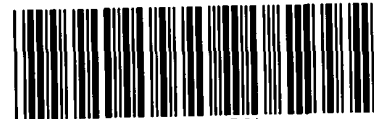


Financial Statements EuroKing Maternity Software Solutions Limited

For the year ended 31 December 2016

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COMPANIES HOUSE

Registered number: 08747821

EuroKing Maternity Software Solutions Limited

Company Information

Directors

S Baker
C Yeowart
G Ridgway

Company secretary

S Baker

Registered number

08747821

Registered office

i2 Mansfield Centre Office Suite
Hamilton Way
MANSFIELD
Nottinghamshire
NG18 5FB

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
No 1 Whitehall Riverside
LEEDS
West Yorkshire
LS1 4BN

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Strategic Report

For the Year Ended 31 December 2016

Introduction

On 31 January 2014, the group headed by New Street Square Newco Limited underwent a management buy-out supported by Elysian Capital LP, a private equity house. As part of this transaction, the company purchased the trade and assets of Healthcare Software Systems Limited (now known as Ansty H Limited). The directors believe that this has given them the platform to continue to grow the business and provide innovative, leading edge solutions to its customers.

Euroking Maternity Software Solutions Limited (Euroking) has a long and proven track record as a leading maternity information system provider, operating in the UK for more than 30 years. Approximately 40 organisations use EuroKing's 3rd generation solution *E3* to manage hospital based maternity care. Recent innovations include a mobile solution to support community midwifery and bedside central CTG monitoring to enhance patient safety. EuroKing is the Royal College of Midwives' exclusive alliance technology partner.

Business review

The key performance indicator assessed by the directors is adjusted EBIDTA. During the year adjusted EBITDA of £288,000 (2015 - £167,000) has been achieved. The directors are satisfied with the performance of the business and consider it to be well placed in the market to achieve their future growth plans.

The directors have been pleased with the performance of the business during the period. It is expected that this performance will continue into the next financial period, and that strong long term growth will be seen. The directors believe that this growth will be achieved through the launch of additional products and services alongside the continuing development of the existing offerings.

Principal risks and uncertainties

The main risks arising from the company's activities are outlined below. The directors review and agree policies for managing each of these risks and they are summarised as follows.

Competition risk

The company manages competitive pressure by continuing to offer a first class service to its customers and also placing high emphasis on continued innovation, research and development. The directors continue to monitor the changing requirements of the healthcare sector within which they operate to ensure that the product range remains up to date.

Liquidity risk

The company monitors cash flow as part of its day to day control procedures and the board regularly considers cash flow projections and ensures that proper facilities are available to be drawn on as necessary. Trade debtors are reviewed regularly to ensure that credit terms are being adhered to.

Economic risk

The risk of increased inflation having an adverse impact on the company is managed through regular pricing reviews, contractual agreements and strict cost controls.

Strategic Report

For the Year Ended 31 December 2016

Financial key performance indicators

The directors monitor the Company's performance using a number of financial and non-financial KPIs. The main financial KPIs are turnover and adjusted EBITDA.

The directors' assessment of performance are analysed below.

	2016 £000's	2015 £000's
Turnover	1,726	1,478
Adjusted EBITDA	288	167

Adjusted EBITDA is calculated by taking the operating loss, adding back the amortisation, depreciation and exceptional expenses.

Other key performance indicators

The main non financial KPI's the directors monitor relate to the SLA's (Service Level Agreements) in the Company's various support contracts. These are monitored on a monthly basis. The directors are satisfied that the SLA's have been met during the year.

This report was approved by the board on 26th April 2017 and signed on its behalf.

S Baker
Director



Directors' Report

For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the Company is that of the provision and maintenance of computer software and systems with a particular regard to healthcare management.

Results and dividends

The profit for the year, after taxation, amounted to £73,409 (2015 - £64,875).

The directors have not proposed a dividend for the year.

Directors

The directors who served during the year, and subsequent to the year end, were:

S Baker

C Yeowart

G Ridgway (appointed on 13 February 2017)

S Avery (resigned on 28 September 2016)

C Smith (resigned on 26 May 2016)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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.

Directors' Report (continued)

For the Year Ended 31 December 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26th April 2017 and signed on its behalf.



S Baker
Director



Independent Auditor's Report to the Members of EuroKing Maternity Software Solutions Limited

We have audited the financial statements of EuroKing Maternity Software Solutions Limited for the year ended 31 December 2016, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 an Auditor's report 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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 3, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.



Independent Auditor's Report to the Members of EuroKing Maternity Software Solutions Limited (continued)

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our 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 and the Directors' report.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report.

Grant Thornton UK LLP

Andrew Wood (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Registered Auditor
Leeds
Date: 26/4/17.

Statement of Income and Retained Earnings

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	1,725,790	1,478,004
Cost of sales		(226,807)	(243,062)
Gross profit		1,498,983	1,234,942
Other operating income	5	97,358	-
Administrative expenses		(1,316,876)	(1,083,405)
Underlying operating profit		279,465	151,537
Exceptional administrative expenses	12	(18,485)	(36,000)
Amortisation of intangible assets	12	(36,719)	(36,719)
Total administrative expenses		(1,372,080)	(1,156,124)
Operating profit	6	224,261	78,818
Interest payable and expenses	10	(59,146)	(14,500)
Profit before tax		165,115	64,318
Tax on profit	11	(91,706)	557
Profit after tax		73,409	64,875
Retained earnings at the beginning of the year		(141,850)	(206,725)
Profit for the year		73,409	64,875
Retained earnings at the end of the year		(68,441)	(141,850)

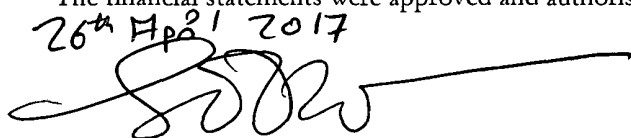
The notes on pages 9 to 24 form part of these financial statements.

Balance Sheet

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	13	76,500	113,219
Tangible assets	14	11,103	9,230
		<u>87,603</u>	<u>122,449</u>
Current assets			
Debtors: amounts falling due within one year	15	647,872	1,016,338
Cash at bank and in hand	16	896,467	-
		<u>1,544,339</u>	<u>1,016,338</u>
Creditors: amounts falling due within one year	17	(1,696,919)	(1,280,636)
Net current liabilities		<u>(152,580)</u>	<u>(264,298)</u>
Total assets less current liabilities		<u>(64,977)</u>	<u>(141,849)</u>
Provisions for liabilities			
Deferred tax	18	(3,463)	-
		<u>(3,463)</u>	<u>-</u>
Net liabilities		<u>(68,440)</u>	<u>(141,849)</u>
Capital and reserves			
Called up share capital	20	1	1
Retained earnings	19	(68,441)	(141,850)
		<u>(68,440)</u>	<u>(141,849)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

26th Apr 2017


S Baker
Director

The notes on pages 9 to 24 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. Company information

EuroKing Maternity Software Solutions Limited (the "Company") is incorporated in the UK. The principal activity of the company is that of the provision and maintenance of computer software and systems with a particular regard to healthcare management.

The registered office of the Company during the financial year was i2 Mansfield Centre Office Suite, Hamilton Way, Mansfield, Nottinghamshire, NG18 5FB.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of New Street Square Newco Limited as at 31 December 2016 and these financial statements may be obtained from i2 Mansfield Centre Office Suite, Hamilton Way, Mansfield, Nottinghamshire, NG18 5FB.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.3 Going concern

The directors have considered the Company's cash and net liabilities positions, making appropriate enquires and reviewing forecasts of future trading levels and cash flows covering at least 12 months from the date of these accounts, taking into account the support available from other Group companies.

On this basis, the directors have formed a judgement at the time of approving the financial statements that they fully expect that the Company will have sufficient resources to continue in operation for the foreseeable future. For this reason the directors consider the adoption of the going concern basis in preparing the financial statements is appropriate.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company has the following revenue streams:

Installation

Revenue in relation to the installation services is recognised when the amount of revenue can be reliably measured and the significant risks and rewards of ownership have been transferred to the buyer. This is deemed to be on customer acceptance as this specific act is much more significant than any other act.

Customer support, maintenance and software licence

Revenue in relation to customer support, maintenance and software licence fees is recognised on a straight line basis over the life of the contract.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life of five years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Goodwill	-	20 % straight line per annum
Customer relationships	-	20 % straight line per annum

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33.3% straight line per annum
Office equipment	-	33.3% straight line per annum

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

Notes to the Financial Statements

For the Year Ended 31 December 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revenue

In the directors' judgement, the revenue recognition accounting policy reflects appropriately the nature and substance of transactions.

Intangibles

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the company elects whether to measure the non-controlling interest in the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the identifiable assets acquired and liabilities assumed. If the consideration transferred is less than the fair value of the net assets acquired, the gain is recognised directly in the income statement.

When the company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Exceptional items

The Company discloses exceptional items being those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

4. Turnover

All turnover arose within the United Kingdom.

The whole of the turnover is attributable to the provision and maintenance of computer software and systems with a particular regard to healthcare management.

Notes to the Financial Statements

For the Year Ended 31 December 2016

5. Other operating income

	2016 £	2015 £
Other operating income	97,358	-
	<u>97,358</u>	<u>-</u>

Other operating income comprises of tax credits under the R&D expenditure credit (RDEC) scheme.

6. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	8,886	15,606
Amortisation of intangible assets, including goodwill	36,719	36,719
Exchange differences	(1,722)	2,423
	<u>(1,722)</u>	<u>2,423</u>

7. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,858	9,049
	<u>8,858</u>	<u>9,049</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

8. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	944,984	743,566
Social security costs	99,163	85,554
Cost of defined contribution scheme	3,920	2,520
	<u>1,048,067</u>	<u>831,640</u>

Compensation for loss of office costs are disclosed in note 12.

The average monthly number of employees, including the directors, during the Year was as follows:

	2016 No.	2015 No.
Management	2	1
Sales	3	3
Technical	8	8
Operations	6	6
	<u>19</u>	<u>18</u>

9. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	135,840	-
	<u>135,840</u>	<u>-</u>

10. Interest payable and similar charges

	2016 £	2015 £
Loans from group undertakings	59,146	14,500
	<u>59,146</u>	<u>14,500</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	27,500	-
Adjustments in respect of prior periods	56,983	5,203
Total current tax	84,483	5,203
Deferred tax		
Origination and reversal of timing differences	7,223	(2,841)
Adjustments in respect of prior periods	-	(2,919)
Total deferred tax	7,223	(5,760)
Taxation on profit on ordinary activities	91,706	(557)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	165,115	64,317
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	33,023	12,863
Effects of:		
Expenses not deductible for tax purposes	19,173	10,463
Adjustments to tax charge in respect of prior periods	56,983	2,284
Deferred tax rate differences	(379)	198
Group relief not paid for	(3,122)	(11,365)
R&D Claim	(13,972)	(15,000)
Total tax charge/(credit) for the year	91,706	(557)

Notes to the Financial Statements

For the Year Ended 31 December 2016

12. Amortisation of intangible assets and exceptional items

	2016 £	2015 £
Amortisation of intangible assets	36,719	36,719
Specific bad debt charge	-	36,000
Exceptional costs	18,485	-
	<u>55,204</u>	<u>72,719</u>

Exceptional costs in the current year were primarily redundancy costs and compensation for loss of office payments.

13. Intangible assets

	Customer relationships £	Goodwill £	Total £
Cost			
At 1 January 2016	156,844	351,218	508,062
At 31 December 2016	<u>156,844</u>	<u>351,218</u>	<u>508,062</u>
Amortisation			
At 1 January 2016	60,143	334,700	394,843
Charge for the year	31,379	5,340	36,719
At 31 December 2016	<u>91,522</u>	<u>340,040</u>	<u>431,562</u>
Net book value			
At 31 December 2016	<u>65,322</u>	<u>11,178</u>	<u>76,500</u>
At 31 December 2015	<u>96,701</u>	<u>16,518</u>	<u>113,219</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

14. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 January 2016	7,483	32,080	39,563
Additions	2,380	8,379	10,759
At 31 December 2016	9,863	40,459	50,322
Depreciation			
At 1 January 2016	6,734	23,599	30,333
Charge for the period on owned assets	1,371	7,515	8,886
At 31 December 2016	8,105	31,114	39,219
Net book value			
At 31 December 2016	1,758	9,345	11,103
At 31 December 2015	749	8,481	9,230

15. Debtors

	2016 £	2015 £
Trade debtors	97,335	477,776
Amounts owed by group undertakings	218,434	385,289
Other debtors	27,500	-
Prepayments and accrued income	304,603	149,513
Deferred taxation	-	3,760
	647,872	1,016,338

Amounts owed by Group undertakings are unsecured, charge interest at a rate of 9% and are repayable on demand.

Trade debtors are stated after provisions for impairment of £6,597 (2015 - £64,707).

The bad debt charge is a credit of £30,000 (2015 - £nil).

Notes to the Financial Statements

For the Year Ended 31 December 2016

16. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	896,467	-
Less: bank overdrafts	-	(47,117)
	<u>896,467</u>	<u>(47,117)</u>

17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	-	47,117
Trade creditors	4,025	16,457
Amounts owed to group undertakings	990,019	647,803
Corporation tax	18,648	-
Other taxation and social security	42,792	88,448
Other creditors	44,184	313
Accruals and deferred income	597,251	480,498
	<u>1,696,919</u>	<u>1,280,636</u>

Amounts owed to Group undertakings are unsecured, charge interest at a rate of 9% and are repayable on demand.

18. Deferred taxation

	2016 £	2015 £
At beginning of year	3,760	(2,000)
Origination and reversal of timing differences	(7,223)	5,760
At end of year	<u>(3,463)</u>	<u>3,760</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

18. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(2,110)	(1,754)
Short term timing differences	(1,353)	5,514
	<u>(3,463)</u>	<u>3,760</u>

19. Reserves**Retained earnings**

This includes all current and prior period retained profits and losses.

20. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

21. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £3,920 (2015 - £2,520). Contributions totalling £2,063 (2015 - £313) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	34,000	34,000
Later than 1 year and not later than 5 years	-	34,000
	<u>34,000</u>	<u>68,000</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

23. Related party transactions

The Company has taken advantage of the exemption available whereby it has not disclosed transactions with any wholly owned subsidiary undertakings.

24. Controlling party

The immediate parent company is Wellbeing Software Group Limited, a company incorporated in England and Wales, by virtue of its 100% ownership of the Company's ordinary share capital. The ultimate controlling party is Elysian Capital 1 LP by virtue of shareholdings held by funds under its management. The smallest and largest group undertaking for which group accounts are prepared is New Street Square Newco Limited. These can be obtained at i2 Mansfield Centre Office Suite, Hamilton Way, Mansfield, Nottinghamshire, NG18 5FB.