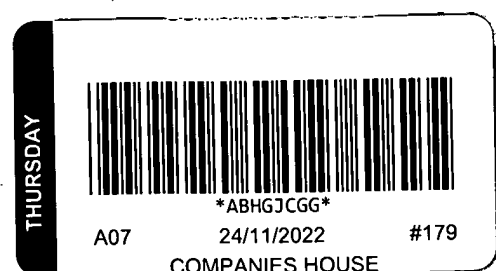


# **M3 (EU) Limited**

**Annual report and financial  
statements for the year ended  
31 December 2021**



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## Strategic Report

### Business review and future developments

Overall revenue has increased to £56,039,573 (2020 £45,088,886) and the directors are pleased to report a profit before income tax of £9,426,950 in 2021 compared with a profit before income tax of £4,727,517 in 2020. This increase is driven by the strong growth in revenues across the market research and digital promotion teams. 2021 has seen a strong growth in business with existing customers, an increase of new customers and an expansion of the services being provided. Profit growth has primarily come from this increased revenue but also by careful cost control and more efficient use of resource as the business has grown.

The directors and management team work closely with the parent company (M3, Inc.) to anticipate risks from economic or global factors and plan accordingly. We remain confident about our business prospects because we continue to gain market share from competitors for online market research and are able to provide highly cost-effective digital marketing services to life science companies. Our ability to engage specific groups of doctors and healthcare professionals, in key global markets in order to conduct market research and to deliver impactful digital communications enables our clients to gain a competitive advantage and improve their efficiency.

M3 (EU) Limited is owned by M3 USA Corporation, a subsidiary of M3, Inc., established in September 2000, which is listed on the Tokyo Stock Exchange First Section (Securities code 2413).

### Principal risk and uncertainties

The key business risks and uncertainties affecting the Company are set out below:

#### Employee retention

The Company's performance and growth is dependent upon the ability to hire, retain and motivate sufficient numbers of talented people with the right mix of skills and experience needed to serve our clients and expand our business. Staff surveys are carried out to gather employee feedback, and regular meetings between employees and managers enable strong communication lines to be maintained.

#### Regulation

The Company mainly trades with the pharmaceutical industry which is highly regulated. Changes to these regulations can have a significant impact on our ability to provide services to this group and the business keeps itself up to date with the changes impacting our customers.

The Global market research division of the business is accredited by ISO standard 26362 which ensures internal regulation standards are maintained.

#### Competition

The Company's growth and success is dependent on the ability to successfully compete with other companies that provide similar services to healthcare companies.

The emergence of significant competitive services would threaten the Company's growth but the high demand for digital market research and media services currently outweighs the competitive risk.

## **Strategic Report (continued)**

### **Principal risks and uncertainties (continued)**

#### **Industry changes**

Changes such as consolidation in the pharmaceutical industry, pricing pressures, patent expiries or healthcare reform could affect the demand and pricing of all our services.

#### **General Data Protection Regulation (GDPR)**

GDPR came into effect on 25<sup>th</sup> May 2018. The Company undertook numerous steps to ensure early compliance with the standard and continues to look to drive compliance across all areas of the business.

#### **Brexit Considerations**

The uncertainty reduced following the UK withdrawing from the EU on 31 January 2020 and entering into an Implementation period which ended on 31 December 2020. The Company continues to monitor the government's position as it progresses the trade deal negotiation and exit conditions. We consider the risk on the overall business to be low and will continue to assess the changing environment to mitigate new risks as they transpire. As a service business, tax and customs administration remains unaffected. As part of a multinational group with associated companies both inside and out of the EU, access to markets and employment remains under all current scenarios. Currency risk is mitigated with a large proportion of the cost base being in GBP and a fall in the Sterling would increase export potential.

#### **Covid-19**

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

The Company has seen strong growth in revenues during this period, whilst careful cost control has seen profits grow in excess of the revenue growth rate. Suppliers remain paid to terms, and Customers continue to pay at expected timescales, meaning cash reserves continue to increase.

#### **Russia and Ukraine conflict**

There has been no material impact from the Russian and Ukraine conflict to date, beyond rising energy prices, but the Company continues to monitor the situation.

#### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

## Strategic Report (continued)

### Key performance indicators (KPIs)

The Company's key performance indicators are its reach to healthcare professionals globally, revenue growth and profit. In 2021 the company achieved revenue of £56,039,573 (2020: £45,088,886) which represents a growth of 24% from 2020. The company achieved a profit before income tax of £9,426,950 (2020: £4,727,517) which represents an increase of 99% from 2020.

Continued remote working has seen travel and premises costs remain low, whilst process and system efficiencies help drive greater effective return from the overhead investment, steering the profit growth % at a rate beyond the revenue growth.

### Financial risk management

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations, the Company is able to draw upon the financial support from the parent company. The Company has implemented policies and procedures to manage invoicing and cash collections which reduce bad debts and credit risks.

### Section 172 statement

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

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

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

The directors of the Company act in good faith to ensure its long term profitability and continued growth in the marketplace. Investments and new customer contracts go through a strict review process aimed at delivering positive cash flows and profit.

Staff engagement is critical as they are a fundamental asset of the company. An annual staff survey as well as an open culture allows each employee the opportunity to voice their concerns and contribute to the day to day running of the company. Regular meetings also take place with staff and their managers to provide a platform for open dialogue. Employee remunerations and benefits are reviewed through an annual appraisal and salary review process. During this period of remote working the Company is in regular contact with employees to check on mental as well as physical wellbeing.

The long term success of the Company is driven by a strong and loyal customer base. A key focus for the business is to be the preferred partner for our customers, offering excellent service at all times and fully understanding their changing requirements to provide solutions to meet their needs.

## **Strategic Report (continued)**

### **Section 172 statement (continued)**

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

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

The Board work closely with other companies across the M3 Group to ensure consistency in vision and 2 of the 3 directors sit on the board of the ultimate parent company M3, Inc. The Board continue to provide oversight governance to ensure that the business remains compliant with its policies and maintains a high standard of business conduct.

### **Position of the business**

As at 31 December 2021 the Company had net assets of £20,495,595 (2020: assets of £12,542,430).

On behalf of the board:



Anton Richter

**Director**

101 Park Drive, Milton

Abingdon, OX14 4RY

**30 September 2022**

## Directors' Report

The directors present their annual report and the audited financial statements of the Company for the financial year ended 31 December 2021.

### Principal activities

M3 (EU) Limited owns and operates the European division of the M3 Global Research panel, [www.doctors.net.uk](http://www.doctors.net.uk) the UK's largest online network of GMC registered medical doctors and [www.m3medical.com](http://www.m3medical.com), a service for healthcare professionals throughout Europe. The Company generates revenue from the delivery of market research services, online promotional programmes, online continuing medical education (CME) programmes and recruitment services for a wide range of clients. The customer base includes pharmaceutical and medical device companies, agencies, public and private sector healthcare providers, recruitment companies, technology companies, charities and consulting services.

### Financial Risk Management

Refer to the Strategic report for the disclosures on the financial risk management of the company.

### Going concern

The directors have performed an assessment of the Company's ability to continue as a going concern and have received written confirmation of financial support from the parent company for a period that of at least 12 months from the date of approval of these financial statements by the board of directors.

As at the time of approval of this report the Company's trading performance has remained in line with our original budgets and is forecast to continue achieving targets. As a service business we continue to keep all staff safely in a remote working set up and maintain our operations without material financial impact.

While the longer-term impact of the coronavirus pandemic on the economy still remains uncertain, we are confident that the Company is well placed to withstand any further economic downturn should this occur, and the Company has strong cash reserves in place to support this scenario. We have strong controls in place for the recovery of trade debtors and management of working capital and are confident that the Company can continue to perform strongly in the year ahead. The Company remains well placed during this uncertain time to help to support key services and workers of the United Kingdom and globally by continuing to support the wider Healthcare industry.

As such, these financial statements have been prepared on the going concern basis.

### Other

The Company purchased and maintained throughout the financial year and as at the date of approval of the financial statements, Directors' and Officers' liability insurance in respect of itself and its Directors.

### Political contributions

The Company made no political donations (2020 £nil) during the year

### Disabled employees

The Company is committed to employment policies which follow best practise, based on equal opportunities for all employees irrespective of sex, race, colour, religion, disability or marital status and offers appropriate training and career development for disabled staff. If employees become disabled, the Company continues employment wherever possible and arranges retraining.

### Future developments

No significant changes to the company's activities are expected.

## **Directors' Report** (continued)

### **Stakeholder engagement**

Stakeholder engagement section can be found in the strategic report on page 1

### **Proposed dividend**

The directors do not recommend the payment of a dividend (2020: nil).

### **Independent Auditors**

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

### **Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise indicated, were:

Akihiko Tomaru  
Itaru Tanimura  
Anton Richter

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.



## **Directors' Report (continued)**

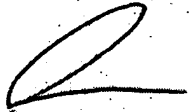
### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

On behalf of the board



**Anton Richter**  
**Director**  
101 Park Drive, Milton  
Abingdon, OX14 4RY  
**30 September 2022**

## **Independent auditors' report to the members of M3 (EU) Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, M3 (EU) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 31 December 2021; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

## **Independent auditors' report to the members of the M3 (EU) Limited (continued)**

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Independent auditors' report to the members of the M3 (EU) Limited (continued)**

### *Auditors' responsibilities for the audit of the financial statements*

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, non compliance with UK employment regulation and legislation specific to the industry in which the company operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- reviewing all of the available board of directors meeting minutes and significant contracts;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the those charged with governance about existing and potential litigation and claims, and known or suspected instances of non-compliance with laws and regulations and fraud;
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries, including journal entries with unusual account combinations;
- challenging assumptions and estimates made by management in any judgemental areas.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **Independent auditors' report to the members of the M3 (EU) Limited (continued)**

### *Use of this report*

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.

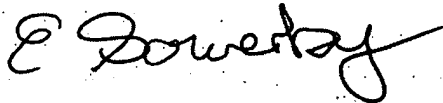
### **Other required reporting**

#### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Emma Sowerby (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
30 September 2022

**Statement of comprehensive income**  
**For the year ended 31 December 2021**

	<i>Note</i>	<b>2021</b>	<b>2020</b>
		£	£
<b>Revenue</b>	<b>2</b>	<b>56,039,573</b>	<b>45,088,886</b>
Cost of sales		<u>(27,889,300)</u>	<u>(22,629,496)</u>
<b>Gross profit</b>		<b>28,150,273</b>	<b>22,459,390</b>
Administrative expenses		<b>(18,778,320)</b>	<b>(17,784,852)</b>
Other Operating Income		<b>49,904</b>	<b>44,376</b>
<b>Operating profit</b>	<b>3</b>	<b>9,421,857</b>	<b>4,718,914</b>
Finance income	<b>6</b>	<b>6,899</b>	<b>9,323</b>
Finance costs	<b>7</b>	<u><b>(1,806)</b></u>	<u><b>(720)</b></u>
<b>Profit before income tax</b>		<b>9,426,950</b>	<b>4,727,517</b>
Income tax expense	<b>8</b>	<u><b>(1,826,172)</b></u>	<u><b>(947,646)</b></u>
<b>Profit and total comprehensive income for the financial year</b>		<u><b>7,600,778</b></u>	<u><b>3,779,871</b></u>

All items dealt with in arriving at the profit before income tax relate to continuing operations.

There is no material difference between the profit before income tax and the profit for the financial years stated above, and their historical cost equivalents.

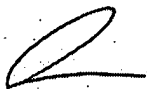
The notes presented on pages 15 to 29 form an integral part of these financial statements.

## Balance sheet

As at 31 December 2021

	Note	2021	2020
		£	£
<b>Fixed assets</b>			
Intangible assets	9	9,895	58,848
Tangible assets	10	555,128	234,139
Investments	11	1,801	1,801
<b>Total Fixed assets</b>		<b>566,824</b>	<b>294,788</b>
<b>Current assets</b>			
Trade and other receivables	12	18,760,682	14,290,108
Cash at bank and in hand		18,999,507	13,014,164
<b>Total current assets</b>		<b>37,760,189</b>	<b>27,304,272</b>
<b>Current liabilities</b>			
Trade and other payables	13	17,831,418	15,056,630
<b>Total current liabilities</b>		<b>17,831,418</b>	<b>15,056,630</b>
<b>Net Current Assets</b>		<b>19,928,771</b>	<b>12,247,643</b>
<b>Net Assets</b>		<b>20,495,595</b>	<b>12,542,430</b>
<b>Capital and reserves</b>			
Called up share capital	15	67,109	67,109
Share premium account		7,548,315	7,548,315
Retained earnings		12,880,171	4,927,006
<b>Total equity</b>		<b>20,495,595</b>	<b>12,542,430</b>

The financial statements on pages 12 to 29 were approved by the board of directors on 30 September 2022 and were signed on its behalf by:



Anton Richter  
Director

**Statement of changes in equity**  
For the year ended 31 December 2021

	Called up share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 1 January 2020	67,109	7,548,315	846,666	8,462,090
Profit and total comprehensive income for the financial year	-	-	3,779,871	3,779,871
Credit relating to equity settled share based payments	-	-	300,469	300,469
At 31 December 2020	67,109	7,548,315	4,927,006	12,542,430
At 1 January 2021	67,109	7,548,315	4,927,006	12,542,430
Profit and total comprehensive income for the financial year	-	-	7,600,778	7,600,778
Credit relating to equity settled share based payments	-	-	352,387	352,387
At 31 December 2021	67,109	7,548,315	12,880,171	20,495,595



## Notes to the financial statements for the year ended 31 December 2021

### 1 Principal accounting policies

#### *a) General information*

M3 (EU) Limited is a private Company limited by shares and is incorporated and domiciled in England, United Kingdom. The address of its registered office is 101 Park Drive, Milton, Abingdon, Oxfordshire, OX14 4RY, England.

M3 (EU) Limited owns and operates the UK's largest online network of GMC registered medical doctors and a service for healthcare professionals throughout Europe.

#### *b) Statement of compliance.*

The financial statements of M3 (EU) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### *c) Summary of significant accounting policies*

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### *d) Basis of accounting*

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom.

The Company has chosen to apply paragraph 1A(2) of Schedule 1 to the Companies Regulations and adapt the profit and loss account format and terminology to comply with Section 5 of FRS 102 (issued in July 2016). The Company has also chosen to apply paragraph 1A(1) of Schedule 1 to adapt the balance sheet format and terminology to comply with Section 4 of FRS 102 (issued in July 2016).

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(p).

The Company is exempt by virtue of Section 405 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present financial information about the Company as an individual undertaking and not about its group.

#### *e) Going concern*

The directors have performed an assessment of the Company's ability to continue as a going concern and have received written confirmation of financial support from the parent company for a period that of at least 12 months from the date of approval of these financial statements by the board of directors.

As at the time of approval of this report the Company's trading performance has remained in line with our original budgets, established prior to the coronavirus pandemic. As a service business we have been able to move all staff safely to a remote working set up and continue our operations without material financial impact.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 1 Principal accounting policies (continued)

#### *e) Going concern (continued)*

While the longer-term impact of the coronavirus pandemic on the economy still remains uncertain, we are confident that the Company is well placed to withstand any further economic downturn should this occur, and the Company has strong cash reserves in place to support this scenario. We have strong controls in place for the recovery of trade debtors and management of working capital and are confident that the Company can continue to perform strongly in the year ahead. The Company remains well placed during this uncertain time to help to support key services and workers of the United Kingdom and globally by continuing to support the wider Healthcare industry.

As such, these financial statements have been prepared on the going concern basis.

#### *f) Exemption for qualifying entities*

FRS 102 allows a qualifying entity certain disclosure exemptions. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. M3 (EU) Limited is a qualifying entity as its results are consolidated into the financial statements of M3, Inc. which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- from disclosing the Company's key management personnel total compensation, as required by FRS 102 and paragraph 33.7.

#### *g) Foreign currencies*

##### *i) Functional and presentation currency*

The Company's functional and presentation currency is the pound sterling.

##### *ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 1 Principal accounting policies (continued)

#### *h) Employee benefits*

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

##### *i) Short-term benefits*

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### *ii) Defined contribution pension plans*

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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### *iii) Share Options*

The company participates in a share-based payment arrangement established by the parent company. The company takes advantage of the alternative treatment allowed under Section 26 of FRS 102 and the share-based payment expense based on an allocation of its share of the group's total expense, calculated by reference to the participating employees. The corresponding credit is recognised in retained earnings as a component of equity.

The company has no cash-settled arrangements.

#### *i) Taxation*

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income and retained earnings, except to the extent that it relates to items recognised directly in equity. In this case tax is also recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

##### *i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 1 Principal accounting policies (continued)

#### i) *Taxation (continued)*

##### ii) *Deferred taxation*

Deferred taxation is provided at anticipated tax rates, using the full provision method, on all timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### j) *Intangible assets*

Database development expenditure represents the costs (or deemed 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 databases are written off as incurred.

Website development expenditure represents the costs (or deemed costs) incurred in building a new website [www.m3medical.com](http://www.m3medical.com) for European doctors and other healthcare professionals. These costs are being amortised over their expected useful life of five years.

The Company has taken advantage of the exemption under paragraph 35.10(n) of FRS 102 in respect of using a previous UK GAAP carrying value of intangible asset at the date of transition as its deemed cost at that date.

#### k) *Property, plant & equipment*

Property, plant & equipment are stated at their historic purchase cost (together with any incidental expenses of acquisition) less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated so as to write off the cost of property, plant & equipment to their expected residual values on a straight-line basis over the expected useful lives of the assets concerned. The principal rates of depreciation applied are:

Computer equipment & related software licences	-	33% per annum
Office furniture	-	20% per annum
Office equipment	-	33% per annum
Leasehold improvements	-	over the minimum lease period

Property, plant & equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income and included in 'Other operating (losses)/gains'.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 1 Principal accounting policies (continued)

#### *l) Impairment of non-financial assets*

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the operating profit, unless the asset has been revalued when the amount is recognised in the statement of comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

#### *m) Financial instruments*

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### *(i) Financial assets*

Basic financial assets, including trade receivables and cash, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 1 Principal accounting policies (continued)

#### *m) Financial instruments (continued)*

##### (ii) Financial liabilities

Basic financial liabilities, including trade payables and short-term loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### (iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

#### *n) Operating leases*

Rental charges for operating leases are charged to the statement of comprehensive income on a straight line basis over the life of the lease.

#### *o) Investments*

Investments are stated at cost less any provisions made to reflect permanent impairment in value where appropriate. The directors review the carrying value of investments and make adjustments to the provisions for permanent impairment as necessary when an impairment trigger has been noted.

The Company has taken advantage of the exemption under paragraph 35.10(f) of FRS 102 in respect of using a previous UK GAAP cost of investments in subsidiaries at the date of transition as its cost at that date.

#### *p) Trade and other receivables*

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not they are presented as non-current assets.

Trade and other receivables are recognised at fair value, less provision for any doubtful debts.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 1 Principal accounting policies (continued)

#### *q) Cash and cash equivalents*

Cash and Cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

#### *r) Trade and other payables*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

#### *s) Accrued and Deferred Income*

Revenue is recognised as earned, which is over the service period as the information is delivered or related services are performed. Where invoicing is ahead or behind this timeline, then accrued or deferred income is used to ensure the accurate timing of revenue recognition in the income statement.

#### *t) Share Capital*

Ordinary Shares are classified as equity

#### *u) Revenue recognition*

The Company recognises revenue as earned, which is over the service period as the information is delivered or related services are performed. Where service period crosses the year end an estimate is included to reflect the progress of completion of the projects impacted.

#### *v) Critical accounting judgements and key source of estimation uncertainty*

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

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### *i) Useful economic lives of property, plant & equipment and intangible asset. (Notes 9 and 10)*

The annual depreciation or amortisation charge for property, plant & equipment and intangible asset is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of property, plant & equipment, note 9 for intangible assets and note 1(k) and 1(j) for the useful economic lives for each class of asset.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 2 Revenue

Revenue represents the invoiced value of projects completed and services supplied to customers during the year, excluding value added tax. The Company recognises revenue as earned, which is over the service period as the information is delivered or related services are performed. Advance payments for services and subscriptions are credited to deferred revenues and reflected in operating revenue over the subscription term, which is generally one year. Revenue arises principally from sponsored communication, education materials and market research studies and is earned wholly in the United Kingdom.

	2021 £	2020 £
<b>By class of business:</b>		
Advertising	11,548,208	8,116,792
Market Research	44,491,365	36,972,094
	56,039,573	45,088,886

### 3 Operating profit

	2021 £	2020 £
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation of property, plant & equipment	138,562	187,850
Amortisation of intangible fixed assets	51,527	177,007
Loss on disposal of fixed assets	-	11,005
Foreign exchange losses	115,490	345,338
Operating lease charges	255,709	494,001
Other operating income	49,904	44,376
Services provided by the Company's auditors:		
Fees payable for the audit	54,370	64,400

Other operating income consists of amounts recharged to group companies £49,904 (2020: £44,376)

### 4 Staff numbers and costs

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2021 Number	2020 Number
Sales, Commercial and Marketing	46	30
Operations and Community	168	159
Corporate	18	17
	<b>232</b>	<b>206</b>



## Notes to the financial statements for the year ended 31 December 2021 *(continued)*

### 4 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2021 £	2020 £
Wages and salaries	12,498,917	11,114,711
Social security costs	1,104,879	1,451,547
Other pension costs	843,615	751,541
	<b>14,447,411</b>	<b>13,317,799</b>

#### Share Options

Certain employees of the company along with other group employees have been granted options over the shares in M3, Inc. The options are granted with a fixed exercise price and are exercisable three years after the date of grant. Employees are required to remain in employment within the group.

The company recognises an equity-settled share-based payment expense allocated by the parent company and based on a Black Scholes valuation of the Options, until the options are exercised.

At 31 December 2021 there were 110,450 (2020: 107,750) number of issued options with a weighted average exercise price of £37.45 (2020: £69.19). No options (2020: Nil) were exercisable at 31 December 2021.

No shares were exercised in year (2020: Nil) and so the total charge of £261,429 (2020 £636,375) was expensed to the P&L and with (£90,959) (2020: £335,906) released from accruals for future employer taxes and £352,387 (2020: £300,469) credited to Retained earnings based on the Options held in year.

### 5 Directors' remuneration

	2021 £	2020 £
Directors' remuneration (excluding share options granted or exercised in parent's shares in year)	383,243	340,233
Contribution to money purchase pension scheme	30,590	11,380
	<b>413,833</b>	<b>351,613</b>

The highest paid director received remuneration of £383,243 and pension contributions of £30,590 (2020: remuneration of £340,233 and pension contributions of £11,380).

The highest paid director exercised no share options in year (2020: no share options exercised)

One (2020: One) directors was remunerated in the year.

No (2020: Zero) directors exercised share options held in the parent's shares during the year.

One (2020: One) directors received share options held in the parent's shares during the year.

Two (2020: Two) directors are employed by other companies in the M3, Inc. Group and are remunerated by those companies in respect of those services to the group as a whole and for which no recharge is made to the Company.

The number of directors for whom retirement benefits are accrued under defined contribution schemes amounted to One (2020: One).

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 6 Finance income

	2021 £	2020 £
Bank interest receivable	6,899	9,323
	<u>6,899</u>	<u>9,323</u>

### 7 Finance costs

	2021 £	2020 £
Interest payable to banks and group companies	1,806	720
	<u>1,806</u>	<u>720</u>

### 8 Income tax expense

#### a) Tax charged in the Statement of comprehensive income

	2021 £	2020 £
Current income tax:		
Current income tax charge	1,723,427	1,053,815
Adjustment in respect of prior period		-
Deferred tax:		
Adjustment in respect of prior period	11,859	18
Origination and reversal of temporary differences	153,036	(95,622)
Effect of tax rate changing on opening balance	(62,150)	(10,565)
Tax expense in the Statement of comprehensive income	<u>1,826,172</u>	<u>947,646</u>

#### b) Reconciliation of the total tax charge

Tax assessed for the year is higher (2020: higher) than the standard effective rate of corporation tax in the United Kingdom at 19% (2020: 19%).

	2021 £	2020 £
<i>Total tax reconciliation</i>		
Profit before income tax	<u>9,426,950</u>	<u>4,727,517</u>
Profit before income tax multiplied by the standard rate in the UK 19% (2020: 19%)	1,791,120	898,228
Effects of:		
Fixed Asset differences	(24,718)	1,787
Expenses not deductible for tax purposes	67,650	58,178
Impact of change in tax rates	(25,421)	(10,565)
Foreign tax credits	19,703	-
Adjustment in respect of prior period	(14,021)	-

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 8 Income tax expense (continued)

Adjustment in respect of prior period – deferred tax	11,859	18
Total tax charge for the financial year	1,826,172	947,646

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This received Royal Assent and as a result the Deferred Tax asset uses this increased 25% rate.

On 23 September 2022, it was announced that the corporation tax rate change from 19% to 25% with effect from 1 April 2023 was to be cancelled. This was not substantively enacted at the balance sheet date and therefore the impact of this change is not reflected in the measurement of deferred tax. If the rate change had been substantively enacted prior to 30 June 2022, the impact would have been to reduce the deferred tax liability by £25,439 with a corresponding credit to the income statement.

### 9 Intangible assets

	Website development £	Database development £	Software £	Total £
<b>Cost</b>				
At 1 January 2021	589,351	308,148	219,483	1,116,982
Addition	-	-	-	-
Disposals	-	-	2,574	2,574
<b>At 31 December 2021</b>	<b>589,351</b>	<b>308,148</b>	<b>222,057</b>	<b>1,119,556</b>
<b>Accumulated amortisation</b>				
At 1 January 2021	587,908	300,548	169,678	1,058,134
Charge for the year	1,443	7,600	42,484	51,527
<b>At 31 December 2021</b>	<b>589,351</b>	<b>308,148</b>	<b>212,162</b>	<b>1,109,661</b>
<b>Net book amount</b>				
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>9,895</b>	<b>9,895</b>
At 31 December 2020	1,443	7,600	49,805	58,848

Amortisation of intangible assets is recognised in the statement of comprehensive income and included in administrative expenses.

## Notes to the financial statements for the year ended 31 December 2021 *(continued)*

### 10 Tangible assets

	Computer equipment & related software licences £	Office furniture & equipment £	Leasehold Improvements £	Total £
<b>Cost</b>				
At 1 January 2021	1,124,286	74,887	449,463	1,648,636
Additions	451,873	7,678	-	459,551
Disposals	-	-	-	-
<b>At 31 December 2021</b>	<b>1,576,159</b>	<b>82,565</b>	<b>449,463</b>	<b>2,108,187</b>
<b>Accumulated depreciation</b>				
At 1 January 2021	990,722	60,102	363,673	1,414,497
Charge for the year	102,092	8,834	27,636	138,562
Disposals	-	-	-	-
<b>At 31 December 2021</b>	<b>1,092,814</b>	<b>68,936</b>	<b>391,309</b>	<b>1,553,059</b>
<b>Net book amount</b>				
<b>At 31 December 2021</b>	<b>483,345</b>	<b>13,629</b>	<b>58,154</b>	<b>555,128</b>
<b>At 31 December 2020</b>	<b>133,564</b>	<b>14,785</b>	<b>85,790</b>	<b>234,139</b>

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 11 Investments

	2021 £	2020 £
Investment in subsidiary undertaking	1,801	1,801
<b>Net book value</b>	<b>1,801</b>	<b>1,801</b>

The subsidiary undertakings of the Company which are incorporated in England and Wales are wholly owned by the Company, are listed below. The share capital of these subsidiaries comprises £1 ordinary shares.

Subsidiary name	Registered in	Holding	Activity	Status	£
uknursing.net Limited	England & Wales	100%	General business services	Dormant	100
medeConnect Limited	England & Wales	100%	General business services	Dormant	100
JobConnect Limited	England & Wales	100%	General business services	Dormant	100
PharmaConnect Limited	England & Wales	100%	General business services	Dormant	100
Networks in Health Limited	England & Wales	100%	General business services	Dormant	100
M3 Health Limited	England & Wales	100%	General business services	Dormant	100
Doctorsnetuk Limited	England & Wales	100%	General business services	Dormant	100
M3 Healthcare Limited	England & Wales	100%	General business services	Dormant	1
M3 Global Research Limited	England & Wales	100%	General business services	Dormant	1,000
M3 Clinical Data Services Ltd	England & Wales	100%	General business services	Dormant	100

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The registered office of all the above subsidiaries is 101 Park Drive, Milton, Abingdon, Oxfordshire, OX14 4RY

### 12 Trade and other receivables

	2021 £	2020 £
Trade receivables	12,335,615	11,160,285
Other receivables	163,837	104,466
Deferred tax asset (note 14)	105,922	195,991
Prepayments and accrued income	3,473,593	2,829,366
Amounts owed by group undertakings	2,681,715	-
	<b>18,760,682</b>	<b>14,290,108</b>

Included in Trade receivables is £149,651 bad debt provision (2020: £83,651)

Amounts owed by group undertakings includes an AUD 5m, 12 month loan held with associated company EKAS, and is repayable on demand. Interest is charged at 0.91%

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 13 Trade and other payables

	2021 £	2020 £
Trade payables	1,385,734	1,458,800
Amounts owed to group undertakings	-	608,605
Other payables - taxation	1,212,035	1,100,688
Other Payables including social security and pension	321,992	347,951
Corporation tax	11,668	201,815
Accruals and deferred income	14,899,989	11,338,771
	<b>17,831,418</b>	<b>15,056,630</b>

Amounts owed to group undertakings includes £Nil (2020: £nil) which is secured and repayable on demand. Interest charged during the year was Nil% (2020: Nil%). The remainder of amounts owed to group undertakings are trading related.

### 14 Deferred tax

The deferred taxation included in the company balance sheet, and the amounts not provided, are set out below:

	2021		2020	
	Provided £	Unprovided £	Provided £	Unprovided £
Fixed asset timing difference	(4,494)	-	75,924	-
Short Term timing differences	110,416	-	120,067	-
	<b>105,922</b>	<b>-</b>	<b>195,991</b>	<b>-</b>

	2021 £	2020 £
The movement during the year on deferred tax balances were:		
At beginning of financial year	195,991	89,822
Current year (debit) / credit – profit and loss account	(90,069)	106,169
At end of financial year	<b>105,922</b>	<b>195,991</b>

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitably taxable profits from which the future reversal of the underlying timing differences can be deducted.

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 15 Called up share capital

	2021 £	2020 £
<b>Authorised share capital</b>		
6,710,932 (2020: 6,710,932) Ordinary shares of £0.01 each	<u>67,109</u>	<u>67,109</u>
<b>Allotted, issued and fully paid</b>		
6,710,932 (2020: 6,710,932) Ordinary shares of £0.01 each	<u>67,109</u>	<u>67,109</u>

There is a single class of ordinary shares. There is no restriction on the distribution of dividends and the repayment of capital.

### 16 Financial commitments

As at 31 December, the Company had the following minimum lease payments under non-cancellable operating leases for each of the following periods.

	2021 £	2020 £
Not later than one year	173,750	261,250
Later than one year and not later than five years	695,001	695,001
More than five years	506,772	680,522
	<u>1,375,523</u>	<u>1,636,773</u>

### 17 Related party transactions

In accordance with the exemption available under Section 33.1A 'Related Party Disclosures', transactions with other group undertakings have not been disclosed in these financial statements.

### 18 Ultimate parent undertaking

The Company is a subsidiary undertaking of M3, Inc., which is the ultimate parent Company incorporated in Japan. The largest group in which the results of the Company are consolidated is that headed by M3, Inc., incorporated in Japan. The smallest group in which they are consolidated is that headed by M3 USA Corporation incorporated in USA. The consolidated financial statements of these groups are available to the public and may be obtained from M3, Inc., Akasaka Intercity 10th floor, 1-11-44 Akasaka, Minato-ku, Tokyo 107-0052 Japan and M3 USA Corporation, 1215 17th St NW, Suite 100, Washington, DC 20036, USA.