EU SUPPLY PLC

Annual Report and Consolidated Financial Statements
For the Year Ended 31 December 2015

Company Registration Number: 08513444

Contents

Information page

Directors	David Richard Cutler, *Non-Executive Chairman* Thomas Bo Beergrehn, *Chief Executive Officer* Mattias Emil Erik Strom, *Financial Director* Steffen Patrik Karlsson, *Non-Executive Director* Fredrik Andreas Kemi, *Non-Executive Director* all of 26 Red Lion Square, London WC1R 4AG
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Company Registration Number	08513444
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Chairman's Statement

Overview

EU Supply Plc (LSE AIM: EUSP) the e-procurement software provider presents its audited final results for the year ended 31 December 2015 being the second full year of trading following the admission to AIM on 13th November 2013.

EU Supply Plc (the "Company") is the UK holding company of the EU Supply Group ("Group"), a Sweden-based e-commerce business that has an established, market-leading, multilingual e-procurement platform for e-sourcing, e-tendering and contract management, tailored for the highly regulated European public sector market and also configurable for private sector industries.

The Group continues to target the public sector market, but is also successfully engaging in selected private sector industries, as exemplified by the order received from a leading UK private regulated water- and wastewater network provider announced in September 2015.

Despite tough trading conditions in our key geographical markets, 2015 revenues increased by 13% (approximately 24% at constant currencies) to £2.8m (2014: £2.5m) while costs were reduced by 8%. 73% of 2015 revenues were of recurring or repeatable nature providing an encouraging revenue base going into 2016.

In 2015, Norway continued to be a growing market for the Group with continuing revenue from the Group's agreement with DIFI (The National Agency for Public Management and eGovernment in Norway) with additional revenues from new customers of our CTM™ platform, our Business Alerts service introduced in 2015 and the "lite" base level configured CTM™ platform named Tender Lite. Elsewhere the business grew, but slower than anticipated, as competitive pricing pressures were experienced within the pre-award procurement software segment. Despite this, initial revenues were gained in Finland and Iceland and enhancements to existing contracts were achieved in Sweden, Ireland and UK.

A convertible Loan Note issue was successfully completed in the second half of 2015 raising £1.6m (before expenses) as well as an issue of equity which raised £0.4m (before expenses), and the Group ended the year with £1.4m in cash and cash equivalents. These funds are expected to provide the Group with sufficient liquidity to see it through to profitability.

In December 2015 the Board was strengthened by the appointment of Andreas Kemi as a non-executive Director. Andreas brings knowledge and experience of European software marketing to help position the business for future development.

Outlook

In the face of competitive market conditions, the Board has determined to focus on establishing a profitable platform for growth into 2017 and beyond. Progress on both further revenue growth and cost reductions has been encouraging in the first quarter of 2016.

With the support of the Group's dedicated and skilled staff, the Board is confident in achieving monthly run rate profitability during the current year thereby providing the platform for profitable future growth in a variety of product and market sectors. However, any potential further weakening of £ Sterling (perhaps following a "Brexit") would increase the headwind in achieving these short term goals.

David Cutler
Chairman
Date: 27 April 2016

Strategic Report

Introduction

I am pleased to report that during 2015, the Group has successfully extended or renewed all of its significant longer term revenue generating contracts, which were due to expire in the year.

The Group has continued to build on the foundation established during prior years in order to win more business, particularly in sectors where the Group already has a strong presence, and support existing customers through selling additional services and software, for example in countries where we operate a national system and/or have a unique value proposition, e.g. Ireland and Norway, as well as the utility and energy sectors. Within these sectors, the Group should be able to achieve increased economies of scale or achieve better pricing.

Business review

The Group has won a number of small and mid-sized orders from new customers during 2015 and early 2016. Examples are one of the largest water and wastewater network providers in the UK, a major UK police service, additional business within the NHS and Echelon Consultancy Limited (a UK procurement service provider for the public sector).

In Denmark, the Group is building further on its strong position, with orders won from the final of the five regional healthcare authorities, the national healthcare merchandiser Amgros, Kammeradvokaten (the leading Danish law firm advising local and regional public sector authorities in Denmark) and Rambøll Management Consulting A/S (a Danish management consultancy).

The Norwegian customer base continues to grow with new orders from, among others, Oslo Kommune (the Capital City Council of Norway) and DSS (the Norwegian Central Government Service Centre). In early 2016 the Group won orders from Ruter (the Oslo region's public transport authority) and Politiets Fellestjenester (the Norwegian service centre for the national and local police). The Tender Lite service, a base level configured CTM™ platform, also contributed to revenues from Norway.

Based on positive experiences during the last 12 months, the Norwegian Refugee Council ("NRC") have just confirmed their decision to roll out CTM™ across additional regions. The Group recognises the challenges in ensuring a successful implementation and adoption in operations across three continents experienced during 2015, but the decision for additional roll outs should now result in increased revenues during 2016.

Business Alert services contributed revenues of around £0.25m for the year ended 31 December 2015. However, the UK market has proved more difficult to penetrate than expected and overall revenues from Business Alert services were disappointing and the group is deferring further geographical rollouts. The Business Alert services in Norway continued to grow during the first quarter of 2016.

The Group has seen fierce pricing competition in many of its geographical markets in the e-Procurement space. This has lead the Group to focus on segments where it has a unique value proposition and strong references. For example, the Group has established a partnership with an equipment and services company focusing on the oil & gas and energy industries where the Group's CTM™ platform is configured to service prospective customers.

With the recurring revenue base and the pipeline from primarily small- and mid-sized opportunities as well as cost reductions implemented, the Group is expecting to achieve profitability on a monthly run-rate basis during second half of 2016.

Development of the e-Procurement market

The new EU Directives were ratified in the EU Parliament in January 2014 and EU Member States are obliged to implement these in their respective legislations. Based on currently available information the Directors expect these to be implemented gradually until the end of 2018 in most EU Member States.

The Directors still believes these mandatory provisions together with public sector authorities seeking cost reductions and transparency will result in growing demand for e-procurement solutions in the EU public sector.

The Directors believe that private sector growth will be driven by companies recognising that cost savings can be achieved relatively easily through better procurement and efficient selection of outsourcing partners on a project-by-project basis.

Today, there are still a number of rival providers in each of the Group's key markets although some consolidation has taken place. The European market is however still fragmented, with an average of between five and eight different competitors in each of the largest Member States. As a result, the Group has noticed strong price pressure in many of its markets with some competitors trying to buy market share. The Group's strategy is therefore to continue to focus on certain industries and sub-sectors of markets with less competition and where it considers that reasonable prices can be achieved.

We believe that consolidation will continue to be driven by the minimum investments required to meet new regulatory, service and more advanced functional requirements as customers are becoming more sophisticated and as central government bodies seek to establish minimum standards.

The Group is one of the few suppliers to have built a more advanced platform that has the flexibility to operate in all European markets (plus many more) and multiple subsectors without the need to develop and maintain multiple versions of the software. In addition, the Group is also marketing a "lite" base level configuration of its CTM™ platform to cater for customers that seek an easy entry level solution to comply with new legislation. Value added modules and features can then be licensed and enabled on the same platform at little or no incremental development or hosting costs.

Financial Performance

In the year ended 31 December 2015, revenue grew by 13% to £2.8m (2014: £2.5m) being approximately 24% at constant currencies. The Group made a loss before tax of £1.5m (2014: loss of £2.1m), a reduction of 30%, also supported by the strengthening Pound sterling.

In order to support continuing growth, a placing of new shares raised £0.4m (before expenses) and two tranches of convertible loan notes raised £1.6m (before expenses) for working capital in August and September 2015.

People, certifications and appointments

During 2015 we have made selective hirings and continued to review our organisation in order to optimise our operations. In early 2016 redundancies were initiated as part of the Group's cost reduction program, which will have full effect in second half of 2016.
The development teams have continued to show their strength, on an individual and organisational level, for example renewing our Microsoft Gold Certified Partner accreditation. The Group has also achieved continued ISO 27001:2013 certification of all business processes. To qualify for certain energy sector opportunities the Group has implemented ISO 20000-1:2011 IT Service Management System, ISO 9001:2015 Quality Management and ISO14001:2015 Environmental Management System.

In December 2015, Andreas Kemi was appointed as a Non-Executive Director adding further knowledge of the software industry to the Board.

Dividend

The Board is not recommending the payment of a dividend.

Outlook

The Group will continue to focus on its current markets within the public sector and selected industries in the private sector in addition to selected additional markets as described herein. The majority of the Group's revenues continue to be recurring, but these revenue streams will be complemented by other sources such as percentage of spend agreements. These agreements provide complementary long term additional revenue, which is generated over an extended period.

We expect Business Alerts services to continue to contribute in this financial year and the revenues from our Business Alert services for the first quarter of 2016 look promising and are higher than expected earlier in the year. The Group is reviewing an entry into other markets where the Board believes this service can add value to suppliers to the public sector.

The Group has also in early 2016 completed the majority of the deliveries of paid enhancements from several customers for their compliance with new requirements for publication of notices to the Official Journal of the European Union.

After obtaining its first orders from Iceland and Finland during 2015, the Group is continuing discussions with a well-established IT services group in Germany regarding a potential partnership to develop business opportunities together, some of which are already identified.

The Group has also entered into a partnership with an equipment and services company focusing on the oil & gas and energy industries, which is expected to generate revenue in 2017 and beyond. The Group is pursuing additional grants available to support its efforts in further enhancing its customer offerings in sub-sectors where less competition is expected.

In order to achieve profitability on a run-rate basis by the end of 2016, the Group has implemented a cost savings programme including not replacing some leavers during the first quarter of 2016 which is expected to impact in the second half of 2016. The resulting savings are estimated at over £0.5m (at prevailing currency exchange rates) on an annualised basis. The Board expects this to result in a profitable base going into 2017 from which the Group can grow in future years but recognises the Group's sensitivity to a weakening £ Sterling.

Overall trading is broadly in line with management's expectations. The year has started well with continued double-digit growth in revenues during the first quarter. However costs are being negatively affected by the £ Sterling weakening in the first quarter.

Thomas Beergrehn
Chief Executive Officer
Date: 27 April 2016

Board of Directors

David Richard Cutler Non-Executive Chairman age 73	David Cutler joined the Group in 2013 as Non-Executive Chairman. David began his career with Deloitte in London, followed by senior financial posts at NFC, British Leyland and CompAir. David was then finance director of London listed UKO International PLC, until it was sold following a public takeover. For twelve years he was the group finance director of Emess PLC, listed in London and Frankfurt. In addition, for seven years until 1999, he was a member of the supervisory board (Aufsichtsrat) of Frankfurt listed Brilliant AG. From 1998 to 2000, David was a director of ImagoQA Ltd, the leading independent software testing consultancy, guiding the company to a successful private financial sale. David was the Finance Director of Alterian PLC from its London Stock Exchange flotation in 2000, until his retirement in March 2011. During this time the company grew thirty fold, from a small office in Bristol to a successful international marketing software business on four continents. He is currently a non-executive Chairman of Qwasi Inc., a private software company based in New York, and non-executive director of Inshowjumpers plc.
Thomas Bo Beergrehn, Chief Executive Officer, age 51	Thomas Beergrehn founded the Group and its precursor, having previously spent five years with McKinsey & Company. His expertise was in strategy under uncertainty and time to market process change, particularly in the communication/software sector. Projects included strategy and large scale change of time to market processes based on best practices from leading global companies like Microsoft, Oracle and Trilogy. Prior to working at McKinsey, Thomas was Commander of a naval patrol craft, following graduation at the top of his class at the Swedish Navy Academy. Thomas holds a PhD and an MSc in Systems Engineering from Case Western Reserve University, Cleveland USA, as well as an MSc in Engineering Physics from the University of Uppsala, Sweden (all with perfect GPAs). Thomas has been elected a member of the European Commission's eTendering Expert Group.
Mattias Strom, Financial Director, age 38	In November 2014 Mattias Strom joined the Group from SAP Svenska AB in Stockholm where he was Chief Financial Officer. Previously, and prior to its acquisition by SAP, he held various finance roles within the Sybase group, including latterly serving as Finance Director for the Nordics and Benelux. Prior to joining Sybase, Mattias worked in London for Altiris Limited and later Symantec UK Limited. Having gained an MSc in Business Administration, Mattias began his career as an auditor at Arthur Andersen and Deloitte before joining Oracle EMEA Limited in Dublin.

Steffen Karlsson, Non-Executive Director, age 46	Steffen joined the Group in 2014 as a Non-Executive Director. Steffen started his career at Enskilda Investment Bank in 1993, before joining McKinsey & Company in 1994. He worked as a strategic and operational consultant at McKinsey & Company for 13 years, during which time he specialised in industrials, basic materials and private equity. In 2007, he joined EastOne Llc, a leading industrial conglomerate and investment firm in Ukraine, as Director of Strategy and Head of M&A. In 2009 he then joined Papyrus AB, the leading paper merchant in Europe as Senior Vice-President, Business Development (including M&A). In February 2013 he established his own consultancy company and worked as an independent advisor focusing on strategy and change management for various privately and private equity owned companies. As of June 1, 2016, he is the CEO of Sensec AB, a provider of security solutions for airports and other critical infrastructure. He holds a degree in Corporate Finance and Marketing from Stockholm School of Economics. He speaks Swedish, English, French and Russian.
Andreas Kemi, Non-Executive Director, age 49	Andreas Kemi joined the Group in December 2015 as a Non-Executive Director. Andreas co-founded Scala Business Solutions N.V ("Scala"), a global mid-market ERP company with operations in over 60 countries, and served as its Chief Executive Officer from 1993-1999. He led the company's development and successful roll-out into the emerging markets of Central and Eastern Europe, Russia and China, where 60% of its software was deployed. In 1998 Scala listed on the Amsterdam Stock Exchange. From 1999-2003, Andreas served as Chairman of the company's Supervisory Board before and returning to his CEO role in mid-2003. Following the successful acquisition of Scala by Epicor Software Corporation ("Epicor") in 2004, which formed a global mid-market leader with over 250 million USD in revenues, Mr Kemi became a Non-Executive Director of Epicor until May 2005. He was an early and active investor in Uproar, Logmein and the founder and Chief Executive Officer of UCMS Group EMEA Limited. He was also a co-founder and actively involved in building up Fathom Technology, a central European software development outsourcing company which later merged with EPAM to form the largest software outsourcer in the region. He currently serves as a Non-Executive Director of UCMS Group EMEA Limited, Tresorit AG, CHB Investments Limited and is a founding investor and adviser to the board and management of Quinyx AB.

Senior Management

Henrik Dige Christensen, Country Manager	Henrik joined the Group in 2007 as Country Manager for Denmark. He is responsible for sales, marketing, implementation and training for the Group's Danish clients. His key relationships are with the public sector organisations in Denmark. Henrik has over 20 years' experience in sales management and has worked as both a strategic and operational consultant and executive within

Denmark, age 49	international companies including American Express Corporate Travel, Next Step Multimedia ApS and Det Forenede Dampskibs-Selskab A/S (DFDS).
Tore Bråteng, Country Manager Norway, age 52	Tore joined the Group in 2013 as Country Manager for Norway. He works for the Company part-time and is responsible for sales, marketing, implementation and training for the Group's Norwegian clients. His key relationships are with public sector organisations in Norway. Tore has over 13 years' experience in sales management within software companies focusing on purchase and pay processes and has acted as EU-Supply's sales partner in Norway since 2007. Tore has worked as both a strategic and operational manager within international companies including Visma Software and Kuehne & Nagel (Logistics).
Sid Bains, Country Manager UK & Ireland, age 53	Sid re-joined the Group in June 2015 having previously worked for EU Supply for 5 year in between 2007-2012 growing the UK business. He is responsible for sales, marketing, implementation and training for the Group's UK and Irish clients. His key relationships are with public sector organisations in UK and Ireland. Sid has over 25 years' experience in strategic selling of information technology solutions, business process consultancy and account management of large blue chip clients such as General Motors, Serco, Babcock and TRW. Sid has worked for a number of technology companies including Computer Sciences Corporation, Infobank (Izodia) and Lucas (TRW) focussing on eProcurement, B2B marketplaces, eAuctions and other technology solutions to improve business performance.

Directors' Report

The directors present their report and the audited financial statements for the period ended 31 December 2015.

EU Supply Plc was incorporated on 2 May 2013. The preparation of financial statements is in compliance with IFRS as adopted by the European Union. The Group financial statements consolidate the financial statements of the Company and its subsidiaries. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

Principal activities

EU Supply Plc is a public limited company domiciled in the United Kingdom. The EU Supply Plc group owns and operates e-procurement platform for e-sourcing, e-tendering and contract management, tailored for the highly regulated European public sector market and selected industries in the private sector.

Business review

A comprehensive analysis of the Group's development and performance is contained in the Chairman's Statement and Strategic Report. This analysis includes comments on the position of the Group at the end of the financial period and the key performance indicators which are monitored in relation to the achievement of the strategy of the business.

Financial risk management objectives and policies

The Group's activities expose it to some financial risks. The Group monitors these risks but does not consider it necessary to use any derivative financial instruments to hedge these risks.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest in cash assets safely and profitably.

Credit risk

Credit risk arises from exposure to outstanding receivables. Potential new large customers are assessed for credit risk before credit is given, to minimize credit exposure. See note 3 for further information.

Currency risk

The main exposure of foreign currency is Swedish Krona where the Group has an exposure as parts of the development and support staff are based in Sweden. This exposure is partly offset by natural hedges such as carrying liquidity funds in Swedish Krona. See note 3 for further information. The Group manages its foreign exchange exposure on a net basis. No forward exchange or other such financial instruments have been used in the period.

Further information on the financial risk management strategy of the Group and of the exposure of the Group to currency risk, interest rate risk, credit risk and liquidity risk is set out in note 3 to the financial statements.

Charitable and political donations

During the year, and in the previous year, the Company did not make any charitable or political contributions.

Principal risks and uncertainties

The key business risks affecting the Group are set out below:

Financial

See financial risk management and policies section above.

Technology

The Group's performance is dependent on its technology keeping pace with developments in e-Procurement market. The Group manages this risk by a commitment to research and development combined with ongoing dialogue with trading partners and sector specialists to ensure that market developments are understood.

Retention of staff

The Group's performance depends largely on its ability to recruit and retain key individuals with the right experience and skills. To ensure that the Group retains the highest calibre staff, the Group has implemented a share option scheme.

Dividend

The Group's current policy is not to pay dividends. There can be no assurance as to the level of future dividends (if any) that may be paid by the Group.

The Board intends to adopt a dividend policy appropriate to the Company's financial performance. This will take into account its ability to operate and grow and the need to retain a prudent level of cash resources. Any profits are likely to be retained and used towards the development of the Group's activities and business for the foreseeable future.

Employees

The Group's policy of providing employees with information about the Group has continued and regular meetings are held between management and employees to allow exchanges of information and ideas. The Group continues to consider ways to encourage the involvement of employees in the Group's performance.

The Group gives every consideration to applications for employment by disabled persons where the requirements of the job may be adequately filled by a disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under similar terms and conditions and to provide training, career development and promotion wherever appropriate.

Directors and directors' interests

The directors who held office during the financial year are set out below, together with their interests in the ordinary shares of the Company according to the register of directors' interests:

Name	**No. of shares**	**% of total issued share capital**
David Cutler	442,478	0.7
Thomas Beergrehn*	7,204,178	10.6
Mattias Strom – appointed 17 November 2014	-	-
Steffen Karlsson	1,343,523	2.0
Andreas Kemi – appointed 23 December 2015	-	-

* Shares held in own name and by Internet Startups Holding BV, an investment company controlled by Thomas Beergrehn.

Steffen Karlsson (through Trilibo AB**) owns Convertible Loan Notes of £80,000, Mattias Strom owns Convertible Loan Notes of £8,000 and Thomas Beergrehn (through Internet Startups Holding BV) owns Convertible Loan Notes of £200,000. The Convertible Loan notes are further described in Note 18.

** Trilibo AB is a company in which Steffen Karlsson has an interest.

The schedule below sets out payments made to directors' related interests:

Consultancy fees*	**Year ended 31 December 2015 (£)**	*Year ended 31 December 2014 (£)*
Ice Strategies LLP	-	31,679
Total Consultancy fees	-	31,679

* Mark Elliott is a partner in Ice Strategies LLP.

Directors remuneration:

David Cutler	**Year ended 31 December 2015**	*Year ended 31 December 2014*
	£	*£*
Directors remuneration		
Salaries & bonus	**35,000**	35,000
Pension	**-**	-
Share based payments	**-**	-
	35,000	35,000

Thomas Beergrehn	**Year ended 31 December 2015**	*Year ended 31 December 2014*
	£	*£*
Directors remuneration		
Salaries & bonus	**115,147**	129,311
Pension	**18,505**	20,863
Share based payments	**3,012**	3,012
	136,664	153,186

Mark Elliott	**Year ended 31 December 2015**	*Year ended 31 December 2014*
	£	*£*
Directors remuneration		
Salaries & bonus	**-**	20,000
Pension	**-**	-
Share based payments	**-**	-
	-	20,000

Mattias Strom	**Year ended 31 December 2015**	*Year ended 31 December 2014*
	£	*£*
Directors remuneration		
Salaries & bonus	**90,088**	20,348
Pension	**12,478**	1,121
Share based payments	**-**	-
	102,566	21,469

Steffen Karlsson	**Year ended 31 December 2015 £**	*Year ended 31 December 2014 £*
Directors remuneration		
Salaries & bonus	**20,593**	23,501
Pension	**-**	-
Share based payments	**-**	-
	20,593	23,501

Andreas Kemi	**Year ended 31 December 2015 £**	*Year ended 31 December 2014 £*
Directors remuneration		
Salaries & bonus	**-**	-
Pension	**-**	-
Share based payments	**-**	-
	-	-

Substantial shareholdings

The Company has been advised of the following interests in more than 3% of its ordinary share capital as at March 17 2016:

Name	No. of shares	% of total issued share capital
WB Nominees Limited*	8,218,548	12.1
Thomas Beergrehn**	7,204,178	10.6
River & Mercantile Asset Management	5,660,000	8.4
Thrice Capital Management	5,019,720	7.4
Adrian Friend	4,886,238	7.2
Hargreave Hale (Marlborough)	4,106,060	6.1
Herald Investment Management	3,980,000	5.9
Amati Global	3,011,000	4.5
HSBC Global Custody Nominee (UK) Limited	2,746,462	4.1
Miton Group Plc	2,419,410	3.6

* Includes 442,478 shares held by David Cutler

** Shares held in own name and by Internet Startups Holding BV, an investment company controlled by Thomas Beergrehn.

Policy and practice on payment of creditors

Whilst the Company does not follow any specified code or standard of payment practice it does endeavour to ensure all payments are made within mutually agreed credit terms. Creditor days averaged 30-50 days at 31 December 2015.

Research and development

The Group undertakes development activities which involve a planned investment in the building and enhancement of the CTM ™ platform. Expenditure during the year included internal staff time and cost spent directly on developing the CTM ™ platform. All expenditure was expensed during the year.

Key performance indicators

The Group considers its principal KPIs that are used as indicators for business performance to be the consolidated revenues per segment (see note 4 to the financial statements), amount of revenues being of recurring or repeated nature (At 31 December 2015, 73% of revenues for the year ended 31 December 2015 were estimated to be of recurring or repeated nature (2014: 73%)) and consolidated operating profit/loss for the year (see Consolidated Statement of Comprehensive Income).

Going concern

The directors believe that the Group has demonstrated further progress in achieving its objective of positioning itself as market-leading, multilingual e-procurement platform for e-sourcing, e-tendering and contract management, tailored for the highly regulated European public sector market. The group raised £0.41m (before expenses) through the issue of equity in a placing in August 2015 and additional £1.65m (before expenses) was raised through the issuance of convertible loan notes in August and September 2015. The directors have prepared a cash flow forecast covering a period extending beyond 12 months from the date of these financial statements. After taking account of anticipated overhead costs and revenue, the directors are confident that sufficient funds are in place to support the going concern status of the Group.

Therefore the directors consider that it is appropriate to prepare the Group's financial statements on a going concern basis, which assumes that the Group is to continue in operational existence for the foreseeable future. When assessing the foreseeable future, the directors have looked at a period of at least 12 months from the date of approval of the financial statements.

Board governance

The Company is listed on AIM and not required to comply with the provisions of the 2010 FRC UK Corporate Governance Code (the Code) and therefore, this is not a statement of compliance as required by the Code. Nevertheless, the Board follows, as far as practicable, the recommendations on corporate governance of the Quoted Companies Alliance for Companies with shares traded on AIM and it is intended that the Board's performance will be reviewed regularly. The Board currently meets at least 8 times a year. The Board is among other things responsible for strategy, budget, performance, approvals of major capital expenditure and the framework of internal controls.

Board committees

The Board has established an audit committee and remuneration committee, with formally delegated duties and responsibilities and written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Directors' and officers' liability insurance

The Company maintains appropriate insurance to cover Directors' and Officers' liability for itself and its subsidiaries. At the date upon which this report was approved and for the year ended 31 December 2015, the company provided an indemnity in respect of all of the Group's Directors against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006.

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

Company law requires the directors to prepare Group and parent company financial statements for each financial year. As required by the AIM rules of the London Stock Exchange they are required to prepare Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and have elected to prepare the parent company financial statements on the same basis.

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 the Group and of the profit or loss of the Company and the Group for the period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the EU 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 group and parent company will continue in business.

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

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Auditors

haysmacintyre has indicated their willingness to continue in office and in accordance with section 489 of the Companies Act 2006, a resolution proposing that haysmacintyre be reappointed as auditors of the company will be put to the Annual General Meeting.

Approved by the Board of Directors and signed behalf of the Board.

Thomas Beergrehn
Chief Executive Officer
EU Supply Plc
26 Red Lion Square
London
WC1R 4AG

Date: 27 April 2016

Independent Auditor's Report to the Members of EU Supply Plc

We have audited the financial statements of EU Supply Plc for the period ended 31 December 2015 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity, the company statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2015 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Chairman's Statement, Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor’s Report to the Members of EU Supply Plc (cont’d)

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

Ian Cliffe (Senior Statutory Auditor)
For and on behalf of haysmacintyre, Statutory Auditor
26 Red Lion Square
London WC1R 4AG
United Kingdom

Date: 27 April 2016

Consolidated Statement of Comprehensive Income

	Note	**Year ended 31 December 2015 £**	*Year ended 31 December 2014 £*
Revenue	4	***2,832,443***	*2,504,360*
Administrative expenses excluding exceptional expense		***(4,262,111)***	*(4,557,513)*
Exceptional expense	5	**-**	*(74,796)*
Total administrative expenses		**(4,262,111)**	*(4,632,309)*
Operating loss		***(1,429,668)***	*(2,127,949)*
Finance Costs - net	8	***(58,265)***	*(4,691)*
Loss before taxation		***(1,487,933)***	*(2,132,640)*
Taxation	9	***58,471***	*398,572*
Loss for the year attributable to equity holders of the parent		***(1,429,462)***	*(1,734,068)*
Exchange differences arising on the translation of foreign subsidiaries		***4,114***	*(20,104)*
Total comprehensive loss for the year attributable to equity holders of the parent		***(1,425,348)***	*(1,754,172)*
Basic and diluted loss per share attributable to the owners of the parent	10	**(0.022)**	*(0.028)*

The results reflected above relate to continuing activities.
The notes on pages 26 to 52 form part of these financial statements.

Consolidated Statement of Financial Position

Company Registration Number: 08513444		**31 December 2015 £**	*31 December 2014 £*
Non-current assets	**Note**		
Property, plant and equipment	11	**91,845**	*67,829*
Intangible assets	12	**-**	*-*
Other long term receivables		**7,394**	*10,991*
		99,239	*78,820*
Current assets			
Trade and other receivables	14	**870,126**	*614,526*
Current tax assets		**72,844**	*148,670*
Cash and cash equivalents	15	**1,430,963**	*1,119,059*
		2,373,933	*1,882,255*
Total assets		**2,473,172**	*1,961,075*
Equity			
Called up share capital	19	**67,716**	*62,566*
Share premium		**6,497,128**	*6,126,198*
Merger reserve		**2,676,055**	*2,676,055*
Other reserve		**625,811**	*176,302*
Foreign exchange reserve		**(46,948)**	*(51,063)*
Retained earnings		**(9,714,342)**	*(8,284,881)*
Total equity		**105,420**	*705,177*
Non-current liabilities			
Deferred tax liability		**21,080**	*16,468*
Borrowings	17, 18	**1,105,399**	*-*
		1,126,479	*16,468*
Current liabilities			
Trade and other payables	16	**1,233,741**	*1,238,430*
Borrowings	17	**7,532**	*1,000*
		1,241,273	*1,239,430*
Total equity and liabilities		**2,473,172**	*1,961,075*

The financial statements were approved by the Board and authorised for issue on 27 April 2016 and signed on its behalf by:

Thomas Beergrehn
Chief Executive Officer
The notes on pages 26 to 52 form part of these financial statements.

Company Statement of Financial Position

Company Registration Number: 08513444		**31 December 2015**	*31 December 2014*
		£	*£*
Non-current assets	**Note**		
Investment in subsidiary company	13	**-**	-
		-	-
Current assets			
Trade and other receivables	14	**2,991,249**	*4,350,805*
Cash and cash equivalents	15	**883,531**	*11,369*
		3,874,780	*4,362,174*
Total assets		**3,874,780**	*4,362,174*
Equity			
Called up share capital		**67,716**	*62,566*
Share premium		**6,497,128**	*6,126,198*
Merger reserve		**(35,541)**	*(35,541)*
Other reserve		**551,072**	*117,916*
Retained earnings		**(4,409,628)**	*(1,935,941)*
Total equity		**2,670,747**	*4,335,198*
Non-current liabilities			
Borrowings	17, 18	**1,083,618**	-
		1,083,618	-
Current liabilities			
Trade and other payables	16	**120,415**	*26,976*
		120,415	*26,976*
Total equity and liabilities		**3,874,780**	*4,362,174*

The financial statements were approved by the Board and authorised for issue on 27 April 2016 and signed on its behalf by:

Thomas Beergrehn
Chief Executive Officer

The notes on pages 26 to 52 form part of these financial statements.

Consolidated & Company Statements of Changes in Equity

Group	Share capital £	Share premium account £	Retained earnings £	Foreign exchange reserve £	Other reserve £	Merger reserve £	Total £
As at 1 January 2014	**57,665**	**4,689,383**	**(6,550,813)**	**(30,959)**	**43,120**	**2,676,055**	**884,451**
Total comprehensive loss for the year	-	-	(1,734,068)	(20,104)	-	-	(1,754,172)
Issue of ordinary shares on IPO	4,901	1,495,647	-	-	-	-	1,500,548
IPO costs recognised in equity	-	(58,832)	-	-	-	-	(58,832)
Untaxed reserves reclassified to equity	-	-	-	-	58,386	-	(58,386)
Share based payment	-	-	-	-	74,796	-	74,796
At 31 December 2014	**62,566**	**6,126,198**	**(8,284,881)**	**(51,063)**	**176,302**	**2,676,055**	**705,177**
Total comprehensive loss for the year	-	-	(1,429,461)	4,115	-	-	(1,425,346)
Issue of ordinary shares	5,150	406,850	-	-	-	-	412,000
Issuing costs recognised in equity	-	(35,920)	-	-	-	-	(35,920)
Issue of convertible loan notes	-	-	-	-	414,420	-	414,420
Untaxed reserves reclassified to equity	-	-	-	-	16,353	-	16,353
Share based payment	-	-	-	-	18,736	-	18,736
At 31 December 2015	**67,716**	**6,497,128**	**(9,714,342)**	**(46,948)**	**625,811**	**2,676,055**	**105,420**

Company	Share capital £	Share premium account £	Retained earnings £	Foreign exchange reserve £	Other reserve £	Merger reserve £	Total £
As at 1 January 2014	**57,665**	**4,689,383**	**(156,683)**	**-**	**43,120**	**(35,541)**	**4,597,944**
Total comprehensive loss for the year	-	-	(1,779,258)	-	-	-	(1,779,258)
Issue of ordinary shares on IPO	4,901	1,495,647	-	-	-	-	1,500,548
IPO costs recognised in equity	-	(58,832)	-	-	-	-	(58,832)
Share based payment	-	-	-	-	74,796	-	74,796
At 31 December 2014	**62,566**	**6,126,198**	**(1,935,941)**	**-**	**117,916**	**(35,541)**	**4,335,198**
Total comprehensive loss for the year	-	-	(2,473,687)	-	-	-	(2,473,687)
Issue of ordinary shares	5,150	406,850	-	-	-	-	412,000
Issuing costs recognised in equity	-	(35,920)	-	-	-	-	(35,920)
Issue of convertible loan notes	-	-	-	-	414,420	-	414,420
Share based payment	-	-	-	-	18,736	-	18,736
At 31 December 2015	**67,716**	**6,497,128**	**(4,409,628)**	**-**	**551,072**	**(35,541)**	**2,670,747**

Consolidated Statement of Cash Flows

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Cash flows from operating activities		
Loss after taxation	**(1,425,348)**	*(1,734,068)*
Adjustments for:		
Interest expense (net)	**58,265**	*4,691*
Income tax	**68,330**	*(129,461)*
Amortisation of intangible assets	**-**	*49,500*
Depreciation	**22,628**	*31,744*
Share option charge	**18,736**	*74,796*
Net foreign Exchange gain	**22,588**	*(55,498)*
Operating cash flows before movements in working capital	**(1,234,801)**	*(1,758,296)*
Increase in trade and other receivables	**(255,600)**	*(206,910)*
Decrease in trade and other payables	**(4,689)**	*(69,625)*
Cash used in operations	**(1,495,090)**	*(2,034,831)*
Net Interest paid	**(40,282)**	*(4,691)*
Net cash used in operating activities	**(1,535,372)**	*(2,039,522)*
Investing activities		
Purchases of property, plant and equipment	**(46,644)**	*(54,223)*
Decrease in long term receivables	**3,597**	*-*
Net cash used in investing activities	**(43,047)**	*(54,223)*
Financing activities		
Proceeds from issue of share capital	**826,420**	*1,500,548*
Issue costs of shares	**(35,920)**	*(58,832)*
Increase in borrowings	**1,111,931**	*-*
Net cash generated from financing activities	**1,902,431**	*1,441,716*
Net increase / (decrease) in cash and cash equivalents	**324,012**	*(652,029)*
Cash and cash equivalents at beginning of year	**1,119,059**	*1,771,088*
Effect of foreign exchange translation on cash equivalents	**(12,108)**	*-*
Cash and cash equivalents at end of year	**1,430,963**	*1,119,059*

Company Statement of Cash Flows

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Cash flows from operating activities		
Loss after taxation	**(2,473,687)**	*(1,779,258)*
Adjustments for:		
Interest expense	**59,391**	
Share based payments	**18,736**	*74,796*
Provision for intercompany debt	**2,363,000**	*1,588,000*
Currency exchange adjustment	**-**	*74,106*
Operating cash flows before movements in working capital	**(32,560)**	*(42,356)*
Decrease in trade and other receivables	**(1,003,444)**	*(2,506,361)*
Increase/(decrease) in trade and other payables	**85,735**	*(8,524)*
Cash generated from operations	**(950,269)**	*(2,557,241)*
Interest paid	**(59,391)**	*-*
Net cash used in operating activities	**(1,009,660)**	*(2,557,241)*
Financing activities		
Proceeds from issue of share capital	**826,458**	*1,500,548*
Issue costs of shares	**(35,920)**	*(58,832)*
Increase in borrowing	**1,083,618**	*-*
Net cash generated from financing activities	**1,874,118**	*1,441,716*
Net increase/(decrease) in cash and cash	**864,425**	*(1,115,525)*
Cash and cash equivalents at beginning of year	**11,369**	*1,201,000*
Effect of foreign exchange translation on cash equivalents	**7,704**	*(74,106)*
Cash and cash equivalents at end of year	**883,531**	*11,369*

Notes to the consolidated financial information

General information

EU Supply plc is a public limited company incorporated in the United Kingdom under the Companies Act. The address of its registered office is given on page 1. The principal activities of the Company and its subsidiaries (the Group) are described in note 4.

1. Accounting policies

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

Basis of preparation

These company and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 as applicable to companies reporting under IFRS. These accounts have been prepared under the historical cost convention.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented its own income statement in the financial statements. The loss for the period ended 31 December 2015 amounted to £2,473,687 (2014: £1,779,258).

The Group financial statements consolidate the financial statements of the Company and its subsidiaries (together referred to as 'the Group'). The parent Company financial statements present information about the Company as a separate entity and not about its Group.

Going concern

The directors believe that the Group has demonstrated further progress in achieving its objective of positioning itself as market-leading, multilingual e-procurement platform for e-sourcing, e-tendering and contract management, tailored for the highly regulated European public sector market. The group raised £0.41m (before expenses) during the year through the issue of equity in a private placement taking place in August 2015. A further £1.65m (before expenses) was raised through the issuance of convertible loan notes in August and September 2015. The directors have prepared a cash flow forecast covering a period extending beyond 12 months from the date of these financial statements. After taking account of anticipated overhead costs and revenue, the directors are confident that sufficient funds are in place to support the going concern status of the Group.

Therefore the directors consider that it is appropriate to prepare the Group's financial statements on a going concern basis, which assumes that the Group is to continue in operational existence for the foreseeable future. When assessing the foreseeable future, the directors have looked at a period of at least 12 months from the date of approval of the financial statements.

New and Revised Standards

Standards in effect in 2015 adopted by the Group

The following new and amended standards, and interpretations are mandatory for the first time for the financial year beginning 1 January 2015 but are not currently relevant to the group (although they may affect the accounting for future transactions and events):

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2015:

- Annual Improvements to IFRSs – 2010-2012 Cycle and 2011 – 2013 Cycle
- Defined Benefit Plans: Employee Contributions – Amendments to IAS 19

The adoption of the improvements made in the 2012-2012 Cycle has required additional disclosures in our segment note. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

The group also elected to adopt the following two amendments early:

- Annual Improvements to IFRSs 2012-2014 Cycle, and
- Disclosure Initiative: Amendments to IAS 1.

As these amendments merely clarify the existing requirements, they do not affect the group's accounting policies or any of the disclosures.

IFRS in issue but not applied in the current financial statements

The following IFRS and IFRIC Interpretations have been issued but have not been applied by the Group in preparing these financial statements as they are not as yet effective. The Group intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

- IFRS 9, 'Financial instruments', effective date 1 January 2018
- IFRS 15 'Revenue from Contracts with Customers', effective date 1 January 2018

The directors of the Company anticipate that the application of these accounting standards in the future may have a material impact on the amounts reported and disclosures made in the group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the Group's activities and which have not therefore been adopted in preparing these financial statements.

Basis of consolidation

Where the Group has power, either directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities, it is classified as a subsidiary.

Merger accounting

The accounting treatment in relation applied to introduction of EU Supply PLC as a new UK holding Company of the Group was considered be outside the scope of the IFRS3 'Business Combinations'. The share scheme arrangement constituted a combination of entities under common control as EU Supply PLC was not a business as defined by IFRS 3 at the time that the Share Scheme became effective. The relative rights of the shareholders remained unaltered post transaction and was facilitated entirely by a share for share exchange.

Paragraph 10 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' requires management to use its judgement in developing and applying a policy that is relevant, reliable, represents faithfully the transaction, reflects the economic substance of the transaction, is neutral, is prudent, and is complete in all material respects when selecting the appropriate methodology for consolidation accounting. The directors have therefore treated the insertion of EU Supply PLC as the ultimate parent entity as a Group reconstruction and have applied the merger accounting principles to prepare the consolidated financial statements and treated the reconstructed Group as if it had always been in existence. The difference between the nominal value of shares issued in the share exchange and the book value of the shares obtained is recognised in a merger reserve.

The Group has taken advantage of merger relief available under Companies Act 2006 in respect of the share for share exchange as the issuing company has secured more than 90% equity in the other entity. The carrying value of the investment is carried at the nominal value of the shares issued less provision for impairment.

Segment reporting

In accordance with IFRS 8, segmental information is presented based on the way in which financial information is reported internally to the chief operating decision maker. The group's internal financial reporting is organised along service lines and therefore segmental information has been presented about business segments. A business segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns which are different from those of other business segments.

The operation of the group are reported to and monitored by the board as one segment, and as such the Directors consider that there is only one reportable segment under IFRS 8.

Information regarding geographical revenues and non-current assets is disclosed in note 4 to the financial statements.

Revenue Recognition

Revenue represents the gross amounts billed to clients in respect of revenue earned and other client recharges, net of discounts, sales taxes, accrued, and deferred amounts.
Each type of revenue is recognised on the following basis:

a) Licence fees are recognised over the period of the relevant contracts or agreements, in line with the terms of the contract;
b) Ongoing support and maintenance fees are spread over the period of the contract on a straight line basis.
c) The Business Alert is typically a service where the main work for the Group is performed at the start of each subscription period. The Business Alert subscription fees are therefore recognised in the accounting period when payment is received by the Group.
d) Certain other services fees are recognised in the accounting periods which work is performed.

Gross revenue is recognised as the Group acts as principal and not agent in its dealings with customers. The Group is also responsible for the quality of the service delivery.

Grants are recognised as revenue in accordance with the performance of the underlying grant conditions and where there is reasonable assurance that the grant will be received. Income from grants is presented as Other Income in the Group's segmental analysis in Note 4 to the financial statements.

Taxation

Income tax expense represents the sum of the current tax and deferred tax charge for the year.

The charge in respect of current taxation is based on the estimated taxable profit for the year. Taxable profit for the year is based on the profit as shown in the income statement, as adjusted for items of income or expenditure which are not deductible or chargeable for tax purposes. The current tax liability for the year is calculated using tax rates which have either been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying values in the financial statements. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates which have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Untaxed reserves in the group's subsidiaries are presented within deferred tax liabilities and equity within other reserves.

Share-based payment

In accordance with IFRS 2 'Share-based payments', the Group reflects the economic cost of awarding shares and share options to employees and directors by recording an expense in the statement of comprehensive income equal to the fair value of the benefit awarded. The expense is recognised in the statement of comprehensive income over the vesting period of the award.

Fair value is measured by the use of a Black-Scholes option pricing model, which takes into account the expected life of the awards, the expected volatility of the return on the underlying share price, the market value of the shares, the strike price of the awards and the risk-free rate of return. The charge to the income statement is adjusted for the effect of service conditions and non-market performance conditions such that it is based on the number of awards expected to vest. Where vesting is dependent on market-based performance conditions, the likelihood of the conditions being achieved is adjusted for in the initial valuation and the charge to the income statement is not therefore adjusted so long as all other conditions are met.

Where an award is granted with no vesting conditions, the full value of the award is recognised immediately in the income statement.

Foreign currency

Items included in the financial statements of each group company are measured using their functional currency, being the currency of the primary economic environment in which each company operates. The functional currency of EU Supply PLC and EUS Holdings Ltd. is Pound Sterling, whereas the functional currency of EU Supply Holdings AB is Swedish Krona.

The consolidated financial statements are presented in Sterling, which is the company's functional and presentational currency.

Foreign currency transactions are translated using the rate of exchange applicable at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation at the year-end of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The results and financial position of group companies whose functional currency is not Sterling are translated as follows:

- Assets and liabilities at each balance sheet date presented are translated using the closing exchange rate at that balance sheet date;
- Income and expenses for each income statement are translated using average exchange rates which reasonably approximate the effect of the rates prevailing on the transaction dates.

All resulting exchange differences are recognised on the group balance sheet in a separate component of equity, the foreign exchange reserve.

Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Office equipment – 20% -33% per annum straight line

Intangible Assets

Intangible assets consists of development costs relating to the CTM platform. Development activities involve a planned investment in the building and enhancement of the trading platform. Development expenditure is only capitalised if the development costs can be measured reliably and the platform being built will be completed and will generate future economic benefits in the form of cash flows to the Group. Expenditure being capitalised includes internal staff time and cost spent directly on developing the CTM platform.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment costs. The amortisation period was 5 years. All previously capitalised costs for the development of the CTM platform had been amortised by end of December 2015.

During the period the Group has chosen to take a prudent approach and directly expense all incurred development expenditures. Therefore no additional development expenditures have been capitalised during the period.

Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A review for indicators of impairment is performed annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment charge is recognised in the income statement in the year in which it occurs. When an impairment loss, other than an impairment loss on goodwill, subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, up to the carrying amount that would have resulted, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Investments in subsidiaries

The Company's investments in its subsidiaries are carried at cost less provision for any impairment.

Financial assets

The Group classifies its financial assets into one of the categories disclosed below, depending on the purpose for which the asset was acquired.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and – for the purpose of the statement of cash flows - bank overdrafts or outstanding credit card balances. Bank overdrafts and credit card advances are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each period end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Interest-bearing borrowings are recognised initially at fair value, net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method with any difference between the proceeds (net of transaction costs) and the redemption value being recognised over the period of the borrowings.

The component parts of convertible loans issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the fair value of the liability portion of convertible loan stock is determined using a market interest rate for a comparable loan stock with no conversion option. This amount is recorded as a liability on an amortised cost basis using the effective interest method until the loan stock is redeemed or converted. The remainder of the carrying amount of the loan stock is allocated to the conversion option and shown within equity, and is not subsequently re-measured. The conversion option recognised as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in the income statement upon conversion or expiration of the conversion options.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component are amortised over the life of the loan notes using the effective interest method.

Other financial liabilities including trade payables and other short-term monetary liabilities, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. As the payment period of trade payables is short future cash payments are not discounted as the effect is not material.

Derecognition of financial liabilities

The Group derecognises financial liabilities when and only when the Group's obligations are discharged, cancelled or they expire.

Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group only has one class of ordinary shares, denominated as £0.001 (2014: £0.001) ordinary shares, as set out in note 19. The Company's ordinary shares are classified as equity instruments.

Leases

On inception of a lease of an item of property, plant and equipment, the terms and conditions of the lease are reviewed to determine the appropriate classification for the lease. Where the Group bears substantially all the risks and rewards of ownership of the item, the lease is classified as a finance lease and the item is capitalised within the appropriate class of property, plant and equipment at the lower of the fair value of the leased item and the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to obtain a constant rate on the finance balance outstanding. The outstanding capital element of the lease payments are included within current and long-term payables as appropriate; the interest element of the lease payments is charged to the income statement over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases where the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the income statement on a straight line basis over the term of the lease.

Provisions

Provisions are recognised in the balance sheet where there is a legal or constructive obligation to transfer economic benefits as a result of a past event. Provisions are discounted using a rate which reflects the effect of the time value of money and the risks specific to the obligation, where the effect of discounting is material.

Pensions

The group operates a defined contribution pension scheme under which fixed contributions are payable. Pension costs charged to the income statement represent amounts payable to the scheme during the year.

2. Critical accounting estimates and judgements

The preparation of financial statements in compliance with generally accepted accounting practice, in the case of the Group and Company being International Financial Reporting Standards as adopted by the European Union, requires the Group to make estimates and judgements that affect the reported amount of assets, liabilities, income and expenditure and the disclosures made in the financial statements. Such estimates and judgements must be continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The significant judgements made by management in applying the Group's accounting policies as set out above, and the key sources of estimation, were:

(a) Revenue recognition

Revenue from the services provided is measured at the fair value of the consideration received or to be received, net of returns, trade discounts and volume rebates.

Revenue is either recognised in the statement of comprehensive income or deferred based on a review of all live contracts at the period end. Based on the judgement of management and with reference to the stage of completion the licence fees and maintenance contracts, a determination of the appropriate revenue to recognise is made. Following this assessment, an appropriate adjustment to deferred income is made. In the current year the value of the deferred revenue is £ 399,771 (2014: £326,445).

(b) Share based payments

Share options are measured at their fair value utilising a Black-Scholes valuation model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

(c) *Convertible loan notes*

On issue of the convertible loan in the year, the group was required to estimate the market interest rate for a comparable loan stock with no conversion option, in order to determine the fair value of the liability and equity components. The use of a greater market interest rate would have resulted in a lower liability component and greater finance cost over the life of the convertible loan notes.

(d) Intercompany receivable impairment

The Company has performed an impairment test of the intercompany receivable from EUS Holdings Ltd. The impairment test requires that the Company estimates the future cash flows available to repay the intercompany debt and also estimates a suitable discount rate in order to calculate the present value of the anticipated future cash flows.

Following the review of the carrying value of the receivable from EUS Holdings Ltd, the Board considered it prudent to provide for a part of the receivable (see note 14).

The key assumptions for the impairment test are those regarding the discount rates, growth rates and expected changes to forecast profitability.

Future cash flows are derived from the most recent financial forecast.

Future cash flows are derived from a financial forecast for a period of 7 years. The rate used to discount forecast future cash flows is 10%. This test resulted in an increase in the provision for impairment of £2,372,683. This provision is fully eliminated on Consolidation and has no impact on the Group's reported financial performance for the year or financial position at the balance sheet date.

3. Financial instruments – Risk management

General objectives, policies and processes

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

The Board receives monthly reports from the Financial Director through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Group reports in Pound Sterling. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of directors. The Group does not use derivative financial instruments such as forward currency contracts, interest rate swaps or similar instruments. The Group does not issue or use financial instruments of a speculative nature.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables;
- Cash and cash equivalents;
- Trade and other payables; and

- Borrowings and convertible loan notes.

Trade and other receivables are initially measured at face value and subsequently at amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of comprehensive income in the relevant period. Trade and other payables are measured at book value. The book value of financial assets and liabilities equates to their fair value.

A summary of the financial instruments held by category is provided below:

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Cash and cash equivalents	*1,430,963*	*1,119,059*
Trade receivables - due at reporting date	*95,655*	*137,430*
Trade receivables - not due at reporting date	*366,791*	*188,025*
Gross trade receivables	*462,446*	*325,455*
Less: Provision for impairment	-	-
Net trade receivables	*462,446*	*325,455*
Other receivables	*407,680*	*289,071*
	870,126	*614,526*

Trade receivables principally comprise amounts outstanding for sales to customers and are payable within 3 months. The average debtor days to settle invoices are 30-60 days (2014: 30-60 days). An impairment review of outstanding trade receivables is carried out at the period end and a specific amount provided for. The Group invoices the total value of licence fees once a binding contract is established between the customer and the Group and defers any revenue according to the revenue recognition policy stated earlier.

Financial Liabilities

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Trade payables	*208,218*	*197,905*
Finance lease obligations	*29,313*	-
Borrowings	*1,083,618*	-
Accruals	*1,025,523*	*1,040,525*
	2,346,672	*1,238,430*

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs and are payable within 3 months. The average credit period taken for trade purchases is 30-40 days (2014: 30-50 days).

Cash and cash equivalents

Cash and cash equivalents comprise balances on bank accounts, cash in transit and cash floats held in the business. Finance charges are accounted for on an accruals basis and charged to the statement of comprehensive income when payable.

Cash and cash equivalents are held in Pound Sterling, SEK, NOK, DKK and EUR and placed on deposits in UK, Swedish, Norwegian and Danish banks.

'The Group is exposed to the following financial risks:

- Credit risk;
- Foreign exchange risk;
- Other market price risk; and
- Liquidity risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. At 31 December 2015 the Group has net trade receivables of £ 462,446 (2014: £325,455).

The Group is exposed to credit risk in respect of these balances such that, if one or more customers encounter financial difficulties, this could materially and adversely affect the Group's financial results. The Group attempts to mitigate credit risk by assessing the credit rating (or equivalent) of new customers with expected net trade receivables of over £1,000 prior to entering into contracts and by entering contracts with customers with agreed credit terms. The Group holds bank accounts at Nordea Bank in Pound Sterling, Swedish Krona, Danish Krona, Norwegian Krona and Euros.

The analysis below shows the ageing of trade and other receivables and the movement in bad debt provision in the year.

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Ageing of trade & other receivables		
Up to 3 months	*437,839*	*286,463*
3 to 6 months	*12,797*	*24,254*
Above 6 months	*11,810*	*14,738*
Gross receivables	*462,446*	*325,455*
Less: allowance for receivables	-	-
Net receivables	*462,446*	*325,455*

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Group has the ambition to maintain cash balances to meet expected requirements for a period of at least 45 days.

The table below analyses the Group's financial liabilities by contractual maturities. All amounts disclosed in the table are the contractual undiscounted cash flows.

	Year ended 31 December 2015	*Year ended 31 December 2014*
	£	*£*
Ageing of trade & other payables		
Up to 3 months	*204,260*	*192,575*
3 to 6 months	*-*	*495*
Above 6 months	*3,958*	*4,835*
	208,218	*197,905*

Capital management

The Group's capital is made up of share capital, share premium, merger reserve, foreign currency reserve, other reserve and retained losses totalling £105,420 at 31 December 2015 (2014: £705,177).

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of shareholders equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources.

Market risk

The Group's activities expose it to the financial risk of changes in foreign currency exchange rates as it undertakes certain transactions denominated in foreign currencies. There has been no change to the Group's exposure to market risks. The Group and the Company had no material foreign exchange transactional exposure at 31 December 2015.

Foreign exchange risk

Foreign exchange risk arises when Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow customers to settle liabilities denominated in the customer's functional currency, being primarily Swedish Krona, Euros, Norwegian Krona, Danish Krona or Pound Sterling.

The Group is predominantly exposed to currency risk on sales and purchases made from customers and suppliers based in the Eurozone, Sweden, Denmark and Norway. Sales and purchases from customers and suppliers are made on a central basis and the risk is monitored centrally, but not hedged utilising any forward exchange contracts. Apart from these particular cash flows the Group aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred.

As at 31 December 2015, the Group's net exposure to foreign exchange risk was as follows for those entities with Pound Sterling functional currencies.

	Swedish Krona	Euro	Norwegian Krone	Danish Krone	Total
	£	£	£	£	£
As at 31 December 2014					
Trade and other receivables	18,043	110,694	41,140	35,156	205,033
Cash and cash equivalents	466,444	12,119	67,137	59,100	604,800
Trade and other payables	(156,156)	(15,084)	(2,574)	(9,235)	(183,049)
Net assets	328,331	107,729	105,703	85,021	626,784
As at 31 December 2015					
Trade and other receivables	40,111	127,443	38,608	107,694	313,856
Cash and cash equivalents	251,175	1,622	6,031	19,711	278,539
Trade and other payables	(139,862)	(2,436)	(17,344)	(4,445)	(164,087)
Net assets	151,424	126,629	27,295	122,960	428,308

The impact of a 10% weakening/strengthening in the foreign exchange rate of £ will result in an increase/(decrease) in net assets of £47,590 and (£38,937) respectively for 2015 (£69,642 and (£56,981) respectively for 2014).

4. Segmental analysis

The Group's principal activity is the provision of an e-procurement platform for e-sourcing, e-tendering and contract management. The Group currently has one reportable segment, provision of services and categorises all revenue from operations to this segment.

	Year ended 31 December 2015	*Year ended 31 December 2014*
	£	*£*
Revenue arises from:		
Provision of services	*2,783,438*	*2,504,360*
Other Income	*49,005*	*-*
Administrative expenses	*(4,262,111)*	*(4,557,513)*
Exceptional expenses	-	*(74,796)*
Operating Loss	*(1,429,668)*	*(2,127,949)*
Finance charges (Net)	*(58,265)*	*(4,691)*
Loss before tax	*(1,487,933)*	*(2,132,640)*

The 2015 revenue includes £318,280 and £294,269 respectively relating to the two largest customers. This compares to £291,148 of revenue generated from the largest customer in 2014.

Other income consist of a grant received from EUREKA programme for further development of the Group's Complete Tender Management System.

The Group operates in three main geographic areas: UK, European Union and Rest of the World. Revenue and non-current assets by origin of geographical segment for all entities in the group is as follows:

	Revenue		**Non- current assets**	
	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*	**Year ended 31 December 2015 £**	*Year ended 31 December 2014 £*
UK	*853,706*	*682,921*	-	-
European Union	*1,270,577*	*1,326,583*	99,239	*78,820*
Rest of World	*708,160*	*494,856*	-	-
Total	*2,832,443*	*2,504,360*	**99,239**	*78,820*

5. Operating Loss

Group operating loss for the year is stated after charging the following:

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Amortisation of intangibles	-	*49,500*
Depreciation of fixed assets	22,628	*31,744*
Auditor's remuneration:		
Audit fees – Subsidiaries	11,525	*20,000*
Company	14,750	*9,000*
Non-audit professional fees	7,290	*14,100*

Exceptional costs for 2014 of £74,796 consisted of costs related to employee share options and advisor warrants. These are no longer consider to be exceptional and have been subsumed within total administrative expenses in the 2015 financial statements.

6. Staff Costs

Staff costs (including directors' emoluments) incurred in the year were as follows:

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Wages and salaries *	2,397,874	*2,402,853*
Social Security costs	551,796	*591,286*
Share based payments	18,736	*18,736*
Net staff costs	**2,968,406**	*3,012,875*

*Of which pension cost is £199,334 (2014: £205,749).

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

	Year ended 31 December 2015	*Year ended 31 December 2014*
Directors	4	*4*
Administration, sales and support	51	*46*
	55	*50*

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Directors remuneration		
Salaries and bonus	260,828	*228,160*
Pension	30,983	*21,984*
Share based payments	3,012	*3,012*
	294,823	*253,156*

The number of Directors accruing benefits under the defined contribution pension scheme were 2 (2014: 2). During the year there was no key management compensation other than the Directors remuneration shown above.

Information regarding the highest paid director is as follows:

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Directors remuneration		
Salaries & bonus	115,147	*129,311*
Pension	18,505	*20,863*
Share based payments	3,012	*3,012*
	136,664	*153,186*

7. Operating Leases

At 31 December 2015 the group had the following total commitments under operating leases:

	Year Ended 31 December 2015 £		*Year Ended 31 December 2014 £*	
	Land and buildings	**Other**	*Land and buildings*	*Other*
Minumum lease payments payable:				
Within one year	10,446	13,889	*11,601*	*2,681*
In two to five years	240,938	53,935	*324,070*	*128,016*
	251,384	**67,824**	*335,671*	*130,697*

The Land and buildings lease costs amounts to £118,579 for 2015 (2014: £134,064). Other lease costs amount to £10,875 for 2015 (2014: £12,946).

8. Finance income and expenses

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Finance income		
Bank interest	3,614	*328*
Finance expense		
Interest payable	(2,488)	*(5,019)*
Convertible loan note interest	(59,391)	-
	(58,265)	*(4,691)*

9. Income tax

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2015 nor for the year ended 31 December 2014. The tax charge for both 2015 and 2014 arose in respect of operations in Sweden. However, the company recorded a tax credit of in total £84,502 (2014: £434,110 for the years 2012, 2013 and 2014) in the fiscal year of 2015.

	Year ended 31 December 2015 £	**Year ended 31 December 2014** £
Group		
Current tax (credit)/charge	**(58,471)**	*(398,572)*

Factors affecting the tax charge

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to the result for the year are as follows:

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Loss before tax	**(1,487,933)**	*(2,132,640)*
Tax charge at 20%	**(297,587)**	*(426,528)*
Non-deductible expenses	**1,994**	*23,370*
Depreciation and amortisation	**-**	*1,854*
Tax payable by foreign subsidiaries	**12,571**	*17,816*
Tax appropriations by foreign subsidiaries	**22,136**	-
Effect of different tax rates of subsidiaries operating in non-UK jurisdictions	**1,257**	*(4,694)*
Research and development tax credits	**(84,502)**	*(434,110)*
Losses carried forward	**285,660**	*423,720*
Tax (credit)/charge for the year	**(58,471)**	*(398,572)*

Deferred tax

The Group has estimated carried forward losses amounting to £8.11million as of 31 December 2015 (2014: £6.87million). As the timing and extent of taxable profits are uncertain, the potential deferred tax asset of £1.64million arising on these losses has not been recognised in the financial statements.

10. Loss per share

Loss per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. The basis for calculating the basic loss per share is as follows:

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Weighted average number of shares for the purpose of earnings per share	**64,358,324**	*61,995,474*
Loss after tax	**(1,425,348)**	*(1,754,172)*
Loss per share	**(0.022)**	*(0.028)*

Due to the loss in the period, the effect of the share options were considered anti-dilutive and hence no diluted loss per share information has been provided.

11. Property, plant and equipment

2014	Office equipment £
Cost	
At 1 January 2014	**249,702**
Additions	**54,223**
At 31 December 2014	**303,925**
Accumulated depreciation	
At 1 January 2014	**204,352**
Charge for the year	**31,744**
At 31 December 2014	**236,096**
As at 31 December 2014	**67,829**
As at 31 December 2013	**45,350**

2015	Office equipment £
Cost	
At 1 January 2015	**303,925**
Additions	**46,644**
At 31 December 2015	**350,569**
Accumulated depreciation	
At 1 January 2015	**236,096**
Charge for the year	**22,628**
At 31 December 2015	**258,724**
As at 31 December 2015	**91,845**
As at 31 December 2014	**67,829**

Included in office equipment are assets held under finance leases which had a net book value at 31 December 2015 of £29,816 (2014: £nil). Depreciation charged on these assets for the year was £3,207 (2014: nil).

12. Intangible assets

2014	CTM Platform £
Cost	
At 1 January 2014	**765,485**
Additions	**-**
At 31 December 2014	**765,485**
Accumulated depreciation	
At 1 January 2014	**715,985**
Charge for the year	**49,500**
At 31 December 2014	**765,485**
As at 31 December 2014	**-**
As at 31 December 2013	49,500

2015	CTM Platform £
Cost	
At 1 January 2015	**765,485**
Additions	**-**
At 31 December 2015	**765,485**
Accumulated depreciation	
At 1 January 2015	**765,485**
Charge for the year	**-**
At 31 December 2015	**765,485**
As at 31 December 2015	**-**
As at 31 December 2014	-

13. Investments in subsidiaries

The Company owns 100% of the issued share capital of the following subsidiary undertakings, which have been included in the consolidated financial statements:

Subsidiary undertaking	Country of incorporation	Principal activity
EUS Holdings Limited	England & Wales	Development & licensing of software
EU-Supply Holding AB*	Sweden	Development & licensing of software

* is owned 100% via EUS Holdings Limited.

14. Trade and other receivables

	Group		Company	
	Year ended 31 December 2015	*Year ended 31 December 2014*	**Year ended 31 December 2015**	*Year ended 31 December 2014*
	£	*£*	**£**	*£*
Gross trade receivables	**462,446**	*325,455*	**46,440**	*8,640*
Intercompany receivable	**-**	-	**6,867,247**	*5,922,896*
Provision for impairment			**(3,951,00)**	*(1,588,000)*
Net trade receivables	**462,446**	*325,455*	**2,962,687**	*4,343,536*
Prepayments and accrued income	**407,680**	*289,071*	**28,562**	*7,269*
Total	**870,126**	*614,526*	**2,991,249**	*4,350,805*

As at 31 December 2015 trade receivables of £22,447 (2014: £38,992) were past due over 3 months but not impaired.

All amounts shown under receivables are due within 1 year.

The provision for impairment relates to intercompany receivables due for the Company's wholly owned subsidiary EUS Holdings Limited. The provision for impairment has been estimated in accordance with IAS 39 and the key assumptions disclosed in Note 2(d).

15. Cash and cash equivalents

Cash and cash equivalents comprise balances on bank accounts, cash in transit and cash floats held in the business. Finance charges are accounted for on an accruals basis and charged to the statement of comprehensive income when payable.

Cash and cash equivalents are held in sterling, Euro, Danish Krona, Norwegian Krona and Swedish Krona and placed on deposits in UK, Swedish, Norwegian and Danish banks.

16. Trade and other payables

	Group		Company	
	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*	**Year ended 31 December 2015 £**	*Year ended 31 December 2014 £*
Current				
Trade payables	**208,218**	*197,905*	**36,373**	*758*
Intercompany payables	**-**	*-*	**932**	*7,828*
Other payables	**60,655**	*117,885*	**15,941**	*386*
Tax Appropriations	**11,898**	*22,848*	**-**	*-*
Deferred revenue	**399,771**	*326,445*	**49,510**	*9,004*
Social security and other taxes	**120,657**	*82,496*	**893**	*-*
Accruals	**432,543**	*490,851*	**16,766**	*9,000*
	1,233,741	*1,238,430*	**120,415**	*26,976*

17. Borrowings

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Non-current		
Finance leases	21,781	-
Convertible loan stock (see Note 18)	1,083,618	-
	1,105,399	**-**
Current		
Unpaid interest	-	1,000
Finance leases	7,532	-
	7,532	**1,000**

The Group's borrowing in respect of convertible loan notes of £1,649,000 is secured by way of a fixed and floating charge over the assets of parent company and EUS Holdings Limited and a licence of the software conditional upon the charge being enforced.

The fair value of the Group's current borrowings is considered to be equivalent to their carrying amount as the effect of the time value of money is not significant. The fair values of the Group's long term borrowings are as follows:

	Year ended 31 December 2015 £	*Year ended 31 December 2014* £
Bank loans		
Finance leases	21,781	-
Convertible loan stock	1,083,618	-
	1,105,399	**-**

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

At 31 December 2015 the Group had obligations under finance leases as set out below:

	Year ended 31 December 2015 £	*Year ended 31 December 2014* £
Gross amounts payable:		
Within one year	8,473	-
In two to five years	23,903	-
Less: finance charges allocated to future periods	3,323	-
	29,053	-

	Year ended 31 December 2015 £	*Year ended 31 December 2014* £
Obligations under finance leases are analysed:		
Within one year	7,532	-
In two to five years	21,781	-
	29,313	-

18. Convertible Loan Notes

On 27 August 2015 the company issued 941,000 of £1 convertible loan notes. This was followed by the issue of 708,000 £1 convertible loan notes on 23 September 2015. The convertible loan notes carry a coupon of 10% payable quarterly in arrears.

The convertible loan notes are to be redeemed by the company as follows:
(a) on demand, following certain events of default;
(b) automatically, upon the sale of the company and/or its subsidiary or their respective undertakings;
(c) 60 months following issue of the first tranche of convertible loan notes; or
(d) at any time after 30 months from the drawdown of the first tranche of convertible loan notes at the election of the company.

The convertible loan stocks are convertible into ordinary shares of the company at the option of the holder at any time following 30 days after issue of the respective loan notes. The conversion price is dependent on the date of issue of the related loan notes as follows:

1. Prior to 30 September 2015 at a 30 per cent. premium to 9p (being 11.7p); and
2. From 1 October 2015 at a 30 per cent. premium to the higher of the following:
    a. 9p (being 11.7p); and
    b. the average closing middle market price of an Ordinary Share for the 5 trading days prior to the date of issue of the relevant convertible loan notes.

The company has the right to serve a notice on all noteholders to convert all or part of the notes in multiples of £20,000 where the volume weighted average mid-market price of the ordinary shares is greater than 70% above the conversion Price for the prevailing 5 dealing days prior to the day before the notice to convert is served at the conversion Price. Once notice to convert has been served, noteholders may not choose to redeem. This call option is a derivative however as the repayment price is equal to the amortised cost of the debt instrument this is, in accordance with IAS 39, considered to be closely related to the loan notes and therefore not separately recognised.

The fair value of the liability component of the loan stocks was calculated using a market interest rate on a similar loan stock with no conversion option which the directors estimated to be 20%. The value of the equity component was £414,420 and is included in shareholders' equity in other reserves.

The convertible loan notes are presented in the consolidated and company statements of financial position as follows:

	2015
	£
Face value of convertible loan notes issued	1,649,000
Less: Liability component at date of issue	(1,192,818)
Less: Finance costs allocated to equity	(41,762)
Equity component	**414,420**
Liability component on date of issue	1,192,818
Less: Finance costs allocated to liability element	(109,200)
Interest charge in period	59,391
Interest paid in period	(59,391)
Liability component at 31 December 2015 included in borrowings (Note 17)	**1,083,618**

19. Share capital

Share capital allotted and fully paid up

Ordinary shares of £0.001 carry the right to one vote per share at general meetings of the Company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up. The shares are denominated in Pounds Sterling.

A placing of new shares raised £0.41m (before expenses) for working capital in August 2015.

The table below shows the movements in share capital for the year:

	Number of shares		Share Capital (£)		Share Premium (£)	
Movement in ordinary share capital	**2015**	*2014*	**2015**	*2014*	**2015**	*2014*
Balance at the beginning of the year	**62,566,406**	*57,665,496*	**62,566**	*57,665*	**6,126,198**	*4,689,383*
Issue of new shares	**5,150,000**	*4,900,910*	**5,150**	*4,901*	**370,930**	*1,436,815*
Balance at the end of the year	**67,716,406**	*62,566,406*	**67,716**	*62,566*	**6,497,128**	*6,126,198*

20. Share based payments

Employee Share Option Scheme

The Company has since 2013 a share option scheme for selected employees and Directors of the Group and a total of 1,243,895 options were granted during 2013.

Under the terms of the scheme, employees paid an option premium, valued at arm's length using the Black & Scholes formula for option pricing, in return for an option over a number of shares. The options are exercisable at a multiple of the quoted market price of the Company's shares on the date of grant dependent on the option premium paid. The options vest from the 29 February 2016 and are exercisable for a period of 15 days. In the event that an employee ceases to be employed by any company within the Group they must offer their options up for sale to the Company.

The Group uses historical data to estimate option exercise and employee retention within the valuation model. Expected volatilities are based upon implied volatilities as determined by a simple average of a sample of listed companies based in similar sectors. The risk free rate for the period within the contractual life of the option is based on the UK gilt yield curve at the time of the grant.

The following reconciles the share options outstanding at the beginning and end of year:

	Year ended 31 December 2015		*Year ended 31 December 2014*	
	Number of options	Weighted Average Exercise price	*Number of options*	*Weighted Average Exercise price*
At the beginning of the year	**1,243,895**	40.5p	1,243,895	40.5p
Issued/granted during the year	**-**	-	-	-
Exercised in the year	**-**	-	-	-
Lapsed/forfeited during the year	**-**	-	-	-
At the end of the year	**1,243,895**	**40.5p**	**1,243,895**	**40.5p**

The fair values were calculated using a Black Scholes pricing model. The inputs into the model in respect of options granted were as follows:

Expected life of options – years	2.5 years
Weighted average exercise price – pence	40.5p
Weighted average share price at grant date – pence	23p
Expected volatility - %	60%
Risk free rate - %	1.5%

The group has recognised a charge of £18,736 (2014: £18,736) relating to equity-settled share-based charges during the year on the employee share option scheme.

Adviser warrants

In part settlement of advisers' fees in 2013 the following warrants were granted:

(a) a warrant to subscribe for up to 144,164 shares of £0.01 each at a price of 13.56p per share. Such right may be exercised at any time during the period starting on 13 November 2013 and ending on the fifth anniversary of that date.

(b) a warrant to subscribe for up to 432,491 shares of £0.01 each at 22.6p per share. Such right may be exercised at any time during the period starting on 13 November 2013 and ending on the fifth anniversary of that date.

The fair value of both tranches of adviser warrants were calculated using a Black Scholes pricing model. The inputs of the model in respect of expected volatility and the risk free rate were consistent with that adopted for the employee and Directors share option scheme.

No Advisor warrants were exercised during 2014 or 2015.

Other warrants

In 2013 a warrant was been granted for the right to subscribe at 20.31p for 810,000 Ordinary Shares to Fastighets AB Granen, Bo Beergrehn, Adrian Friend and Jonas Ljungstrom. These warrants were exercised during 2014.

In 2013 Internet Startups Holding BV was granted a warrant to subscribe for up to 2,883,275 ordinary shares of £0.01 each at a price of 22.6p at any time during the period starting on 13 November 2013 and ending on the fifth anniversary of that date. None of these warrants were exercised during 2014 or 2015.

These warrants are considered to share based payment arrangements with holders of equity instruments in their capacity as holders of equity instruments and therefore charges previously calculated on the value of these warrants have been credited in the year.

The group has recognised a charge of £0 (2014: £56,060) relating to equity-settled share-based charges during the year in respect of warrants.

21. Related party transactions

Compensation or other related payments to key management personnel (including directors):

	Year ended 31 December 2015 £	*Year ended 31 December 2014 £*
Consultancy fees *	**-**	*31,679*
	-	*31,679*

* The consultancy fees 2014 were paid to Ice Strategies LLP, an entity in which Mark Elliott, a director of the company up to 17 November 2015, has an interest.

Remuneration paid directly to all directors has been disclosed in note 6.

Steffen Karlsson (through Trilibo AB*) owns Convertible Loan notes of £80,000, Mattias Strom owns Convertible Loan notes of £8,000 and Thomas Beergrehn (through Internet Start Ups Holding BV**) owns Convertible Loan Notes of £200,000. The Convertible Loan notes are further described in Note 18.

* Trilibo AB is a company in which Steffen Karlsson has an interest.
** Internet Startups Holding BV is an investment company controlled by Thomas Beergrehn.

22. Company related party balances

The balance of EU Supply PLC debt due to EUS Holdings Ltd as of 31 December 2015 was £872 (2014: £872).
The balance of EU Supply PLC debt due to EU-Supply Holding AB as of 31 December 2015 was £60 (2014: £6,956).
The balance of EU Supply PLC claim on EUS Holdings Ltd as of 31 December 2015 was £2,916,247 (2014: £4,334,896) after provision for impairment of £3,951,000 (2014: £1,588,000). The impairment charge recognised in the Company income statement for the year is £2,363,000 (2014: £1,588,000).
The balance of EU Supply PLC claim on EU-Supply Holding AB as of 31 December 2015 was £Nil (2014: £Nil).

22. Control

The board consider that there is no ultimate controlling party.