

Registered Number: 05723876

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013
FOR
M3 GLOBAL RESEARCH LTD**

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M3 GLOBAL RESEARCH LTD

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for the year ended 30 June 2013

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M3 GLOBAL RESEARCH LTD

COMPANY INFORMATION
for the year ended 30 June 2013

DIRECTORS:

Paul Williams
Akihiko Tomaru

SECRETARY

Lucilla Kearsey

REGISTERED OFFICE:

Galena House, 8-30 Galena Road
Hammersmith
London
United Kingdom
W6 0LT

REGISTERED NUMBER.

05723876 (England and Wales)

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium,
1 Harefield Road,
Uxbridge
Middlesex
UB8 1EX

M3 GLOBAL RESEARCH LTD (REGISTERED NUMBER 05723876)

REPORT OF THE DIRECTORS for the year ended 30 June 2013

The directors present their report with the audited financial statements of the company for the year ended 30 June 2013

CHANGE OF NAME

The company passed a special resolution on 13 September 2012 changing its name from EMS Research Limited to M3 Global Research Ltd

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of market research consultancy

REVIEW OF BUSINESS

The directors are pleased to report a profit on ordinary activities before taxation of £89,724 (2012 - loss of 9,745)

The company has increased turnover by 3%, from £7,014,025 in 2012 to £7,216,629 in 2013 whilst maintaining its gross profit percentage (2013 - 34%, 2012 - 35%) Administrative expenses have reduced by £92,099 to £2,321,284 (2012 - £2,413,383)

The balance sheet has improved from the previous year

The company uses turnover and gross margins as its key performance indicators, with a target to grow turnover whilst maintaining margins. As set out above the company has performed well in line with these indicators. The directors consider that the company's ability to continue to increase sales will focus more in the United Kingdom and Europe, with the United States and Asian regions being covered by partner companies. Sales in Europe, including the United Kingdom, have increased by £315,924. There is expected to be a small increase in ex-European Union work through clients wishing to expand out of their normal comfort zones of United States, Europe and Asia, into markets such as BRIC. The directors expect to maintain margins in this highly competitive industry by reducing the reliance on third party suppliers, this will be effected by continued development of our active database/panel across Europe.

The ongoing principal risks and uncertainties facing the company are the same as those facing most international service organisations, specifically the slow growth of the United States economy as the United States government struggles with continued budget deficits, the ongoing Eurozone crisis, and the slowing growth rate of the Chinese economy. The company manages these risks by continually looking for opportunities to increase the client base and reduce costs both internally and from third parties. M3 Global Research Ltd were accredited by ISO standard 26362 during 2013, which makes them the only provider in their space to have this accreditation, which is giving current and new clients confidence to continue to, or start to, use their service.

Despite these challenges, M3 Global Research Ltd was able to grow market share and revenues in 2013, the directors remain optimistic that there are opportunities for continued growth in 2014 and are looking for double-digit percentage growth.

DIVIDENDS

No interim dividends were paid during the year (2012 - none) and the directors do not propose the payment of a final dividend (2012 - none)

DIRECTORS

Akihiko Tomaru remained in office as a director throughout the year and up to the date of this report.

Neil David Martin Jarvis remained in office as a director until his resignation on 31 July 2012.

Paul Williams was appointed a director on 2 July 2012 and remained in office during the year and up to the date of this report.

REPORT OF THE DIRECTORS
for the year ended 30 June 2013

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company's policy is to agree the terms of payment with suppliers when agreeing the terms of each transaction, to ensure that all suppliers are made aware of the terms of payment and to abide by the terms of payment

At 30 June 2013, the number of creditors days outstanding was 14 (2012 - 20)

FINANCIAL INSTRUMENTS

The company's financial instruments comprise accounts with European banks denominated in Sterling, Euros and US dollars and amounts due to a group company under a line of credit agreement denominated in Sterling. Whilst the line of credit agreement is repayable on demand with 30 days advance notice it is considered to be long term by the group company and it is not anticipated that repayment will be requested in the foreseeable future

The group of which this company is a part manages group liquid resources to ensure that the operating needs of the entire group are met. The company's exposure to credit risk and liquidity risk in respect of its financial instruments is therefore minimal

As the company accepts Euros and US dollars in settlement of sales invoices but incurs most of its expenditure in Sterling there is some exchange rate risk

OVERSEAS BRANCHES

The company does not have any overseas branches (2012 - none)

GOING CONCERN

The company relies upon a line of credit agreement with a group company for its cash flow facilities. While this is repayable on demand with 30 days advance notice the directors have notification of the group's intention to provide such ongoing financial support as is necessary for the company to continue in operation and to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 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 and 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

REPORT OF THE DIRECTORS
for the year ended 30 June 2013

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

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office

ON BEHALF OF THE BOARD:



Paul Williams / Director

Date 23rd January 2014

We have audited the financial statements of M3 Global Research Ltd for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

Our audit opinion on the financial statements of the company for the year ended 30 June 2012 was modified to disclaim our opinion on the Profit and Loss Account for the year ended 30 June 2012 as we were unable to obtain sufficient appropriate evidence concerning the opening balances of trade debtors and accrued expenses as at 1 July 2011 and any adjustments to these amounts would impact on the profit for the year ended 30 June 2012. Our opinion on the current period's financial statements is modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Opinion on financial statements

In our opinion, except for the possible effects on the corresponding figures in the profit and loss account of the matter described in the basis for qualified opinion paragraph, the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 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

Opinion on other matter prescribed by the Companies Act 2006

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

M3 GLOBAL RESEARCH LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M3 GLOBAL RESEARCH LTD

Matters on which we are required to report by exception

- 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



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

Date 23 January 2014

M3 GLOBAL RESEARCH LTD**PROFIT AND LOSS ACCOUNT**
for the year ended 30 June 2013

	Notes	2013 £	2012 £
TURNOVER	2	7,216,629	7,014,025
Cost of sales		<u>(4,769,357)</u>	<u>(4,570,888)</u>
GROSS PROFIT		2,447,272	2,443,137
Administrative expenses		<u>(2,321,284)</u>	<u>(2,413,383)</u>
OPERATING PROFIT	5	125,988	29,754
Interest payable and similar charges	6	<u>(36,264)</u>	<u>(39,499)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		89,724	(9,745)
Tax on profit/(loss) on ordinary activities	7	<u>(25,848)</u>	<u>(10,418)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>63,876</u>	<u>(20,163)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit the current year and the loss for the previous year

NOTE OF HISTORICAL COST PROFITS AND LOSSES

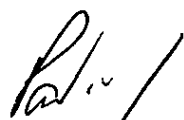
The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

The notes on pages 9 to 15 form part of these financial statements

M3 GLOBAL RESEARCH LTD (REGISTERED NUMBER. 05723876)**BALANCE SHEET**
30 June 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Intangible assets	8	23,773	6,820
Tangible assets	9	<u>424,704</u>	<u>280,842</u>
		<u>448,477</u>	<u>287,662</u>
CURRENT ASSETS			
Stocks	10	39,111	4,662
Debtors	11	2,007,972	2,090,218
Cash at bank and in hand		<u>574,928</u>	<u>92,657</u>
		2,622,011	2,187,537
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(3,099,456)</u>	<u>(2,593,834)</u>
NET CURRENT LIABILITIES		<u>(477,445)</u>	<u>(406,297)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(28,968)	(118,635)
PROVISIONS FOR LIABILITIES	14	<u>(50,156)</u>	<u>(24,365)</u>
NET LIABILITIES		<u>(79,124)</u>	<u>(143,000)</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,000	1,000
Profit and loss account	16	<u>(80,124)</u>	<u>(144,000)</u>
TOTAL SHAREHOLDERS' DEFICIT	19	<u>(79,124)</u>	<u>(143,000)</u>

The financial statements were approved by the Board of Directors on 23rd January 2014 and were signed on its behalf by



Paul Williams - Director

The notes on pages 9 to 15 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

1 ACCOUNTING POLICIES

Basis of preparation

The company relies upon a line of credit agreement with a group company for its cash flow facilities. While this is repayable on demand with 30 days advance notice the directors have notification of the group's intention to provide such ongoing financial support as is necessary for the company to continue in operation and to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

Accounting convention

These financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Principal accounting policies are set out below and have been applied consistently throughout the year.

Turnover

Following a change in our standard terms and conditions of trade as well as further integration with our intermediate parent company group, M3 USA Inc, we have reviewed the point at which revenue is recognised. In accordance with the new terms and conditions turnover is recognised upon issuance of the final deliverable to our customers. In the prior year turnover was recognised at the time our services were performed for our customers. The impact of this change has not been significant.

Intangible fixed 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 database are written off as incurred.

Tangible fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of the asset as follows:

Improvements to property - over the unexpired term of the lease
Fixtures and fittings - 10% on cost
Computer equipment - 20% on cost

Stocks - work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of overheads.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Trading transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange gains or losses are included in the profit and loss account in the year in which they arise.

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 the profit and loss account in the period to which they relate.

Leased assets and obligations

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2013

1 ACCOUNTING POLICIES - continued**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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A 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 sufficient taxable profits against which to recover 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 an undiscounted basis

Cash flow statement and related party disclosure

The company is a wholly owned subsidiary of M3 USA Corporation and is included in the consolidated financial statements of its ultimate parent company, M3, Inc., which are publicly available (see note 18). Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 - 'Cash flow statements (revised 1996)'. The company is also exempt under the terms of Financial Reporting Standard 8 - 'Related party disclosure' from disclosing related party transactions between the company and other group companies

2 TURNOVER

The turnover and profit (2012 - loss) before taxation are attributable to the principal activities of the company

An analysis of turnover by geographical market is given below

	2013 £	2012 £
United Kingdom	2,043,889	1,758,932
Europe	339,495	308,528
United States of America	4,495,976	4,582,735
Rest of World	<u>337,269</u>	<u>363,830</u>
	<u>7,216,629</u>	<u>7,014,025</u>

3 STAFF COSTS

	2013 £	2012 £
Wages and salaries	1,916,520	1,902,192
Social security costs	176,209	153,613
Other pension costs	<u>10,167</u>	<u>-</u>
	<u>2,102,896</u>	<u>2,055,805</u>

M3 GLOBAL RESEARCH LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 30 June 2013**3 STAFF COSTS - continued**

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

	2013	2012
Fieldworkers	51	50
Administration and sales	<u>30</u>	<u>32</u>
	<u>81</u>	<u>82</u>

4 DIRECTORS' EMOLUMENTS

	2013	2012
	£	£
Directors' remuneration	107,073	79,800
Directors' pension contributions to money purchase schemes	<u>1,100</u>	<u>-</u>

5 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Depreciation - owned assets	56,270	45,900
Database development amortisation	3,047	1,714
Auditors' remuneration	18,000	39,850
Foreign exchange (gain)/loss	(8,405)	22,837
Operating lease rentals - land and buildings	<u>190,000</u>	<u>170,000</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest payable to group undertakings	<u>36,264</u>	<u>39,499</u>

7 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**Analysis of the tax charge**

The tax charge on the profit/(loss) on ordinary activities for the year was as follows

	2013	2012
	£	£
Current tax		
UK corporation tax	57	13,155
Adjustments in respect of prior years	<u>-</u>	<u>104</u>
Total current tax	57	13,259
Deferred tax	<u>25,791</u>	<u>(2,841)</u>
Tax on profit/(loss) on ordinary activities	<u>25,848</u>	<u>10,418</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2013

7 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES - continued**Factors affecting the tax charge**

The tax assessed for the year is lower (2012 – higher) than the standard rate of corporation tax in the UK. The difference is explained below.

	2013 £	2012 £
Profit/(loss) on ordinary activities before tax	<u>89,724</u>	<u>(9,745)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.75% (2012 - 25.5%)	21,309	(2,485)
Effects of		
Expenses not deductible for tax purposes	3,050	4,345
Capital allowances in excess of depreciation	(24,302)	-
Depreciation in excess of capital allowances	-	6,099
Other adjustments	-	5,196
Adjustments in respect of prior years	-	104
Current tax charge	<u>57</u>	<u>13,259</u>

8 INTANGIBLE ASSETS

	Database development £
COST	
At 1 July 2012	8,570
Additions	<u>20,000</u>
At 30 June 2013	<u>28,570</u>
AMORTISATION	
At 1 July 2012	1,750
Amortisation for year	<u>3,047</u>
At 30 June 2013	<u>4,797</u>
NET BOOK VALUE	
At 30 June 2013	<u>23,773</u>
At 30 June 2012	<u>6,820</u>

M3 GLOBAL RESEARCH LTD
NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2013
9 TANGIBLE ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 July 2012	182,199	47,691	114,957	344,847
Additions	<u>15,280</u>	<u>3,800</u>	<u>181,052</u>	<u>200,132</u>
At 30 June 2013	<u>197,479</u>	<u>51,491</u>	<u>296,009</u>	<u>544,979</u>
ACCUMULATED DEPRECIATION				
At 1 July 2012	22,257	6,743	35,005	64,005
Charge for year	<u>18,718</u>	<u>5,086</u>	<u>32,466</u>	<u>56,270</u>
At 30 June 2013	<u>40,975</u>	<u>11,829</u>	<u>67,471</u>	<u>120,275</u>
NET BOOK VALUE				
At 30 June 2013	<u>156,504</u>	<u>39,662</u>	<u>228,538</u>	<u>424,704</u>
At 30 June 2012	<u>159,942</u>	<u>40,948</u>	<u>79,952</u>	<u>280,842</u>

10 STOCKS

	2013 £	2012 £
Work-in-progress	<u>39,111</u>	<u>4,662</u>

11 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	1,131,479	1,736,588
Amounts owed by group undertakings	813,527	84,705
Other debtors	8,787	23,602
Prepayments and accrued income	<u>54,179</u>	<u>245,323</u>
	<u>2,007,972</u>	<u>2,090,218</u>

Intercompany balances relate to trading arrangements between group entities. They are interest free and repayable on demand.

12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Other loans (see note 13)	1,226,137	1,002,654
Trade creditors	208,961	295,913
Amounts owed to group undertakings	862,693	55,767
Corporation tax	57	13,155
Other taxation and social security	118,756	121,563
Accrued expenses	<u>682,852</u>	<u>1,104,782</u>
	<u>3,099,456</u>	<u>2,593,834</u>

Intercompany balances relate to trading arrangements between group entities. They are interest free and repayable on demand.

M3 GLOBAL RESEARCH LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 30 June 2013**13 LOANS**

An analysis of the maturity of loans is given below

	2013 £	2012 £
Amounts falling due within one year or on demand		
Amounts owed to group undertakings	<u>1,226,137</u>	<u>1,002,654</u>

The amounts owed to group undertakings represent an unsecured loan from the parent company, M3 USA Corporation under a line of credit agreement. The maximum available borrowing is £1,400,000 with a monthly limit of £400,000, subject to certain conditions. These loans bear simple interest at 3.25% reducing to 1.13% from 1 June 2013 (2011 - 3.25%) and are repayable on demand with 30 days advance notice.

14 PROVISIONS FOR LIABILITIES

	2013 £	2012 £
Deferred tax	<u>50,156</u>	<u>24,365</u>
		Deferred tax £
Balance at 1 July 2012		24,365
Charge to profit and loss account during year		<u>25,791</u>
Balance at 30 June 2013		<u>50,156</u>

The deferred tax provision is entirely attributable to accelerated capital allowances.

There was no unprovided deferred tax.

15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2013 £	2012 £
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

16 RESERVES

	Profit and loss account £
At 1 July 2012	(144,000)
Profit for the year	<u>63,876</u>
At 30 June 2013	<u>(80,124)</u>

M3 GLOBAL RESEARCH LTD

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 June 2013

17 RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group

18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking and controlling party is M3 USA Corporation, a company registered in Delaware, USA

Until 25 February 2013, the ultimate parent undertaking and controlling party was Sony Corporation, a company incorporated in Japan

Subsequent to 25 February 2013, the ultimate parent undertaking has been M3, Inc, a company incorporated in Japan

M3, Inc, a company incorporated in Japan, is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of M3, Inc may be obtained from Akasaka Intercity, 10th floor, 1-11-44 Akasaka, Minato-ku, Tokyo 107-0052 Japan

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2013 £	2012 £
Profit/(loss) for the financial year	<u>63,876</u>	<u>(20,163)</u>
Net reduction from/(addition to) shareholders' deficit	63,876	(20,163)
Opening shareholders' deficit	<u>(143,000)</u>	<u>(122,837)</u>
Closing shareholders' deficit	<u><u>(79,124)</u></u>	<u><u>(143,000)</u></u>

20 OPERATING LEASE COMMITMENTS

Annual commitments under non-cancellable operating leases of land and buildings which expire within two to five years are £185,000 (2012 - £105,000)