**Balance Sheet  
31 December 2021**

|  | Notes | 31.12.21<br>£    | £                     | 31.12.20<br>£    | £                     |
|--|-------|------------------|-----------------------|------------------|-----------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                       |                  |                       |
| Intangible assets                            | 7     |                  | 859,112               |                  | 698,010               |
| Tangible assets                              | 8     |                  | 14,287                |                  | 25,338                |
|  |       |                  | <u>873,399</u>        |                  | <u>723,348</u>        |
| <b>CURRENT ASSETS</b>                        |       |                  |                       |                  |                       |
| Debtors                                      | 9     | 543,469          |                       | 303,559          |                       |
| Cash at bank and in hand                     |       | 1,194,857        |                       | 1,282,460        |                       |
|  |       | <u>1,738,326</u> |                       | <u>1,586,019</u> |                       |
| <b>CREDITORS</b>                             |       |                  |                       |                  |                       |
| Amounts falling due within one year          | 10    | 1,884,496        |                       | 1,475,816        |                       |
|  |       | <u>1,884,496</u> |                       | <u>1,475,816</u> |                       |
| <b>NET CURRENT (LIABILITIES)/ASSETS</b>      |       |                  | <u>(146,170)</u>      |                  | <u>110,203</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | <u>727,229</u>        |                  | <u>833,551</u>        |
| <b>PROVISIONS FOR LIABILITIES</b>            | 12    |                  | 159,625               |                  | 129,728               |
| <b>NET ASSETS</b>                            |       |                  | <u><u>567,604</u></u> |                  | <u><u>703,823</u></u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                       |                  |                       |
| Called up share capital                      | 13    |                  | 105                   |                  | 105                   |
| Share premium                                | 14    |                  | 21,506                |                  | 21,506                |
| Retained earnings                            | 14    |                  | 545,993               |                  | 682,212               |
|  |       |                  | <u>567,604</u>        |                  | <u>703,823</u>        |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                  | <u><u>567,604</u></u> |                  | <u><u>703,823</u></u> |

The financial statements were approved by the Board of Directors and authorised for issue on 20 September 2022 and were signed on its behalf by:



A Richter - Director

**Statement of Changes in Equity  
for the Year Ended 31 December 2021**

|                                    | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Share<br>premium<br>£ | Total<br>equity<br>£  |
|------------------------------------|------------------------------------|---------------------------|-----------------------|-----------------------|
| <b>Balance at 1 January 2020</b>   | 105                                | 855,117                   | 21,506                | 876,728               |
| <b>Changes in equity</b>           |                                    |                           |                       |                       |
| Dividends                          | -                                  | (800,000)                 | -                     | (800,000)             |
| Total comprehensive income         | -                                  | 627,095                   | -                     | 627,095               |
| <b>Balance at 31 December 2020</b> | <u>105</u>                         | <u>682,212</u>            | <u>21,506</u>         | <u>703,823</u>        |
| <b>Changes in equity</b>           |                                    |                           |                       |                       |
| Dividends                          | -                                  | (800,000)                 | -                     | (800,000)             |
| Total comprehensive income         | -                                  | 663,781                   | -                     | 663,781               |
| <b>Balance at 31 December 2021</b> | <u><u>105</u></u>                  | <u><u>545,993</u></u>     | <u><u>21,506</u></u>  | <u><u>567,604</u></u> |

The notes form part of these financial statements

**Cash Flow Statement  
for the Year Ended 31 December 2021**

|   | Notes | 31.12.21<br>£           | 31.12.20<br>£           |
|---|-------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>           |       |                         |                         |
| Cash generated from operations                        | 1     | 1,138,340               | 1,013,483               |
| Tax paid  |       | (85,105)                | (180,945)               |
| Net cash from operating activities                    |       | <u>1,053,235</u>        | <u>832,538</u>          |
| <b>Cash flows from investing activities</b>           |       |                         |                         |
| Purchase of intangible fixed assets                   |       | (331,801)               | (290,410)               |
| Purchase of tangible fixed assets                     |       | (8,671)                 | (12,023)                |
| Sale of intangible fixed assets                       |       | (862)                   | -                       |
| Sale of tangible fixed assets                         |       | 861                     | -                       |
| Interest received                                     |       | (365)                   | 1,224                   |
| Net cash from investing activities                    |       | <u>(340,838)</u>        | <u>(301,209)</u>        |
| <b>Cash flows from financing activities</b>           |       |                         |                         |
| Equity dividends paid                                 |       | (800,000)               | (800,000)               |
| Net cash from financing activities                    |       | <u>(800,000)</u>        | <u>(800,000)</u>        |
| <b>Decrease in cash and cash equivalents</b>          |       | <u>(87,603)</u>         | <u>(268,671)</u>        |
| <b>Cash and cash equivalents at beginning of year</b> | 2     | 1,282,460               | 1,551,131               |
| <b>Cash and cash equivalents at end of year</b>       | 2     | <u><u>1,194,857</u></u> | <u><u>1,282,460</u></u> |

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2021**

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

|  | 31.12.21                | 31.12.20                |
|--|-------------------------|-------------------------|
|  | £                       | £                       |
| Profit before taxation                         | 819,075                 | 774,192                 |
| Depreciation charges                           | 189,560                 | 94,450                  |
| Loss on disposal of fixed assets               | 862                     | 3,017                   |
| Finance income                                 | 365                     | (1,224)                 |
|  | <u>1,009,862</u>        | <u>870,435</u>          |
| (Increase)/decrease in trade and other debtors | (276,845)               | 31,436                  |
| Increase in trade and other creditors          | 405,323                 | 111,612                 |
|  | <u>1,138,340</u>        | <u>1,013,483</u>        |
| <b>Cash generated from operations</b>          | <u><u>1,138,340</u></u> | <u><u>1,013,483</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 2021**

|                           | 31.12.21         | 1.1.21           |
|---------------------------|------------------|------------------|
|                           | £                | £                |
| Cash and cash equivalents | <u>1,194,857</u> | <u>1,282,460</u> |

**Year ended 31 December 2020**

|                           | 31.12.20         | 1.1.20           |
|---------------------------|------------------|------------------|
|                           | £                | £                |
| Cash and cash equivalents | <u>1,282,460</u> | <u>1,551,131</u> |

**3. ANALYSIS OF CHANGES IN NET FUNDS**

|                          | At 1.1.21               | Cash flow              | At 31.12.21             |
|--------------------------|-------------------------|------------------------|-------------------------|
|                          | £                       | £                      | £                       |
| <b>Net cash</b>          |                         |                        |                         |
| Cash at bank and in hand | 1,282,460               | (87,603)               | 1,194,857               |
|                          | <u>1,282,460</u>        | <u>(87,603)</u>        | <u>1,194,857</u>        |
| <b>Total</b>             | <u><u>1,282,460</u></u> | <u><u>(87,603)</u></u> | <u><u>1,194,857</u></u> |

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 December 2021**

**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 value of services supplied, excluding value added tax. As these services are provided over a specific period of time, the entity recognises turnover on a straight-line basis over the period of each individual contract.

**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.

Some development costs are being amortised evenly over their estimated useful life of five years. Costs which relate to newly developing projects will not be amortised until the project is ready to be sold.

**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

**Financial instruments**

Basic financial assets, including trade receivables, cash and bank balances, are initially recognised at transaction price and are subsequently assessed for indicators of impairment at each reporting end date. If an asset is impaired, the impairment loss, which is the difference between the carrying amount and the net present value of the estimated discounted cash flows, is recognised in the profit and loss account.

Basic financial liabilities, including trade payables, are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method. Where these have been acquired in the ordinary course of business from suppliers and where payment is due within one year, then they are classified as current liabilities.

**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.



**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**2. ACCOUNTING POLICIES - continued**

**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.

**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**

|                       | 31.12.21         | 31.12.20         |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,138,204        | 950,975          |
| Social security costs | 4,503            | 12,001           |
| Other pension costs   | 37,410           | 37,047           |
|                       | <u>1,180,117</u> | <u>1,000,023</u> |

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

|                        | 31.12.21  | 31.12.20  |
|------------------------|-----------|-----------|
| Directors              | 1         | 1         |
| Office and admin staff | 30        | 26        |
|                        | <u>31</u> | <u>27</u> |

|  | 31.12.21     | 31.12.20     |
|--|--------------|--------------|
|  | £            | £            |
| Directors' remuneration                                    | 34,203       | 95,573       |
| Directors' pension contributions to money purchase schemes | <u>1,368</u> | <u>3,188</u> |

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**3. EMPLOYEES AND DIRECTORS - continued**

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

|                        |          |          |
|------------------------|----------|----------|
| Money purchase schemes | <u>1</u> | <u>1</u> |
|------------------------|----------|----------|

**4. OPERATING PROFIT**

The operating profit is stated after charging:

|   |              |              |
|---|--------------|--------------|
|   | 31.12.21     | 31.12.20     |
|   | £            | £            |
| Depreciation - owned assets                       | 18,861       | 31,131       |
| Loss on disposal of fixed assets                  | 862          | 3,018        |
| Development costs amortisation                    | 170,699      | 63,318       |
| Auditors' remuneration                            | 4,350        | 4,050        |
| Fees paid to the auditor for accountancy services | <u>2,225</u> | <u>2,125</u> |

**5. TAXATION**

**Analysis of the tax charge**

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

|                    |                |                |
|--------------------|----------------|----------------|
|                    | 31.12.21       | 31.12.20       |
|                    | £              | £              |
| Current tax:       |                |                |
| UK corporation tax | 125,397        | 108,745        |
| Deferred tax       | <u>29,897</u>  | <u>38,352</u>  |
| Tax on profit      | <u>155,294</u> | <u>147,097</u> |

UK corporation tax has been charged at 19% (2020 - 19%).

**6. DIVIDENDS**

|                                |                |                |
|--------------------------------|----------------|----------------|
|                                | 31.12.21       | 31.12.20       |
|                                | £              | £              |
| "A" Ordinary shares of 1p each |                |                |
| Interim                        | <u>800,000</u> | <u>800,000</u> |

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**7. INTANGIBLE FIXED ASSETS**

|                       | Development costs<br>£ |
|-----------------------|------------------------|
| <b>COST</b>           |                        |
| At 1 January 2021     | 853,476                |
| Additions             | 331,801                |
|                       | <hr/>                  |
| At 31 December 2021   | 1,185,277              |
| <b>AMORTISATION</b>   |                        |
| At 1 January 2021     | 155,466                |
| Amortisation for year | 170,699                |
|                       | <hr/>                  |
| At 31 December 2021   | 326,165                |
| <b>NET BOOK VALUE</b> |                        |
| At 31 December 2021   | 859,112                |
|                       | <hr/>                  |
| At 31 December 2020   | 698,010                |
|                       | <hr/>                  |

**8. TANGIBLE FIXED ASSETS**

|                        | Fixtures and fittings<br>£ |
|------------------------|----------------------------|
| <b>COST</b>            |                            |
| At 1 January 2021      | 145,646                    |
| Additions              | 8,671                      |
| Disposals              | (1,543)                    |
|                        | <hr/>                      |
| At 31 December 2021    | 152,774                    |
| <b>DEPRECIATION</b>    |                            |
| At 1 January 2021      | 120,308                    |
| Charge for year        | 18,861                     |
| Eliminated on disposal | (682)                      |
|                        | <hr/>                      |
| At 31 December 2021    | 138,487                    |
| <b>NET BOOK VALUE</b>  |                            |
| At 31 December 2021    | 14,287                     |
|                        | <hr/>                      |
| At 31 December 2020    | 25,338                     |
|                        | <hr/>                      |

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                 | 31.12.21<br>£ | 31.12.20<br>£ |
|-----------------|---------------|---------------|
| Trade debtors   | 526,145       | 249,080       |
| Other debtors   | 13,470        | 1,363         |
| Tax recoverable | -             | 36,935        |
| Prepayments     | 3,854         | 16,181        |
|                 | <hr/>         | <hr/>         |
|                 | 543,469       | 303,559       |
|                 | <hr/>         | <hr/>         |

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | 31.12.21         | 31.12.20         |
|---------------------------------|------------------|------------------|
|                                 | £                | £                |
| Prepaid support contracts       | 1,517,411        | 1,204,342        |
| Corporation tax                 | 3,357            | -                |
| Social security and other taxes | 221,041          | 144,552          |
| Accrued expenses                | 142,687          | 126,922          |
|                                 | <u>1,884,496</u> | <u>1,475,816</u> |

**11. LEASING AGREEMENTS**

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

|                            | 31.12.21      | 31.12.20     |
|----------------------------|---------------|--------------|
|                            | £             | £            |
| Within one year            | 62,925        | 7,250        |
| Between one and five years | 19,115        | -            |
|                            | <u>82,040</u> | <u>7,250</u> |

**12. PROVISIONS FOR LIABILITIES**

|                                | 31.12.21       | 31.12.20       |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Deferred tax                   |                |                |
| Accelerated capital allowances | <u>159,625</u> | <u>129,728</u> |
|                                |                | Deferred tax   |
|                                |                | £              |
| Balance at 1 January 2021      |                | 129,728        |
| Accelerated capital allowances |                | <u>29,897</u>  |
| Balance at 31 December 2021    |                | <u>159,625</u> |

**13. CALLED UP SHARE CAPITAL**

| Allotted, issued and fully paid: |              | Nominal | 31.12.21   | 31.12.20   |
|----------------------------------|--------------|---------|------------|------------|
| Number:                          | Class:       | value:  | £          | £          |
| 9,473                            | "A" Ordinary | 1p      | 95         | 95         |
| 998                              | "B" Ordinary | 1p      | 10         | 10         |
|                                  |              |         | <u>105</u> | <u>105</u> |

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**14. RESERVES**

|                     | Retained<br>earnings<br>£ | Share<br>premium<br>£ | Totals<br>£ |
|---------------------|---------------------------|-----------------------|-------------|
| At 1 January 2021   | 682,212                   | 21,506                | 703,718     |
| Profit for the year | 663,781                   |                       | 663,781     |
| Dividends           | (800,000)                 |                       | (800,000)   |
|                     | <hr/>                     | <hr/>                 | <hr/>       |
| At 31 December 2021 | 545,993                   | 21,506                | 567,499     |
|                     | <hr/>                     | <hr/>                 | <hr/>       |

**15. ULTIMATE PARENT COMPANY**

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

The group prepares consolidated financial statements into which these accounts are consolidated. Those financial statements may be obtained from M3 Inc, Akasaka Intercity 10th Floor, 1-11-44 Akasaka, Minato-ku, Tokyo 107-0052, Japan.

**16. RELATED PARTY DISCLOSURES**

100% of the company's share capital is held by M3 Medical Holdings Limited, making this a related party.

Included in expenses is £42,555 (2020 - £61,686) relating to salary recharges and various other recharges paid to M3 group companies. Creditors includes £3,077 (2020 - £2,793) due to M3 group companies.