



DXS INTERNATIONAL plc
Company Number 6311313

DXS International plc
Audited Accounts
30 April 2014

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CHAIRMAN'S REPORT

The Directors of DXS International Plc are pleased to announce the Company's final results for the year ended 30 April 2014.

The year under review has seen a number of significant achievements:

- Revenue grew by 26% compared with April 2013 and the current run rate shows growth of 32% over year ended April 2014.
- DXS secured an award by the NHS in March 2014 as a preferred supplier of Clinical Decision Support solutions to the NHS.
- DXS implemented an ongoing program of a number of R&D projects, mainly brought about by customer needs within the UK healthcare sector.
- The result of this rapid growth has required additional staff recruitment.

Revenue grew from £1,436,317 at April 2013 to £1,815,795 at April 2014, a significant 26%. This was attributed to 8 new CCGs (Clinical Commissioning Groups) contracting with DXS in the last quarter, bringing the total as at April 2014 to 20. Since the year end, this has increased further to 22 and we are at varying stages in securing a further 14 new CCG customers. These sales are being driven by the need for CCG's, currently controlling an annual healthcare budget of £70 billion, to find savings of up to £20 billion by 2015, monies that will be re-invested within the NHS so that it can deliver year-on-year quality improvements. CCGs are increasingly realising that the DXS Clinical Decision Support solution helps them to deliver their recommended treatment guides to their clinicians – during the patient encounter and at the point of decision in a cost effective manner.

Over the last 15 months DXS' Directors and Staff have focussed on the Company's application for Lot 1 approval under the new GP Systems of Choice ("GPSoC"), part of the NHS' overall procurement structure, which was announced on March 28th of this year. GPSoC is a scheme through which the NHS funds the provision of Clinical Systems to General Practitioner (GP) practices in England, which was introduced in 2007.

The new GPSoC2 scheme, effective from 1st April 2014, was extended to include "Subsidiary Suppliers" of various IT systems. DXS was delighted to have announced that it had successfully won a bid as an approved subsidiary supplier of Clinical Decision Support to the NHS in England for GPSoC2. This tender award runs until December 2016, but also envisages an extension for a further two years from that date.

The healthcare market demands innovation and DXS continues with a program of R&D which has added new modules to our existing Point of Care Solution all aimed at achieving reduced cost and improved quality of care. Our strategy is to partner with innovative solutions/services that we can leverage off our existing footprint wherever possible. One area of focus is chronic disease. For example, Diabetes alone consumes 10% of the UK healthcare budget and we are working with a consortium of UK clinicians to deliver a Personalised Care Pathway Solution which we hope to launch in 2015.

All GPSoC2 winners are required to meet a minimum set of requirements which are expected to evolve during the life of the contract. DXS has spent the past period putting in place the resources and systems to bring the Company to the required levels of conformance. One key area of compliance is the interface with the various GP Clinical Systems. DXS is well positioned in this respect due to existing integrations with the Clinical Systems provided by EMIS, INPS, TPP and Microtest, giving

access to 100% of the GP systems in the UK. In addition, to meet the rapidly growing business needs, we have recruited an additional 30 staff across all aspects of the business.

In terms of our cash raising and cash deployment this year, DXS was able to reduce its issued share capital by over 3.3million shares, resulting in an improvement of over 11% in the value of each shareholder's holding in the Company. Following this, in November 2013, we launched an entitlement and open offer for shares in DXS International plc to support the bid for Lot 1, increase our staffing and to take advantage of enhanced business prospects resulting in the issue of 3.1 million shares with no net dilution to shareholders. The Offer was oversubscribed and we thank both our new and existing investors who have supported the Company by participating in this offer. This level of support demonstrates a significant vote of confidence in our business model and prospects.

I would particularly like to take this opportunity to thank all of our staff, and in particular the core DXS Team, for their incredible and untiring effort in delivering a superlative submission under a very demanding timetable. This takes our Company to a new level in working for the best interests of GPSoC and the NHS. We will continue to increase the cost-effectiveness of our product for CCG's and medical practitioners and add meaningful value for shareholders in 2014 and beyond.

Finally, the audited profit for the year ending 30th April 2013 came in at £225,000, up three times on the previous year. However, for this financial year, we have the one-off cost of the GPSoC submission to contend with which has reduced profitability for the year but the benefits are already apparent with turnover up by 10% in three months since the year end.

We have already increased resources in sales, marketing, content, coding, support and training in order to deliver a first class service to our new and existing client base. These are exciting times indeed for DXS International and I look forward to the future with confidence

Bob Sutcliffe

Chairman

DIRECTORS

Dr Robert Sutcliffe (63) – Non-Executive Chairman

Bob Sutcliffe is a Chartered Accountant who has strong financial and leadership skills, developed in both public and private sectors. His roles have included Finance Director, Commercial Director, Managing Director, Chief Executive and Chairman. More recently he has used his experience as an interim executive, managing change processes and turnaround.

David Immelman (58) - Founder & CEO

David is the founder of DXS. An entrepreneur by nature, David has initiated a number of businesses in the information, technology and communication sectors. He was a founding member of a diverse South African communication group with a range of media subsidiaries and holdings. For the past 9 years, David has dedicated himself to building DXS.

Steven Bauer (42) - Sales Director

Following his various Sales Management roles, Steven joined DXS at its inception. Steven trained in the life sciences, is a holder of the CIM Professional Postgraduate Diploma in Marketing and Pharma Mini-MBA, and manages the UK business. Steven has built DXS UK from inception to its position today, including managing relationships with clinical system suppliers, content providers and all UK customers. Steven brings significant experience in pharmaceutical promotion and electronic media to the DXS group.

ADVISORS AND BANKERS

Secretary and Registered Office

David Papworth
119 St Mary's Road
Market Harborough
Leicestershire
LE16 7DT

Auditors

LDP Luckmans
Victoria House
44/45 Queens Road
Coventry
CV1 3EH

Business and Trading Address

Wrecclesham House
Wrecclesham Road
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GU10 4PS

Solicitors

Kidd Rapinet
Walsingham House
35 Seething Lane
London
EC3N 4AH

Corporate Advisors

City and Merchant
Salisbury House
29 Finsbury Circus
London
EC2M 5QQ

Bankers

National Westminster Bank plc
1 Princes Street
London
EC2R 5PA

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 30th April 2014. The Chairman's statement which is included in this report includes a review of the achievements of the company, the trading performance, financial position and trading prospects.

Directors

The directors for the year were:

D Immelman – CEO

S Bauer – MD

B Sutcliffe – Chair

Acquisition Of Own Shares

In terms of an agreement dated 28 August 2013, the company agreed to purchase 3,360,291 ordinary shares of £0.0033 each for a total consideration of £360.

Principal Activities

The group's principal activities during the period were the development and distribution of clinical decision support to General Practitioners, Nurses and Retail Pharmacies in the United Kingdom and South Africa. The commercial side included the licensing of DXS to various CCG's, the sale of e-detailing opportunities to the pharmaceutical industry, the UK Primary Care sector and the licensing of DXS technology to healthcare publishers.

Principal Risks

Failure to achieve predicted quantities of DXS contracts and slower development of additional revenue streams may result in revenues growing more slowly than anticipated.

Financial Instruments

At this stage the Group is not faced with risk relating to interest rates on loans, credit and liquidity.

Payment of Creditors

While the Group does not follow any standard payment practice, the Group has agreed terms of payment with the majority of its creditors of 30 days. The company has actually achieved payment with the majority of its creditors of 25 days.

Dividend

The Directors do not recommend a dividend.

Research and Development

The company continues to invest into research and development both local and internationally. With the rapid emergence of Clinical Commissioning Groups in the UK healthcare sector and their requirement to achieve £20 billion of savings by 2015, the demands of CCG's for DXS to design and create new solutions to achieve this is on-going. Each newly developed product represents additional revenue streams for the company.

Directors' Responsibilities

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

- Select suitable accounting policies and apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether UK accounting principles have been followed subject to any material departures disclosed and explained in the financial statements and,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in the business.

The directors are responsible for keeping proper 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.

The directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the board and signed on its behalf by:

DA Immelman

Director

20th August 2014

STRATEGIC REPORT

Review of the Company's Business

Revenue grew from £1,436,317 at April 2013 to £1,815,795 at April 2014, a significant 26%. This was attributed to 8 new CCG (Clinical Commissioning Groups) coming on board as DXS customers, bringing the total at April 2014 to 20. Currently we have 22 and are at varying stages securing a further 14 new CCG customers. A lot of effort from DXS' Directors and Staff over the last 15 months culminated in the successful conclusion of the Company's application for Lot1 approval under the new GP Systems of Choice ("GPSoC"), part of the NHS' overall procurement structure, which was announced on March 28th of this year. The healthcare market demands innovation and DXS continues with a program of R&D and has added new modules to our existing Point of Care Solution all aimed at achieving reduced cost and improved quality of care. Our policy is also one of where possible to partner with innovative solutions/services that we can leverage off our existing footprint. One area of focus is chronic disease. For example, Diabetes alone consumes 10% of the UK healthcare budget and here we are working with a consortium of UK clinicians to deliver a Personalised Care Pathway Solution which we hope to launch in 2015.

DXS has spent the past period putting in place the resources and systems to bring the company to the required levels of GPSoC conformance and to meet the rapidly growing business needs we have recruited an additional 30 staff across all aspects of the business.

In terms of our cash raising and cash deployment this year, we launched an entitlement and open offer for shares in DXS International plc in November 2013 through to January 2014. The Offer was oversubscribed.

Description of Principle Risks and Uncertainties

The principle risk is that a competitor provides the market with a superior Clinical Decision Support Solution and takes market share from DXS. To mitigate this risk DXS continually meets the dynamic needs of its customers through a program of R&D.

A second risk is that of CCG budgets drying up. However, with the recent award of the GPSoC2 contracts, it seems certain that adequate budgets have been made available for the foreseeable future.

Analysis of Business during Year Ending April 2014

Sales growth of 26% was greater than projected. Prospects for the year ending April 2015 are looking good with 14 prospective clients that have indicated intent to invest in DXS in the pipeline. Of the four DXS modules, the bulk of sales have been for the DXS Best Pathway module. There is growing interest and some sales for our DOS (Directory of Service) module. Best Triage is a new module that was launched in 2013 and is doing very well with a single client. We are now ready to begin promoting this. Growing interest in Medicine module. Our Sales to Close Ratio is approximately 60%.

Financial KPI

Our KPIs are in line with our future plans for the business. This includes our growth ambitions in GP Systems of Choice (“GPSoC”) and a greater focus on margin improvements.

- Group Revenue £1.8m an increase of 26%. Definition: Total Group sales including distribution of clinical decision support to General Practitioners and the licensing of DXS to CCGs and healthcare publishers.
- Underlying Group Profit After Tax £233,364 an increase of 1%. It should be appreciated that a one-off write off cost for “GPSoC” of £59,532 has been deducted at arriving at the profit. Should this not have been taken into account, the profit after tax would have increased by 30%. Definition: Underlying profit provides information on the underlying performance of the business adjusting for either income or charges which are both one off or significant.
- Earnings Per Share 2014 0.7p, 2013 0.8p. Definition: Earnings per share is the underlying profit divided by the average number of ordinary shares in issue.
- ROCE 2014 17%, 2013 20%. Definition: Return on capital employed (ROCE) is the ratio of net operating profit of a company to its capital employed. It measures the profitability of a company by expressing its operating profit as a percentage of its capital employed.

Approved by the board and signed on its behalf by:

DA Immelman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DXS INTERNATIONAL PLC

We have audited the financial statements of DXS International PLC for the year ended 30th April 2014 which comprise the Consolidated Profit and Loss Account, the Group and Company Balance Sheet and the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Director and Auditors

As explained more fully in the Statement of Director's Responsibilities set out on page 6, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

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

Opinion on Other Matter Prescribed by The Companies Act 2006

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ashwani Rishiraj FCA (Senior Statutory Auditor)
for and on behalf of Luckmans Duckett Parker Limited
Victoria House
44-45 Queens Road
Coventry
West Midlands
CV1 3EH

21 August 2014

FINANCIAL STATEMENTS

Company Number 6311313

Consolidated Profit And Loss Account for the Year Ended 30 April 2014

	Notes	2014 £	2013 £
Turnover	2	1,815,795	1,436,317
Cost of sales		(403,175)	(257,670)
		-----	-----
		1,412,620	1,178,647
Administrative expenses	3	(1,296,017)	(995,670)
		-----	-----
Operating profit	5	116,603	182,977
Other interest receivable and similar income		1,946	1,772
Interest payable and similar			
Charges	4	(41,520)	(8,875)
		-----	-----
Profit on ordinary activities before taxation		77,029	175,874
Tax on Profit on ordinary activities	6	156,335	49,675
		-----	-----
Profit for the year	18	233,364	225,549
		=====	=====
Profit per share-	16		
- basic		.7p	.8p
- fully diluted		.6p	.8p
		=====	=====

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 14 to 23 form part of the annual financial statements.

Company Number 6311313

Balance Sheet as at 30 April 2014

	<i>Notes</i>	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Fixed Assets					
Intangible assets	7	2,492,104	2,046,095	-	-
Tangible assets	8	19,913	4,835	-	-
Investments	9	-	-	1,001,281	880,913
		-----	-----	-----	-----
		2,512,017	2,050,930	1,001,281	880,913
		-----	-----	-----	-----
Current assets					
Debtors -					
Amounts due in less than one year	10	753,330	427,878	45,820	29,917
Amounts due in more than one year	10	88,179	112,093	-	-
Cash at Bank and in hand		565,018	155,269	284,152	90,312
		-----	-----	-----	-----
		1,406,527	695,240	329,972	120,229
Creditors: amounts falling due within one year	11	(1,565,167)	(875,587)	(21,933)	(80,942)
		-----	-----	-----	-----
Net current (liabilities)/ assets		(158,640)	(180,347)	308,039	39,287
		-----	-----	-----	-----
Total assets less current liabilities		2,353,377	1,870,583	1,309,320	920,200
		-----	-----	-----	-----
Creditors: amounts falling due after more than one year	12	(393,113)	(532,349)	-	-
		-----	-----	-----	-----
		1,960,264	1,338,234	1,309,320	920,200
		=====	=====	=====	=====
Capital and reserves					
Called up share capital	13	108,518	107,695	108,518	107,695
Share Premium account	14	1,584,047	1,196,204	1,584,047	1,196,204
Profit and loss account	14	267,699	34,335	(383,245)	(383,699)
		-----	-----	-----	-----
Equity shareholders' funds	14	1,960,264	1,338,234	1,309,320	920,200
		=====	=====	=====	=====

Approved by the Board for issue on 20th August 2014

D Immelman
Director

S Bauer
Director

The notes on pages 14 to 23 form part of the annual financial statements.

Company Number 6311313

Consolidated Cash Flow Statement for the Year Ended 30 April 2014

	<i>Notes</i>	Group 2014 £	Group 2013 £
Cash flow from operating activities	<i>15</i>	659,077	320,759
		-----	-----
Returns on investments and servicing of finance			
Interest received		1,946	1,772
Interest paid		(41,520)	(8,875)
		-----	-----
		(39,574)	(7,103)
		-----	-----
Taxation		141,268	69,675
		-----	-----
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(19,357)	(2,787)
Purchase of intangible fixed assets		(593,095)	(283,043)
		-----	-----
		(612,452)	(285,830)
		-----	-----
Cash inflow before financing		148,319	97,501
		-----	-----
Financing			
Issue of ordinary shares		434,828	150,000
Share issue costs		(45,802)	(15,000)
Purchase of shares		(360)	-
(Repayment) of debt		(127,236)	(131,556)
		-----	-----
		261,430	3,444
		-----	-----
Increase in cash for the year	<i>16</i>	409,749	100,945
Balance at 30 April 2013		155,269	54,324
		-----	-----
Balance at 30 April 2014		565,018	155,269
		=====	=====
Reconciliation of net cash flow to movement in net debt			
Increase in cash for the year	<i>16</i>	409,749	100,945

Loans repaid during the year		127,236	(131,556)
		-----	-----
Movement in net debt in the year	16	536,985	(30,611)
		=====	=====

The notes on pages 14 to 23 form part of the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) which have been applied consistently (except as otherwise stated)

1.3 Going concern

At 30 April 2014, the Group had net current liabilities totalling £(158,640) (2013 - liabilities of £(180,347)). The directors have reviewed the current 2014/15 management accounts as well as preparing a financial forecast for 2014/5 on the basis of various trading and working capital assumptions to determine the Group's funding requirements.

The Group is reliant on the continued support of certain creditors and shareholders to enable it to continue as a going concern. These creditors have given confirmations that they will not call for payment of these debts for a period of at least twelve month from the date of approval of these financial statements.

On the basis of the above, the forecasting exercise and the continued availability of debtor finance the directors have concluded that the Group will be able to operate for a period of at least twelve months from the date of approval of these financial statements.

There can be no certainty that the outcome of all the matters discussed above will be as forecast by the directors, however there are no matters or events known by the directors which would preclude the adoption of the going concern basis in the preparation of these financial statements. The financial statements do not include any adjustments to the value of balance sheet assets or liabilities which would result should the going concern not be valid.

1.4 Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiaries using the acquisition method of accounting. All companies within the group make up their accounts to the same date.

Results of subsidiary undertakings acquired during the financial period are included from the effective date on which control is acquired. The separate net assets of newly acquired subsidiary undertakings are incorporated into the financial statements on the basis of the fair value to the group as at the effective date.

Goodwill on consolidation is being amortised in equal instalments over its estimated useful economic life of 20 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 3 APRIL 2014 (continued)

1.5 Turnover

Turnover represents amounts receivable under advertising contracts and is recognised on a straight line over the life of the contract in accordance with the substantial risks and rewards of the contract. Turnover invoiced in advance is deferred and included with current liabilities. A fair proportion of the revenue in respect of the initial contract for each customer is taken to revenue when the contract is signed.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant & equipment 3-4 years straight line

1.7 Intangible fixed Assets

Deferred Development expenditure is amortised over 5 years on a straight line basis from the date that the specific product is completed and is available for distribution

The Computer software is the basis for the software development of the company. The software is continually updated and improved. . The cost of the Computer software is being amortised in equal instalments over its estimated useful economic life of 20 years.

1.8 Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transaction. All differences are taken to profit and loss account.

1.9 Taxation

The taxation charge in the profit and loss account is based on the taxable profits for the period at current rates of taxation and takes into account any provision for deferred taxation.

1.10 Deferred taxation

Deferred taxation is provided in full on timing differences arising from the different treatment of items for accounting and taxation purposes which are expected to reverse in the future, calculated at current tax rates, where deemed material. Deferred tax assets and liabilities are not discounted

1.11 Research and Development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the five year period during which the company is expected to benefit. Where a deduction for tax purposes is claimed ahead of the amortisation of the expenditure, the tax benefit is included in Deferred Taxation.

1.12 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.13 Company Profit and Loss Account

The company has taken advantage of the exemption permitted under Section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The company's profit after tax for the year was £454 (2013 - (loss) of £(2,381))

1.14 Fixed Asset Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

2 Turnover

	Group 2,014 £	Group 2,013 £
Turnover is attributable for the following geographical markets and arose in -		
United Kingdom	1,788,131	1,421,911
Republic of South Africa	27,664	14,406
	-----	-----
	1,815,795	1,436,317
	=====	=====

3 Operating profit

	Group 2,014 £	Group 2,013 £
Operating profit is stated after charging:		
Outsourcing of development, call centre and content	51,723	155,408
Depreciation of fixed tangible assets	4,279	9,861
Amortisation of deferred development expenditure	61,381	69,661
Amortisation of other intangible fixed assets	85,705	85,705
Operating leases - other assets	44,201	34,440
Auditors remuneration - parent and consolidated audit	1,500	1,500
- subsidiary companies	10,500	9,810
- other fees	-	2,105
Other auditors - fees for overseas subsidiary company	2,195	2,932
Research and development expenditure	300,000	465,000
Directors remuneration	91,078	87,974
Exchange gains and losses	18,575	28,220

DXS INTERNATIONAL PLC
For the Year Ended 30 April 2014

	Costs of NHS GP Soc application	59,532	-
		=====	=====
4	Interest payable and similar charges		
		Group	Group
		2,014	2,013
		£	£
	On bank overdrafts and loans	8,454	5,700
	On other loans	33,066	3,175
		-----	-----
		41,520	8,875
		=====	=====
5	Staff costs		
		Group	Group
		2,014	2,013
		£	£
	Staff costs including directors		
	Salaries and wages	507,535	171,708
	Social security costs	39,376	26,646
	Other staff costs	9,043	5,132
		-----	-----
		555,954	203,486
		=====	=====
	Average number of employees (sales & administration)	18	15
		=====	=====
6	Taxation		
		Group	Group
		2,014	2,013
		£	£
	Domestic current period tax		
	UK Corporation tax on profits for the year	-	-
	Research and Development tax credit		
	Current year	48,145	31,500
	Prior year	109,768	18,328
	Overseas Company tax on profits for the year	(1,578)	(153)
		-----	-----
	Current tax charge	156,335	49,675
		=====	=====
	The standard rate of tax for the year, based on the UK standard rate of corporation tax is 22% (2013 - 24%). The actual tax charge for the current year and the previous year differs from the standard rate for the reasons set out in the following reconciliation.		
	Profit on ordinary activities before tax	77,029	175,874
		-----	-----
	Tax charge on profit at ordinary rates of standard tax	16,946	45,727
	Effects of :		
	Tax on permanent differences at ordinary rates of standard tax	13,604	16,807
	Tax on timing differences at ordinary rates of standard tax	(17,891)	(37,989)
	Research and development tax credit		
	Current year	(60,804)	(56,045)
		-----	-----

(48,145) (31,500)
=====

7 Intangible fixed assets

	Computer Software £	Goodwill £	Deferred Expenditure £	Development Total £
Cost				
Balance at 30 April 2013	1,144,000	570,104	770,368	2,484,472
Additions	-	-	593,095	593,095
	-----	-----	-----	-----
Balance at 30 April 2014	1,144,000	570,104	1,363,463	3,077,567
	-----	-----	-----	-----
Amortisation				
Balance at 30 April 2013	86,000	162,716	189,661	438,377
Charge for the year	57,200	28,505	61,381	147,086
	-----	-----	-----	-----
Balance at 30 April 2014	143,200	191,221	251,042	585,463
	-----	-----	-----	-----
Net Book Value				
30 April 2014	1,000,800	378,883	1,112,421	2,492,104
	=====	=====	=====	=====
30 April 2013	1,058,000	407,388	770,368	2,046,095
	=====	=====	=====	=====

8 Tangible fixed assets - group

	Plant & Equipment £	Total £
Cost		
At 30 April 2013	66,404	66,404
Additions	19,357	19,357
	-----	-----
At 30 April 2014	85,761	85,761
	-----	-----
Depreciation		
At 30 April 2013	61,569	61,569
Charge for the year	4,279	4,279
	-----	-----
At 30 April 2014	65,848	65,848
	-----	-----
Net book value		
30 April 2014	19,913	19,913
	=====	=====
30 April 2013	4,835	4,835
	=====	=====

9 Investments

Subsidiary undertakings

	Company 2,014 £
Cost	
At 30 April 2013	880,913
Loans to subsidiaries	120,368

At 30 April 2014	1,001,281

The subsidiary companies are -

	Class of Share	Percentage held and Voting rights	Activities
DXS (UK) Limited	Ordinary	100%	Distribution, integration and maintenance of computer software
DXS Services Limited	Ordinary	100%	Dormant
DXS (SA) Proprietary Limited (Incorporated in the Republic of South Africa)	Ordinary	100%	Development, maintenance and distribution of computer software
DXS Solutions Limited	Ordinary	100%	Dormant

The subsidiary undertakings were acquired during 2008 other than the investment in DXS (SA) which was acquired in 2010 and DXS Solutions in 2012

10 Debtors

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade debtors falling due within one year (Note 11)	546,005	385,386	-	-
Loan receivable after more than one year	88,179	112,093	-	-
Other trade debtors	22,833	9,267	-	-
Other debtors	184,492	33,225	42,049	27,608
VAT	-	-	3,771	2,309
	-----	-----	-----	-----
	841,509	539,971	45,820	29,917
	=====	=====	=====	=====

11 Creditors : amounts falling due within one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Loan secured over trade debtors (Note 10)	-	57,427	-	-
Loans repayable within one year	174,000	162,000	-	-
Trade creditors	128,692	30,853	19,676	3,938
Amount due by subsidiary company	-	-	-	72,001
Taxation and social security	18,632	11,702	-	-
VAT	181,232	112,281	-	-
Accruals and deferred income	1,062,611	501,324	2,257	5,003
	<u>1,565,167</u>	<u>875,587</u>	<u>21,933</u>	<u>80,942</u>

The group's bankers have a guarantee over any monies due or becoming due that is secured by a fixed and floating charge over all the group's assets subject to the loan secured over the trade debtors. The loan secured over the trade debtors is secured by a charge over the underlying assets.

12 Creditors : amounts falling due after more than one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Other loans	38,061	38,061	-	-
Loan	281,764	421,000	-	-
Other creditors	73,288	73,288	-	-
	<u>393,113</u>	<u>532,349</u>	<u>-</u>	<u>-</u>

The loan is repayable at £17,000, including interest, per month. Interest is payable at 4%pa from 1 August 2013.

The Other loan bears interest at 2.0% pa above base rate and is repayable at £500 per month.

Negotiations with other creditors has resulted in payment terms of over one year

13 Share capital

	Group and Company	
	2014	2013
	£	£
Allotted, called up and fully paid 32,893,994 (2013 - 32,634,570) ordinary shares of £0.0033 each	108,518	107,695
	=====	=====

In terms of an agreement dated 28 August 2013, the company agreed to purchase 3,360,291 ordinary shares of £0.0033 each for a total consideration of £360.

2,187,290 ordinary shares of £0.0033 were issued for cash at £0.12p each on 6 December 2013.

1,422,116 ordinary shares of £0.0033 were issued for cash at £0.12p each on 15 January 2014.

City and Merchant have warrants of 592,902 ordinary shares at an exercise price of £0.26p. per share. The warrant was granted on 31 July 2008 and was exercisable at their discretion within five years from the date of issue. This warrant was not exercised within the period. City and Merchant have been allowed to extend the option for a further 5 years.

Messrs D Immanuel & S Bauer have each been granted an option to purchase 923,077 shares at an exercise price of £0.13p subject to performance targets being achieved.

Messrs D Immanuel & S Bauer were each granted an option on 1 May 2013 to purchase 1,000,000 shares at an exercise price of £0.20p subject to performance targets being achieved. 704,615 of these options were surrendered by each director on 27 June 2014.

The directors consider, that in respect of the share options granted during the period, that - that the average fair value of the options has been calculated at a value of 0.519p per share at 1 May 2013, the Black Scholes calculator was used as the option pricing model. The weighted average share price was 7.75p, the exercise price is 20p, the expected volatility rate used is 25%, the risk free interest rate used is 3.5%. It is not expected that any dividends will be paid during the period. In calculating the fair value, the directors based their calculations on an option life of 7 years. The Volatility was calculated using the Adam Greene Volatility method. The weekly share price was used over an historic 54 weeks which period the directors consider reasonable. In order to provide fair value, even though market conditions have improved, the directors were comfortable to increase the volatility to the 25% above.

Since the year end, the following options have been granted -

Mr R K Sutcliffe was granted an option on 27 June 2014 to purchase 900,000 shares at an exercise price of 25p per share.

Messrs D Immanuel & S Bauer were each granted an option on 27 June 2014 to purchase 704,615 shares at an exercise price of £0.20p.

14 Reconciliation of movement in shareholders' funds

Group	Share Capital	Share Premium Account	Profit and Loss Account	Total
	£	£	£	£
Balance at 30 April 2013	107,695	1,196,204	34,335	1,338,234
Issue of share capital	11,911	422,917	-	434,828
Share issue costs	-	(45,802)	-	(45,802)
Purchase of share capital	(11,088)	10,728	-	(360)
Profit for the year	-	-	233,364	233,364
	-----	-----	-----	-----
Balance at 30 April 2014	108,518	1,584,047	267,699	1,960,264
	=====	=====	=====	=====
Company	Share Capital	Share Premium Account	Profit and Loss Account	Total
	£	£	£	£
Balance at 30 April 2013	107,695	1,196,204	(383,699)	920,200
Issue of share capital	11,911	422,917	-	434,828
Share issue costs	-	(45,802)	-	(45,802)
Purchase of share capital	(11,088)	10,728	-	(360)
Profit for the year	-	-	454	454
	-----	-----	-----	-----
Balance at 30 April 2014	108,518	1,584,047	(383,245)	1,309,320
	=====	=====	=====	=====

15 Reconciliation of operating to operating cash flows

	Group 2,014	Group 2,013
	£	£
Operating profit	116,603	182,977
Depreciation charges	4,279	9,861
Amortisation	147,086	155,366
(Increase) in debtors	(284,893)	(11,761)
(Decrease)/ Increase in creditors	676,002	(15,684)
	-----	-----
	659,077	320,759
	=====	=====

16 Analysis of net debt

	at 30 April 2013	Other Movement	Cash Flow	at 30 April 2014
	£	£	£	£
Cash in hand and at bank	155,269	-	409,749	565,018
Net debt due after more than one year	(532,349)	12,000	127,236	(393,113)
Net debt due in less than one year	(162,000)	(12,000)	-	(174,000)
	-----	-----	-----	-----
	(539,080)	0	536,985	(2,095)
	=====	=====	=====	=====

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared

Consultancy fees amounting to £110,676 (2013 - £88,870) were paid to service companies owned by Directors D Immelman and S Bauer.

18 Profit per share

Basic

The Basic profit per share in the period ended 30 April 2014 is calculated by dividing the consolidated profit of £233,364 attributable to equity holders in the company by the weighted average number of ordinary shares in issue during the period of 34,752,882 £0.0033 shares

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive shares in issue for the period. There were 3,029,826 (2013 - 1,846,154) potential dilutive ordinary shares in issue during the period

19 Financial commitments

At 30 April 2014, the group had annual commitments under non - cancellable leases as set out below -

	2014 £	2013 £
Land and buildings		
Operating leases which expire within one year	-	2,800
Operating leases which expire between one and four years	37,500	-
	-----	-----
	37,500	2,800
	=====	=====
Other leases		
Operating leases which expire between one and four years	14,585	6,199
	=====	=====

20 Control

The directors consider there is no ultimate controlling party