



DXS INTERNATIONAL plc
Company Number 6311313

DXS International plc
Annual Report For the Year Ended
30 April 2015

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CHAIRMAN'S REPORT

The year ending April 2015 has seen a number of significant achievements.

- Revenue grew by 50% compared with 2014.
- DXS has received FRA (Full Rollout Approval) on the 14th September 2015. This enables all existing and new DXS Clinical Commissioning Groups "CCG" clients to purchase DXS point of Care via the National Framework Agreement.
- During 2014 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 considerable staff recruitment bringing the staff complement to 90% of full strength for the current number of customers. The total head count now numbers 80.

Revenue grew from £1,815,795 at 30 April 2014 to £2,723,762 at 30 April 2015, a significant year on year increase of 50%. Currently, we have 36 CCG clients representing 1,400 practices and are at varying stages of securing a further 10 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.

A lot of effort from DXS' Directors and Staff over the last 4 months culminated in the Company's award of FRA (Full Rollout Approval) under the new GP Systems of Choice ("GPSoC"), part of the NHS' overall procurement structure, which was announced on 28 March 2014. Introduced back in 2007, GPSoC is a scheme through which the NHS funds the provision of Clinical Systems to General Practitioner (GP) practices in England. The new GPSoC2 scheme, effective from 1st April 2014, was extended to include "Subsidiary Suppliers" of various IT systems. This FRA approval ensures that DXS has been able to transfer its existing CCG clients and procure new CCG clients through the Lot 1 Framework Agreement

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 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 early 2016.

All GPSoC2 winners are required to meet a minimum set of requirements and are expected to evolve during the life of the contract. Thus, DXS has spent the past period putting in place the resources and systems to bring the Company to the required levels of conformance. This has seen the staff complement rise to approximately 80 (of which 13 are freelance) supported by various new management solutions which include customer support, content management, clinical safety and disaster backup and management.

Our cash position remains positive and at the year end, cash at bank stood at £480,928.

The audited profit for the year ending 30 April 2015 is £242,575 including an unexpected once only write off of £108,580 due to a management share option issue (see Directors Report for more information on this item).

This margin is better than expected due to the gearing up of staff and required systems. The headcount increased from 38 at April 2014 to 60 (including 11 freelancers) at April 2015. This has now levelled off at approximately 80 (including 13 freelancers) and ensures that the Company is fully staffed with the exception of those areas where staff are directly linked to increase in the number of clients or new projects with anticipated new revenue streams.

The Company is now poised for continued growth and many exciting new revenue streams are expected to emerge during the next twelve months.

I particularly want to thank all DXS staff for their ongoing effort and contribution to ensuring that DXS has achieved FRA and in parallel grown the revenue by a significant margin.

Yours sincerely,

Bob Sutcliffe

Chairman

DIRECTORS

Dr Robert Sutcliffe (64) – 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 (59) - 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 10 years, David has dedicated himself to building DXS.

Steven Bauer (43) - 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

Colin Morgan
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
Farnham
Surrey
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 30 April 2015. 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

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.

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 CCGs 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

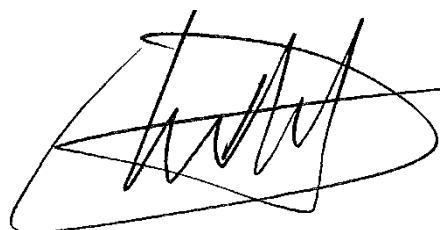
The directors are responsible for preparing the financial statements for each financial year. The directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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

28 September 2015

STRATEGIC REPORT

Review of the Company's Business

After being awarded the GPSoC tender in March 2014, we were required to undergo a CAP (Common Assurance Process). This began in March 2015 and the Company was awarded FRA (Full Rollout Approval) under the new GP Systems of Choice ("GPSoC"), part of the NHS' overall procurement structure, which was announced on March 28th 2014.

Meeting all the NHS compliance issues has placed a considerable strain on our limited key management resources, however the Company managed to grow revenues from £1,815,795 at April 2014 to £2,723,762 in April 2015, a significant rise of 50%. This was attributed to increasing our CCG customers combined with our Pharmaceutical revenue.

Considering that we have had to put in place considerable staff and system resources the Company still managed a profit of £242,575 even after the write off of an exceptional item of £108,580 for a "share option valuation". The results for the year include a charge of £108,580 which represents the Directors best estimate of the cost of the Share Options awarded by the group during the year. This charge has been provided in terms of current Accounting Standards. The directors do not believe that this charge is a fair reflection of the cost to the Company and has been overstated due to the volatility in the share price during the period, which arose due to limited share sales into a limited market. Considerable time and expense has been spent in agreeing the £108,580 with the auditors.

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 2015

Sales growth of 50% was greater than projected. Prospects for the year ending April 2016 are looking good with a number of new prospective clients that have indicated intent to purchase the DXS system in the pipeline. Adding to this are potential new revenue streams which should continue to contribute to considerable revenue and margin growth.

The staff headcount increased from 38 at April 2014 to 60 (includes 11 freelancers) at April 2015. Including 13 freelancers this has now levelled off at almost 80. The only expected additional staff will be directly linked to new sales and product lines.

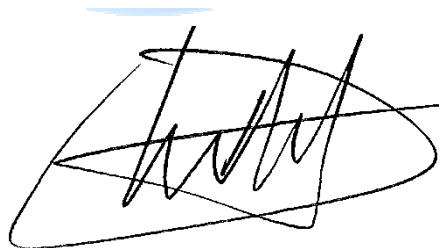
During the past year the Company has significantly matured in terms of its systems and robustness, thanks largely to the stringent but necessary NHS requirements. Every aspect of the business is now compliant with NHS requirements, one of the most demanding globally.

This should offer any customer, whether in the UK or globally, the confidence that DXS is able to deliver a high quality of service and solution and thus provide complete peace of mind.

Financial KPI

- Group Revenue £2.7 m an increase of 50%. 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 £242,575 on a par with the previous year. A required write off of £108,580 for a management share option valuation has been deducted at arriving at the profit. Should this not have been taken into account, the profit after tax would have increased by 49%. 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 2015 0.7p, 2014 0.7p. Definition: Earnings per share is the underlying profit divided by the average number of ordinary shares in issue.
- ROCE 2015 18.7%, 2014 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 30 April 2015 on pages eleven to twenty four. 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 six, the director is 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 group's and the parent 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 Group 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 of the parent company's affairs as at 30 April 2015 and of the group's 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.

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Steven Twigger FCCA ACA (Senior Statutory Auditor)
for and on behalf of Luckmans Duckett Parker Limited
Victoria House
44-45 Queens Road
Coventry
West Midlands
CV1 3EH

Date: 28 September 2015

FINANCIAL STATEMENTS

Company Number 6311313

Consolidated Profit And Loss Account for the Year Ended 30 April 2015

	Notes	2015 £	2014 £
Turnover	2	2,723,762	1,815,795
Cost of sales		(461,608)	(403,175)
		2,262,154	1,412,620
Administrative expenses		(2,149,982)	(1,296,017)
Provision for costs of share option awards	4	(108,580)	-
Operating profit	3,6	3,592	116,603
Other interest receivable and similar income		2,170	1,946
Interest payable and similar charges	5	(35,477)	(41,520)
(Loss)/Profit on ordinary activities before taxation		(29,715)	77,029
Tax on Profit on ordinary activities	7	272,290	156,335
Profit for the year	15	242,575	233,364
Profit per share-	19		
- basic		.7p	.7p
- fully diluted		.6p	.6p

All amounts relate to continuing activities

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

The notes on pages 15 to 25 form part of the annual financial statements.

Company Number 6311313

Balance Sheet as at 30 April 2015

	Notes	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Fixed Assets					
Intangible assets	8	2,812,110	2,492,104	-	-
Tangible assets	9	22,132	19,913	-	-
Investments	10	-	-	1,077,528	1,001,281
		<u>2,834,242</u>	<u>2,512,017</u>	<u>1,077,528</u>	<u>1,001,281</u>
Current assets					
Debtors - Amounts due in less than one year	11	1,068,112	753,330	47,650	45,820
- Amounts due in more than one year	11	85,842	88,179	-	-
Cash at Bank and in hand		480,928	565,018	287,897	284,152
		<u>1,634,882</u>	<u>1,406,527</u>	<u>335,547</u>	<u>329,972</u>
Creditors: amounts falling due within one year	12	(1,907,841)	(1,565,167)	(21,778)	(21,933)
Net current (liabilities)/ assets		<u>(272,959)</u>	<u>(158,640)</u>	<u>313,769</u>	<u>308,039</u>
Total assets less current liabilities		<u>2,561,283</u>	<u>2,353,377</u>	<u>1,391,297</u>	<u>1,309,320</u>
Creditors: amounts falling due after more than one year					
	13	(242,128)	(393,113)	-	-
		<u>2,319,155</u>	<u>1,960,264</u>	<u>1,391,297</u>	<u>1,309,320</u>
Capital and reserves					
Called up share capital	14	108,592	108,518	108,592	108,518
Share Premium account	15	1,591,709	1,584,047	1,591,709	1,584,047
Provision for costs of share option awards	15	108,580	-	108,580	-
Profit and loss account	15	510,274	267,699	(417,584)	(383,245)
Equity shareholders' funds	15	<u>2,319,155</u>	<u>1,960,264</u>	<u>1,391,297</u>	<u>1,309,320</u>

Approved by the Board for issue on Date



D Immelman
Director



S Bauer
Director

The notes on pages 15 to 25 form part of the annual financial statements.

Company Number 6311313

Consolidated Cash Flow Statement for the Year Ended 30 April 2015

	Notes	Group 2015 £	Group 2014 £
Cash flow from operating activities	16	596,479	659,077
Returns on investments and servicing of finance			
Interest received		2,170	1,946
Interest paid		(35,477)	(41,520)
		(33,307)	(39,574)
Taxation		86,585	141,268
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(13,220)	(19,357)
Purchase of intangible fixed assets		(577,378)	(593,095)
		(590,598)	(612,452)
Cash inflow before financing		59,159	148,319
Financing			
Issue of ordinary shares		7,736	434,828
Share issue costs		-	(45,802)
Purchase of shares		-	(360)
(Repayment) of debt		(150,985)	(127,236)
		(143,249)	261,430
(Decrease)/ Increase in cash for the year	17	(84,090)	409,749
Balance at 30 April 2014		565,018	155,269
Balance at 30 April 2015		480,928	565,018

The notes on pages 15 to 25 form part of the annual financial statements.

Company Number 6311313

Consolidated Cash Flow Statement for the Year Ended 30 April 2015 (continued)

	Notes	Group 2015 £	Group 2014 £
Reconciliation of net cash flow to movement in net debt			
Increase in cash for the year	17	(84,090)	409,749
Loans repaid during the year		150,985	127,236
Movement in net debt in the year	17	<u>66,895</u>	<u>536,985</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

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 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.

1.4 Turnover

Turnover represents amounts receivable under 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

1.5 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

1.6 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1.7 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.

1.8 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.

1.9 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

1.10 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.

1.11 Operating leases

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

1.12 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 (loss) after tax for the year was £(34,339) (2014 - profit of £454)

1.13 Fixed Asset Investments

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

2 Turnover

	Group 2015 £	Group 2014 £
Turnover is attributable for the following geographical markets and arose in -		
United Kingdom	2,710,368	1,788,131
Republic of South Africa	13,394	27,664
	----- 2,723,762 =====	----- 1,815,795 =====

3 Operating profit

	Group 2015 £	Group 2014 £
Operating profit is stated after charging:		
Depreciation of fixed tangible assets	11,001	4279
Amortisation of deferred development expenditure	171,667	61381
Amortisation of other intangible fixed assets	85,705	85,705
Operating leases - other assets	99,160	44,201
Auditors remuneration - parent and consolidated audit	1,000	1,500
- subsidiary companies	20,196	10,500
Other auditors - fees for overseas subsidiary company	1,600	2,195
Research and development expenditure	330,000	300,000
Directors remuneration	129,362	91,078
Exchange gains and losses	8,412	18,575
Costs of NHS GP Soc application	-	59,532
	=====	=====

Consultancy fees amounting to £85,160 (2014 - £88,870) were paid to service companies owned by Directors D Immelman and S Bauer.

3 Directors (2014 -2) were the beneficiaries of awards that were received or receivable under long term incentive schemes.

4 Provision for costs of share option awards

	Group 2015 £	Group 2014 £
Costs calculated to be attributable to the share option awards during the year	108,580 =====	- =====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

5 Interest payable and similar charges

	Group 2015 £	Group 2014 £
On bank overdrafts and loans	8,877	8,454
On other loans	26,600	33,066
	-----	-----
	35,477	41,520
	=====	=====

6 Staff costs

	Group 2015 £	Group 2014 £
Staff costs including directors		
Salaries and wages	992,234	507,535
Social security costs	71,849	39,376
Other staff costs	15,291	9,043
	-----	-----
	1,079,374	555,954
	=====	=====
Average number of employees (sales & administration)	49	26
	=====	=====

7 Taxation

	Group 2015 £	Group 2014 £
Domestic current period tax		
UK Corporation tax on profits for the year		
Prior year	304	-
Research and Development tax credit		
Current year	170,628	48,145
Prior year	101,444	109,768
Overseas Company tax on profits for the year	(86)	(1,578)
	-----	-----
Current tax charge	272,290	156,335
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

7 Taxation (continued)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 22%. (2014 - 22%). 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.

	Group 2015 £	Group 2014 £
Profit on ordinary activities before tax	(29,715)	77,029
	-----	-----
Tax charge on profit at ordinary rates of standard tax	(6,537)	16,946
Effects of :		
Tax on permanent differences at ordinary rates of standard tax	(5,664)	13,604
Tax on timing differences at ordinary rates of standard tax	(18,870)	(17,891)
Research and development tax credit Current year	(139,557)	(60,804)
	-----	-----
	(170,628)	(48,145)
	=====	=====

8 Intangible fixed assets

	Computer Software £	Goodwill £	Deferred Development Expenditure £	Total £
Cost				
Balance at 30 April 2014	1,144,000	570,104	1,363,463	3,077,567
Additions	-	-	577,378	577,378
	-----	-----	-----	-----
Balance at 30 April 2015	1,144,000	570,104	1,940,841	3,654,945
	-----	-----	-----	-----
Amortisation				
Balance at 30 April 2014	143,200	191,221	251,042	585,463
Charge for the year	57,200	28,505	171,667	257,372
	-----	-----	-----	-----
Balance at 30 April 2015	200,400	219,726	422,709	842,835
	-----	-----	-----	-----
Net Book Value				
30 April 2015	943,600	350,378	1,518,132	2,812,110
	=====	=====	=====	=====
30 April 2014	1,000,800	378,883	1,363,463	2,492,104
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

9 Tangible fixed assets - group

	Plant & Equipment £	Total £
Cost		
At 30 April 2014	85,761	85,761
Additions	13,220	13,220
	-----	-----
At 30 April 2015	98,981	98,981
	-----	-----
Depreciation		
At 30 April 2014	65,848	65,848
Charge for the year	11,001	11,001
	-----	-----
At 30 April 2015	76,849	76,849
	-----	-----
Net book value		
30 April 2015	22,132	22,132
	=====	=====
30 April 2014	19,913	19,913
	=====	=====

10 Investments

Subsidiary undertakings

	Company 2015 £
Cost	
At 30 April 2014	1,001,281
Loans from subsidiaries	76,247

At 30 April 2015	1,077,528

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 Limited)	Ordinary	100%	Distribution, integration and maintenance of computer software

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

11 Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors falling due within one year (Note 12)	692,949	546,005	-	-
Loan receivable after more than one year	85,842	88,179	-	-
Other trade debtors	10,498	22,833	-	-
Other debtors	364,665	184,492	44,653	42,049
VAT	-	-	2,997	3,771
	-----	-----	-----	-----
	1,153,954	841,509	47,650	45,820
	=====	=====	=====	=====

The aggregate of loans secured over trade debtors is £417,018 (2014 - £ Nil)

12 Creditors : amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Loan secured over trade debtors (Note 11)	417,018	-	-	-
Loans repayable within one year	174,000	174,000	-	-
Trade creditors	222,182	128,692	19,077	19,676
Taxation and social security	29,045	18,632	-	-
VAT	130,302	181,232	-	-
Deferred income	665,081	782,145	-	-
Accruals	270,213	280,466	2,701	2,257
	-----	-----	-----	-----
	1,907,841	1,565,167	21,778	21,933
	=====	=====	=====	=====

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.

13 Creditors : amounts falling due after more than one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Other loans	33,060	38,061	-	-
Loan	135,779	281,764	-	-
Other creditors	73,289	73,288	-	-
	-----	-----	-----	-----
	242,128	393,113	-	-
	=====	=====	=====	=====

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

14 Share capital

	Group and Company	
	2015	2014
	£	£
Allotted, called up and fully paid		
32,916,418 (2014 - 32,893,994) ordinary shares of £0.0033 each	108,592	108,518
	=====	=====

The company issued 22,424 shares at an issue price of £0.34 during May 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 and has been extended for a further five years.

Messrs D Immelman & 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 Immelman & 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.

Messrs D Immelman & S Bauer were each granted an option on 27 June 2014 to purchase 704,615 shares at an exercise price of £0.02 per share. The options have a performance condition to be achieved before April 2016.

Mr R K Sutcliffe was granted an option on 27 June 2014 to purchase 900,000 shares at an exercise price of £0.25 per share.

Messrs D Immelman & S Bauer were each granted an option on 4 September 2014 to purchase 250,000 shares at an exercise price of £0.25 per share.

Messrs D Immelman & S Bauer were each granted an option on 4 September 2014 to purchase 250,000 shares at an exercise price of 55p per share. All options granted during the year, with the exception of those granted to Mr D Immelman & Mr S Bauer on 27th June 2014 are for a period of 10 years from the grant.

The company issued 22,424 shares at an issue price of £0.34 during May 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 20p per share at June and September 2014

- the Black Scholes calculator was used as the option pricing model. The weighted average share price was 24.75p, the exercise price is between 20p, and 55p, the expected volatility rate used is 30%, the risk free interest rate used is 2.0%. 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 2 years.
 - The Volatility was calculated using the Adam Greene Volatility method. The weekly share price was used over an historic 104 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 30% above.
- 6,339,856 (2014 – 4,439,056) options remain outstanding at 30 April 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

15 Reconciliation of movement in shareholders' funds

Group	Share Capital	Provision for costs of Share Option awards	Share Premium Account	Profit and Loss Account	Total
	£	£	£	£	£
Balance at 30 April 2014	108,518	-	1,584,047	267,699	1,960,264
Issue of share capital	74	-	7,662	-	7,736
Provision created during the year	-	108,580	-	-	108,580
Profit for the year	-	-	-	242,575	242,575
	-----	-----	-----	-----	-----
Balance at 30 April 2015	108,592	108,580	1,591,709	510,274	2,319,155
	=====	=====	=====	=====	=====

Company	Share Capital	Provision for costs of Share Option awards	Share Premium Account	Profit and Loss Account	Total
	£	£	£	£	£
Balance at 30 April 2014	108,518	-	1,584,047	(383,245)	1,309,320
Issue of share capital	74	-	7,662	-	7,736
Provision created during the year	-	108,580	-	-	108,580
(Loss) for the year	-	-	-	(34,339)	(34,339)
	-----	-----	-----	-----	-----
Balance at 30 April 2015	108,592	108,580	1,591,709	(417,584)	1,391,297
	=====	=====	=====	=====	=====

16 Reconciliation of operating to operating cash flows

	Group 2015 £	Group 2014 £
Operating profit	3,592	116,603
Depreciation charges	11,001	4,279
Amortisation	257,372	147,086
Provision for costs of share option awards	108,580	-
(Increase) in debtors	(126,740)	(284,893)
(Decrease)/ Increase in creditors	342,674	676,002
	-----	-----
	596,479	659,077
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

17 Analysis of net debt

	at 30 April 2014 £	Other Movement £	Cash at 30 April Flow £	2015 £
Cash in hand and at bank	565,018		84,090	480,928
Net debt due after more than one year	(393,113)		(150,985)	(242,128)
Net debt due in less than one year	(174,000)		-	(174,000)
	-----	-----	-----	-----
	(2,095)	0	(66,895)	64,800
	=====	=====	=====	=====

18 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 £85,160 (2014 - £88,870) were paid to service companies owned by Directors D Immelman and S Bauer.

19 Profit per share

Basic

The Basic profit per share in the period ended 30 April 2015 is calculated by dividing the consolidated profit of £242,575 attributable to equity holders in the company by the weighted average number of ordinary shares in issue during the period of 32,916,418 £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 6,339,856 (2014 – 4,439,056) potential dilutive ordinary shares in issue during the period.

20 Financial commitments

At 30 April 2015, the group had annual commitments under non - cancellable leases as set out below -

	2015 £	2014 £
Land and buildings		
Operating leases within one year	-	-
Operating leases between one and five years	55,500	37,500
	-----	-----
	55,500	37,500
	=====	=====
Other leases		
Operating leases which expire within one year	-	14,585
Operating leases which expire between one and five years	16,177	-
	-----	-----
	16,177	14,585
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

20 Financial commitments (continued)

At 30 April 2015, the company had annual commitments under non - cancellable leases as set out below -

	2015	2014
	£	£
Land and buildings		
Operating leases which expire within one year	-	-
Operating leases which expire between one and five years	37,500	-
	-----	-----
	37,500	0
	=====	=====

21 Control

The directors consider there is no ultimate controlling party