

**Strategic Report,  
Report of the Directors and  
Financial Statements  
for the Year Ended 31 December 2017  
for  
MATHENGINE PLC**

# MATHENGINE PLC

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**MATHENGINE PLC**

**Company Information  
for the year ended 31 December 2017**

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**Directors:**

D J N Nabarro  
W G Wells

**Registered office:**

No. 1 The Yard  
Burraton Square  
Poundbury  
Dorset  
DT1 3GR

**Registered number:**

03334206 (England and Wales)

**Auditors:**

Haines Watts  
Chartered Accountants and Statutory Auditor  
Sterling House  
19/23 High Street  
Kidlington  
Oxfordshire  
OX5 2DH

**MATHENGINE PLC**

**Strategic Report  
for the year ended 31 December 2017**

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The directors present their strategic report for the year ended 31 December 2017.

**Review of business and key financial indicators**

**Value of the Company's portfolio**

During the year to 31st December 2017, the value of the Company's assets increased to £656,206, a nineteen-point-five per cent (19.5%) improvement on the previous year's net asset value figure of £549,104, as stated under FRS (Financial Reporting Standard) 102.

Furthermore, and as previously reported, we finally received last May 2017, the balance of the long-overdue moneys plus all interest owed to MathEngine in full.

**Company website**

Shareholders can continue to track the progress of our company at your Company's website at [www.mathengineplc.com](http://www.mathengineplc.com).

**Portfolio policy, development and performance**

As stated in last year's Report and Accounts, your Company's prime investment is in Vena Solutions Inc., the Canadian corporate performance management software company. During the most recent year, Vena has continued to make excellent progress and that is reflected in the decision to raise the carrying price for MathEngine's shareholding in Vena to C\$4 per share. Full details about Vena can be found on our MathEngine web-site as above.

Interested MathEngine shareholders can also look at Vena's web-site at [www.venasolutions.com](http://www.venasolutions.com).

**Principal risks and uncertainties**

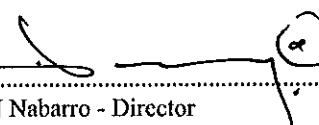
The Company's internal controls are designed to meet its particular needs and the financial risks to which it is exposed.

In this context, the controls can only provide reasonable, not absolute, assurance against material errors, losses or fraud by third parties.

The directors take an active role in assessing the potential financial risks in all areas of the business by reviewing the investments regularly and also through day to day management control.

The Company's principle financial assets are investments and cash which are monitored daily.

**On behalf of the board:**

  
.....  
D J N Nabarro - Director

Date: 21 June 2018

# MATHENGINE PLC

## Report of the Directors for the year ended 31 December 2017

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The directors present their report with the financial statements of the company for the year ended 31 December 2017.

### Principal activity

The principal activity of the company in the year under review was that of an investment company aiming to achieve capital appreciation over a long-term perspective.

### Dividends

No dividends will be distributed for the year ended 31 December 2017.

### Future developments

We are pleased with the progress being made by our major investment in Vena Solutions Inc. as referred to in the Strategic Report and we continue to look for other potentially profitable investment opportunities for MathEngine.

### Directors

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

D J N Nabarro

W G Wells

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

### Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**MATHENGINE PLC**

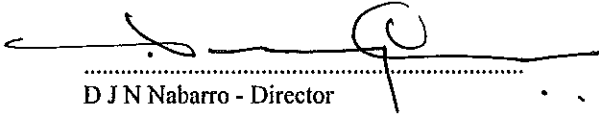
**Report of the Directors  
for the year ended 31 December 2017**

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**Auditors**

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**On behalf of the board:**

  
.....  
D J N Nabarro - Director

Date: 2<sup>nd</sup> March 2018

**Report of the Independent Auditors to the Members of  
MathEngine plc**

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**Opinion**

We have audited the financial statements of MathEngine plc (the 'company') for the year ended 31 December 2017 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
MathEngine plc**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of directors**

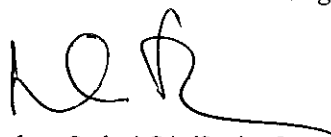
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Our responsibilities for the audit of the financial statements**

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

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



Rodney Style ACA (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Chartered Accountants and Statutory Auditor  
Sterling House  
19/23 High Street  
Kidlington  
Oxfordshire  
OX5 2DH

Date: ..... 13/8/18 .....



MATHEngine PLC

Income Statement  
for the year ended 31 December 2017

	Notes	31/12/17 £	31/12/16 £
Turnover		-	-
Administrative expenses		(31,456)	(20,977)
Operating loss	4	(31,456)	(20,977)
Profit/loss on sale of invest	5	-	5,721
		(31,456)	(15,256)
Income from fixed asset investments		-	1,125
Interest receivable and similar income		7,527	11,114
		(23,929)	(3,017)
Gain/loss on revaluation of assets		142,631	265,278
		118,702	262,261
Interest payable and similar expenses	6	(1,000)	(67)
Profit before taxation		117,702	262,194
Tax on profit	7	(10,600)	(25,613)
Profit for the financial year		<u>107,102</u>	<u>236,581</u>

The notes form part of these financial statements

MATHENGINE PLC

Other Comprehensive Income  
for the year ended 31 December 2017

Notes	31/12/17 £	31/12/16 £
<b>Profit for the year</b>	<b>107,102</b>	<b>236,581</b>
<b>Other comprehensive income</b>		
Profit and Loss	153,879	13,490
Revaluation reserve	(153,879)	(13,490)
Income tax relating to components of other comprehensive income	-	-
<b>Other comprehensive income For the year, net of income tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>107,102</b>	<b>236,581</b>

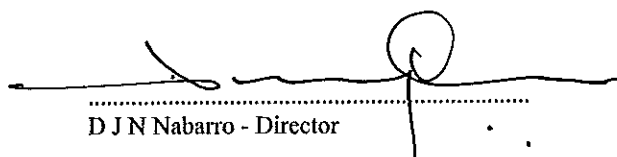
The notes form part of these financial statements

MATHENGINE PLC (REGISTERED NUMBER: 03334206)

Balance Sheet  
31 December 2017

	Notes	£	31/12/17 £	£	31/12/16 £
<b>Fixed assets</b>					
Investments	8		632,189		621,490
<b>Current assets</b>					
Debtors	9	18,889		11,072	
Cash at bank		49,051		1,932	
		67,940		13,004	
<b>Creditors</b>					
Amounts falling due within one year	10	6,823		58,890	
<b>Net current assets/(liabilities)</b>			61,117		(45,886)
<b>Total assets less current liabilities</b>			693,306		575,604
<b>Provisions for liabilities</b>	11		37,100		26,500
<b>Net assets</b>			656,206		549,104
<b>Capital and reserves</b>					
Called up share capital	12		2,422,003		2,422,003
Share premium	13		12,249,614		12,249,614
Retained earnings	13		(14,015,411)		(14,122,513)
<b>Shareholders' funds</b>			656,206		549,104

The financial statements were approved by the Board of Directors on 2 March 2018 and were signed on its behalf by:

  
D J N Nabarro - Director

The notes form part of these financial statements

MATHEngine PLC

Statement of Changes in Equity  
for the year ended 31 December 2017

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2016	2,422,003	(14,359,094)	12,249,614	312,523
Changes in equity				
Total comprehensive income	-	236,581	-	236,581
Balance at 31 December 2016	2,422,003	(14,122,513)	12,249,614	549,104
Changes in equity				
Total comprehensive income	-	107,102	-	107,102
Balance at 31 December 2017	2,422,003	(14,015,411)	12,249,614	656,206

The notes form part of these financial statements

MATHENGINE PLC

Cash Flow Statement  
for the year ended 31 December 2017

	Notes	31/12/17 £	31/12/16 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(65,273)	(13,329)
Interest paid		(1,000)	(67)
Tax paid		(1,067)	(6,180)
Net cash from operating activities		<u>(67,340)</u>	<u>(19,576)</u>
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments		(18,068)	(83,214)
Sale of fixed asset investments		150,000	53,656
Interest received		7,527	11,114
Dividends received		-	1,125
Net cash from investing activities		<u>139,459</u>	<u>(17,319)</u>
<b>Cash flows from financing activities</b>			
Amount introduced by directors		1,000	25,000
Amount withdrawn by directors		(26,000)	-
Net cash from financing activities		<u>(25,000)</u>	<u>25,000</u>
Increase/(decrease) in cash and cash equivalents		47,119	(11,895)
Cash and cash equivalents at beginning of year	2	1,932	13,827
Cash and cash equivalents at end of year	2	<u>49,051</u>	<u>1,932</u>

The notes form part of these financial statements

MATHENGINE PLC

Notes to the Cash Flow Statement  
for the year ended 31 December 2017

1. Reconciliation of profit before taxation to cash generated from operations	31/12/17	31/12/16
	£	£
Profit before taxation	117,702	262,194
Gain on revaluation of fixed assets	(142,631)	(265,278)
Interest accrued	-	(1)
Finance costs	1,000	67
Finance income	(7,527)	(12,239)
	<u>(31,456)</u>	<u>(15,257)</u>
Increase in trade and other debtors	(7,817)	(11,072)
(Decrease)/increase in trade and other creditors	<u>(26,000)</u>	<u>13,000</u>
<b>Cash generated from operations</b>	<u><u>(65,273)</u></u>	<u><u>(13,329)</u></u>

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31/12/17	1/1/17
	£	£
Cash and cash equivalents	<u>49,051</u>	<u>1,932</u>

Year ended 31 December 2016

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	<u>1,932</u>	<u>13,827</u>

The notes form part of these financial statements

# MATHENGINE PLC

## Notes to the Financial Statements for the year ended 31 December 2017

### 1. Statutory information

MathEngine plc is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

### 2. Accounting policies

#### Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

#### Significant judgements and estimates

The preparation of the financial statements in conformity with FRS 102 requires management to use accounting estimates and exercise judgement in the process of applying the company's accounting policies. There were no areas which required significant judgement or measurement uncertainty.

#### Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### Going concern

The directors have made an assessment of the company's ability to continue as a going concern and have identified no material uncertainties that may cast a significant doubt on the ability of the company to continue as a going concern for the foreseeable future.

### 3. Employees and directors

There were no staff costs for the year ended 31 December 2017 nor for the year ended 31 December 2016.

	31/12/17	31/12/16
	£	£
Directors' remuneration	-	-

MATHENGINE PLC

Notes to the Financial Statements - continued  
for the year ended 31 December 2017

4. **Operating profit**

The operating profit is stated after charging/(crediting):

	31/12/17	31/12/16
	£	£
Auditors' remuneration	4,500	3,500
Foreign exchange differences	7	(2,104)
	<u>          </u>	<u>          </u>

5. **Exceptional items**

	31/12/17	31/12/16
	£	£
Profit/loss on sale of invest	-	5,721
	<u>          </u>	<u>          </u>

6. **Interest payable and similar expenses**

	31/12/17	31/12/16
	£	£
Other interest payable	1,000	67
	<u>          </u>	<u>          </u>

7. **Taxation**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31/12/17	31/12/16
	£	£
Current tax:		
UK corporation tax	-	1,113
Deferred tax	10,600	24,500
	<u>          </u>	<u>          </u>
Tax on profit	<u>10,600</u>	<u>25,613</u>



MATHENGINE PLC

Notes to the Financial Statements - continued  
for the year ended 31 December 2017

7. Taxation - continued

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31/12/17	31/12/16
	£	£
Profit before tax	<u>117,702</u>	<u>262,194</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	22,658	52,439
Effects of:		
Expenses not deductible for tax purposes	94	-
Utilisation of tax losses	-	(12,716)
Other tax adjustments	-	(15,375)
Revaluation of investments	(27,456)	(23,056)
Dividends received	-	(225)
Current year losses carried forward	4,704	-
Deferred tax charge	10,600	24,500
Prior year underprovision of tax	-	46
Total tax charge	<u>10,600</u>	<u>25,613</u>

**Tax effects relating to effects of other comprehensive income**

	Gross	Tax	31/12/17
	£	£	Net
			£
Profit and Loss	153,879	-	153,879
Revaluation reserve	(153,879)	-	(153,879)
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
	Gross	Tax	31/12/16
	£	£	Net
			£
Profit and Loss	13,490	-	13,490
Revaluation reserve	(13,490)	-	(13,490)
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>

MATHENGINE PLC

Notes to the Financial Statements - continued  
for the year ended 31 December 2017

8. Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2017	662,985
Additions	18,068
Disposals	(150,000)
Revaluations	153,979
	<u>685,032</u>
At 31 December 2017	<u>685,032</u>
<b>Provisions</b>	
At 1 January 2017	41,495
Provision for year	11,348
	<u>52,843</u>
At 31 December 2017	<u>52,843</u>
<b>Net book value</b>	
At 31 December 2017	<u>632,189</u>
At 31 December 2016	<u>621,490</u>

Cost or valuation at 31 December 2017 is represented by:

	Unlisted investments £
Valuation in 2014	2,999
Valuation in 2015	(93,246)
Valuation in 2016	232,561
Valuation in 2017	153,979
Cost	388,739
	<u>685,032</u>

The original cost of the fixed asset investments amounts to £388,739 (2016 - £420,671).

9. Debtors: amounts falling due within one year

	31/12/17	31/12/16
	£	£
Other debtors	<u>18,889</u>	<u>11,072</u>

10. Creditors: amounts falling due within one year

	31/12/17	31/12/16
	£	£
Corporation tax	-	1,067
Other creditors	-	10,000
Directors' current accounts	823	25,823
Accrued expenses	6,000	22,000
	<u>6,823</u>	<u>58,890</u>

MATHEngine PLC

Notes to the Financial Statements - continued  
for the year ended 31 December 2017

11. Provisions for liabilities

	31/12/17	31/12/16
	£	£
Deferred tax	<u>37,100</u>	<u>26,500</u>
		<b>Deferred tax</b>
		£
Balance at 1 January 2017		26,500
Provided during year		<u>10,600</u>
Balance at 31 December 2017		<u><u>37,100</u></u>

12. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/17	31/12/16
			£	£
25,975,467	Ordinary	1p	259,755	259,755
216,224,820	Deferred	1p	<u>2,162,248</u>	<u>2,162,248</u>
			<u><u>2,422,003</u></u>	<u><u>2,422,003</u></u>

13. Reserves

	Retained earnings	Share premium	Totals
	£	£	£
At 1 January 2017	(14,122,513)	12,249,614	(1,872,899)
Profit for the year	<u>107,102</u>		<u>107,102</u>
At 31 December 2017	<u><u>(14,015,411)</u></u>	<u><u>12,249,614</u></u>	<u><u>(1,765,797)</u></u>

14. Related party disclosures

During the year the company paid fees of £12,180 (2016 - £4,000) to Cato Strategic Limited. Cato Strategic Limited is a company that is 60% owned by D J N Nabarro, who is a Director of Mathengine Plc.

15. Ultimate controlling party

There is no controlling party.