

Registered Number 05723876

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE PERIOD 1 JULY 2013 TO 30 SEPTEMBER 2014
FOR
M3 GLOBAL RESEARCH LTD**

TUESDAY



A48QS822

A14

02/06/2015

#66

COMPANIES HOUSE

M3 GLOBAL RESEARCH LTD

CONTENTS OF THE FINANCIAL STATEMENTS
for the period 1 July 2013 to 30 September 2014

| | Page |
|--|-------------|
| Company Information | 1 |
| Strategic Report | 2 |
| Report of the Directors | 3 |
| Independent Auditors' Report | 5 |
| Profit and Loss Account | 7 |
| Balance Sheet | 8 |
| Notes to the Financial Statements | 9 |

M3 GLOBAL RESEARCH LTD

COMPANY INFORMATION

for the period 1 July 2013 to 30 September 2014

DIRECTORS:

Akihiko Tomaru
Tim R Ringrose

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

STRATEGIC REPORT

for the period 1 July 2013 to 30 September 2014

The directors present their strategic report for the period 1 July 2013 to 30 September 2014.

REVIEW AND ANALYSIS OF BUSINESS DURING THE CURRENT PERIOD

The company continued its principal activity of market research consultancy during the 15 month period ended 30 September 2014.

Development and Financial Performance during the year

The directors are pleased to report a profit on ordinary activities before taxation of £143,663 (2013 - £89,724).

The company has increased turnover by 49% (on a time apportioned basis) from £7,216,629 for the year ended 30 June 2013 to £13,457,240 for the 15 month period ended 30 September 2014 whilst maintaining its gross profit percentage (2014 - 32%; 2013 - 34%). Administrative expenses have increased by £1,790,890 to £4,112,174 for the 15 month period (2013 - £2,321,284 for the year).

On 30 September 2014 M3 Global Research Ltd sold the entire legal and beneficial ownership of its business as a going concern to M3 (EU) Limited, a fellow M3 group member, with the exception of the lease of the Galena House premises in Hammersmith. With the exception of transactions related to the lease, the company will no longer trade.

Key Performance Indicators

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.

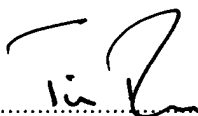
Financial Position at the Reporting Date

The net balance sheet position has improved from the previous year. From 1 October 2014 the company will no longer be trading but will sublet the Galena House premises to M3 (EU) Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

Management continually monitor the key risks facing the company and assess the controls used for managing these risks. Following the transfer of the company's business to M3 (EU) Limited on 30 September 2014 the company's only risks relate to its continued interest in the lease of Galena House in Hammersmith.

ON BEHALF OF THE BOARD:



.....
Tim R Ringrose - Director

Date: 29 May 2015

REPORT OF THE DIRECTORS
for the period 1 July 2013 to 30 September 2014

The directors present their report with the audited financial statements of the company for the period 1 July 2013 to 30 September 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of market research consultancy.

On 30 September 2014 M3 Global Research Ltd sold the entire legal and beneficial ownership of its business as a going concern to M3 (EU) Limited, a fellow M3 group member, with the exception of the lease of the Galena House premises in Hammersmith. With the exception of transactions related to the lease, the company will no longer trade.

DIVIDENDS

No interim dividends were paid during the period 1 July 2013 to 30 September 2014 (2013 - none) and the directors do not propose the payment of a final dividend (2013 - none).

DIRECTORS

Akihiko Tomaru remained in office as a director throughout the period 1 July 2013 to 30 September 2014 and up to the date of this report. Paul Williams remained in office as a director throughout the period 1 July 2013 to 30 September 2014 but resigned on 27 November 2014 when Tim R Ringrose was appointed.

FINANCIAL INSTRUMENTS

The company's financial instruments comprised 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 was repayable on demand with 30 days advance notice it was considered to be long term by the group company and it was not anticipated that repayment would be requested in the foreseeable future. On 30 September 2014 the beneficial ownership of all of the company's bank accounts was transferred to M3 (EU) Limited.

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 accepted Euros and US dollars in settlement of sales invoices but incurred most of its expenditure in Sterling there was some exchange rate risk.

DISCLOSURE IN THE STRATEGIC REPORT

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report on page 2. These matters refer to the likely future developments in the business.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

REPORT OF THE DIRECTORS

for the period 1 July 2013 to 30 September 2014

DIRECTORS' RESPONSIBILITIES STATEMENT - continued

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

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

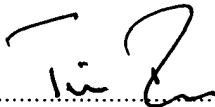
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
Tim R Ringrose - Director

Date: 29 May 2015

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, M3 Global Research Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

M3 Global Research Ltd's financial statements comprise:

- the Balance Sheet as at 30 September 2014;
- the Profit and Loss Account for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

What an audit of financial statements involves

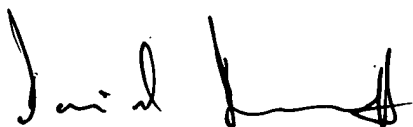
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

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



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

Date: 29 May 2015

M3 GLOBAL RESEARCH LTD**PROFIT AND LOSS ACCOUNT**

for the period 1 July 2013 to 30 September 2014

| | Notes | PERIOD 1/7/13 TO 30/9/14 £ | YEAR ENDED 30/6/13 £ |
|--|-------|--|----------------------------|
| TURNOVER | 2 | 13,457,240 | 7,216,629 |
| Cost of sales | | <u>(9,185,910)</u> | <u>(4,769,357)</u> |
| GROSS PROFIT | | 4,271,330 | 2,447,272 |
| Administrative expenses | | <u>(4,112,174)</u> | <u>(2,321,284)</u> |
| OPERATING PROFIT | 5 | 159,156 | 125,988 |
| Interest payable and similar charges | 6 | <u>(15,493)</u> | <u>(36,264)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 143,663 | 89,724 |
| Tax on profit on ordinary activities | 7 | <u>(35,543)</u> | <u>(25,848)</u> |
| PROFIT FOR THE FINANCIAL PERIOD | | <u>108,120</u> | <u>63,876</u> |

DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the current period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current period or previous year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

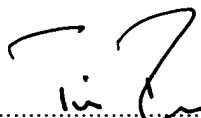
The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

The notes on pages 9 to 16 form part of these financial statements

BALANCE SHEET
30 September 2014

| | Notes | 30/9/14 £ | 30/6/13 £ |
|---|-------|--------------|--------------|
| FIXED ASSETS | | | |
| Intangible assets | 8 | - | 23,773 |
| Tangible assets | 9 | - | 424,704 |
| | | - | 448,477 |
| CURRENT ASSETS | | | |
| Stocks | 10 | - | 39,111 |
| Debtors | 11 | 258,439 | 2,007,972 |
| Cash at bank and in hand | | - | 574,928 |
| | | 258,439 | 2,622,011 |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 12 | (229,443) | (3,099,456) |
| NET CURRENT ASSETS/(LIABILITIES) | | 28,996 | (477,445) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 28,996 | (28,968) |
| PROVISIONS FOR LIABILITIES | 14 | - | (50,156) |
| NET ASSETS/(LIABILITIES) | | 28,996 | (79,124) |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 1,000 | 1,000 |
| Profit and loss account | 16 | 27,996 | (80,124) |
| SHAREHOLDERS' FUNDS/(DEFICIT) | 19 | 28,996 | (79,124) |

The financial statements were approved by the Board of Directors on 29 May 2015 and were signed on its behalf by:



Tim R Ringrose - Director

The notes on pages 9 to 16 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the period 1 July 2013 to 30 September 2014

1. ACCOUNTING POLICIES

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

In accordance with the company's terms and conditions turnover is recognised upon issuance of the final deliverable to its customers.

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 period 1 July 2013 to 30 September 2014

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 before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

| | PERIOD 1/7/13 TO 30/9/14 £ | YEAR ENDED 30/6/13 £ |
|--------------------------|--|----------------------------|
| United Kingdom | 1,955,441 | 2,043,889 |
| Europe | 6,617,096 | 339,495 |
| United States of America | 2,279,354 | 4,495,976 |
| Rest of World | 2,605,349 | 337,269 |
| | <u>13,457,240</u> | <u>7,216,629</u> |

3. STAFF COSTS

| | PERIOD 1/7/13 TO 30/9/14 £ | YEAR ENDED 30/6/13 £ |
|-----------------------|--|----------------------------|
| Wages and salaries | 3,139,356 | 1,916,520 |
| Social security costs | 319,405 | 176,209 |
| Other pension costs | 37,933 | 10,167 |
| | <u>3,496,694</u> | <u>2,102,896</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 July 2013 to 30 September 2014

3. STAFF COSTS - continued

The average monthly number of employees during the period was as follows:

| | PERIOD 1/7/13 TO 30/9/14 | YEAR ENDED 30/6/13 |
|--------------------------|-----------------------------------|-----------------------|
| Fieldworkers | 36 | 51 |
| Administration and sales | <u>54</u> | <u>30</u> |
| | <u>90</u> | <u>81</u> |

Pension Costs

The company operated a defined contribution pension scheme. The assets of the scheme were held separately from those of the company in independently administered funds. At 30 September 2014 contributions amounting to £24,127 (30 June 2013 - £4,368) were payable to the fund and are included in creditors.

4. DIRECTORS' EMOLUMENTS

| | PERIOD 1/7/13 TO 30/9/14 £ | YEAR ENDED 30/6/13 £ |
|--|--|----------------------------|
| Directors' remuneration | 166,057 | 107,073 |
| Directors' pension contributions to money purchase schemes | <u>4,125</u> | <u>1,100</u> |

5. OPERATING PROFIT

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

| | PERIOD 1/7/13 TO 30/9/14 £ | YEAR ENDED 30/6/13 £ |
|--|--|----------------------------|
| Depreciation - owned assets | 103,198 | 56,270 |
| Loss on disposal of tangible fixed assets | 18,765 | - |
| Database development amortisation | 50,566 | 3,047 |
| Auditors' remuneration | 21,000 | 18,000 |
| Foreign exchange differences | 91,104 | (8,405) |
| Operating lease rentals - land and buildings | <u>237,500</u> | <u>190,000</u> |

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | PERIOD 1/7/13 TO 30/9/14 £ | YEAR ENDED 30/6/13 £ |
|--|--|----------------------------|
| Interest payable to group undertakings | <u>15,493</u> | <u>36,264</u> |

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

The tax charge on the profit on ordinary activities for the period was as follows:

| | PERIOD 1/7/13 TO 30/9/14 £ | YEAR ENDED 30/6/13 £ |
|--------------------------------------|--|----------------------------|
| Current tax: | | |
| UK corporation tax | 46,406 | 57 |
| Deferred tax | (10,863) | 25,791 |
| Tax on profit on ordinary activities | <u>35,543</u> | <u>25,848</u> |

Factors affecting the tax charge

The tax assessed for the period is higher (2013 – lower) than the standard rate of corporation tax in the UK. The difference is explained below:

| | PERIOD 1/7/13 TO 30/9/14 £ | YEAR ENDED 30/6/13 £ |
|--|--|----------------------------|
| Profit on ordinary activities before tax | <u>143,663</u> | <u>89,724</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.199% (2013 - 23.750%) | 31,892 | 21,309 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2,846 | 3,050 |
| Capital allowances in excess of depreciation | - | (24,302) |
| Depreciation in excess of capital allowances | 11,775 | - |
| Other adjustments | <u>(107)</u> | <u>-</u> |
| Current tax charge | <u>46,406</u> | <u>57</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 July 2013 to 30 September 2014

8. INTANGIBLE ASSETS

| | Database development £ |
|-------------------------|---------------------------|
| COST | |
| At 1 July 2013 | 28,570 |
| Additions | 272,351 |
| Disposals | <u>(300,921)</u> |
| At 30 September 2014 | - |
| AMORTISATION | |
| At 1 July 2013 | 4,797 |
| Amortisation for period | 50,566 |
| Eliminated on disposal | <u>(55,363)</u> |
| At 30 September 2014 | - |
| NET BOOK VALUE | |
| At 30 September 2014 | - |
| At 30 June 2013 | <u>23,773</u> |

9. TANGIBLE ASSETS

| | Improvements to property £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|------------------------|-------------------------------------|----------------------------------|----------------------------|------------------|
| COST | | | | |
| At 1 July 2013 | 197,479 | 51,491 | 296,009 | 544,979 |
| Additions | 37,830 | 11,770 | 35,320 | 84,920 |
| Disposals | <u>(235,309)</u> | <u>(63,261)</u> | <u>(331,329)</u> | <u>(629,899)</u> |
| At 30 September 2014 | - | - | - | - |
| DEPRECIATION | | | | |
| At 1 July 2013 | 40,975 | 11,829 | 67,471 | 120,275 |
| Charge for period | 27,211 | 6,064 | 69,923 | 103,198 |
| Eliminated on disposal | <u>(68,186)</u> | <u>(17,893)</u> | <u>(137,394)</u> | <u>(223,473)</u> |
| At 30 September 2014 | - | - | - | - |
| NET BOOK VALUE | | | | |
| At 30 September 2014 | - | - | - | - |
| At 30 June 2013 | <u>156,504</u> | <u>39,662</u> | <u>228,538</u> | <u>424,704</u> |

10. STOCKS

| | 30/9/14 £ | 30/6/13 £ |
|------------------|--------------|---------------|
| Work-in-progress | - | <u>39,111</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 July 2013 to 30 September 2014

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30/9/14 | 30/6/13 |
|------------------------------------|----------------|------------------|
| | £ | £ |
| Trade debtors | - | 1,131,479 |
| Amounts owed by group undertakings | 196,853 | 813,527 |
| Other debtors | - | 8,787 |
| Prepayments and accrued income | <u>61,586</u> | <u>54,179</u> |
| | <u>258,439</u> | <u>2,007,972</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

| | 30/9/14 | 30/6/13 |
|------------------------------------|----------------|------------------|
| | £ | £ |
| Other loans (see note 13) | - | 1,226,137 |
| Trade creditors | - | 208,961 |
| Amounts owed to group undertakings | - | 862,693 |
| Corporation tax | - | 57 |
| Social security and other taxes | - | 118,756 |
| Accrued expenses | <u>229,443</u> | <u>682,852</u> |
| | <u>229,443</u> | <u>3,099,456</u> |

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

13. LOANS

An analysis of the maturity of loans is given below:

| | 30/9/14 | 30/6/13 |
|---|----------|------------------|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Amounts owed to group undertakings | <u>-</u> | <u>1,226,137</u> |

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

14. PROVISIONS FOR LIABILITIES

| | 30/9/14 | 30/6/13 |
|--------------|----------|---------------|
| | £ | £ |
| Deferred tax | <u>-</u> | <u>50,156</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 July 2013 to 30 September 2014

14. PROVISIONS FOR LIABILITIES - continued

| | Deferred tax £ |
|---|----------------------|
| Balance at 1 July 2013 | 50,156 |
| Credit to profit and loss account during period | (10,863) |
| Transferred with business | <u>(39,293)</u> |
| Balance at 30 September 2014 | <u>-</u> |

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

There was no unprovided deferred tax.

15. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | Nominal value: | 30/9/14 £ | 30/6/13 £ |
|----------------------------------|----------|-------------------|--------------|--------------|
| Number: | Class: | | | |
| 1,000 | Ordinary | £1 | <u>1,000</u> | <u>1,000</u> |

16. PROFIT AND LOSS ACCOUNT

| | £ |
|-----------------------|----------------|
| At 1 July 2013 | (80,124) |
| Profit for the period | <u>108,120</u> |
| At 30 September 2014 | <u>27,996</u> |

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.

The ultimate parent undertaking is 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 July 2013 to 30 September 2014

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 30/9/14 | 30/6/13 |
|--|----------------------|------------------------|
| | £ | £ |
| Profit for the financial period | <u>108,120</u> | <u>63,876</u> |
| Net addition to shareholders' deficit | 108,120 | 63,876 |
| Opening shareholders' (deficit) | <u>(79,124)</u> | <u>(143,000)</u> |
| Closing shareholders' funds/(deficit) | <u><u>28,996</u></u> | <u><u>(79,124)</u></u> |

20. OPERATING LEASE COMMITMENTS

At 30 September 2014 annual commitments under non-cancellable operating leases of land and buildings which expire within one to two years were £200,000 (30 June 2013 - £185,000 expiring in two to five years).

21. DISPOSAL OF TRADE AND ASSETS

On 30 September 2014 the company disposed of its trade and assets and liabilities (excluding those relating to the lease at Galena House, Hammersmith) to M3 (EU) Limited, a fellow M3 group company. The disposal of trade and assets occurred at book value and hence no profit or loss arose on disposal. Consideration was received in the form of an intercompany receivable from M3 (EU) Limited.