

Company Registration Number: 02464025 (England & Wales)

Wolfram Research Europe Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

ReesRussell LLP
Registered Auditors
37 Market Square
Witney
Oxfordshire
OX28 6RE



Wolfram Research Europe Limited

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Wolfram Research Europe Limited

Company Information

Directors	C P Wolfram Dr S Wolfram
Company secretary	R Porth
Registered office	The Wolfram Centre Lower Road Long Hanborough Witney Oxfordshire OX29 8FD
Auditors	ReesRussell LLP Registered Auditors 37 Market Square Witney Oxfordshire OX28 6RE
Bankers	Barclays Bank

Wolfram Research Europe Limited

Directors' Report for the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors of the company

The directors who held office during the year were as follows:

C P Wolfram

Dr S Wolfram

Financial instruments

Objectives and policies

The directors seek to maintain and improve the management strategy which has seen growth in local currencies.

Price risk, credit risk, liquidity risk and cash flow risk

The business' activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

Trade debtors are managed in respect of credit and cash flow risks by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Future developments

No material changes to the operation or performance of the business is anticipated by the directors.

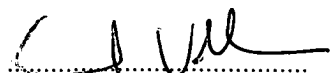
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 25/1/18 and signed on its behalf by:



C P Wolfram
Director

Wolfram Research Europe Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

Wolfram Research Europe Limited

Independent Auditor's Report to the Members of Wolfram Research Europe Limited

Opinion

We have audited the financial statements of Wolfram Research Europe Limited (the 'company') for the year ended 31 December 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. 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 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.

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 Auditor's 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 included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Wolfram Research Europe Limited

Independent Auditor's Report to the Members of Wolfram Research Europe Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 3], 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Wolfram Research Europe Limited

Independent Auditor's Report to the Members of Wolfram Research Europe Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Jonathan Russell (Senior Statutory Auditor)
For and on behalf of ReesRussell LLP, Statutory Auditor

37 Market Square
Witney
Oxfordshire
OX28 6RE

Date:  26 September 2018

Wolfram Research Europe Limited

Profit and Loss Account for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	8,950,151	8,063,708
Cost of sales		<u>(5,865,458)</u>	<u>(5,453,104)</u>
Gross profit		3,084,693	2,610,604
Administrative expenses		<u>(2,333,856)</u>	<u>(2,088,105)</u>
Operating profit	5	750,837	522,499
Other interest receivable and similar income	6	48,833	52,816
Interest payable and similar charges	7	<u>(7,070)</u>	<u>-</u>
Profit before tax		792,600	575,315
Taxation	11	<u>(151,308)</u>	<u>(115,063)</u>
Profit for the financial year		<u><u>641,292</u></u>	<u><u>460,252</u></u>

The above results were derived from continuing operations.

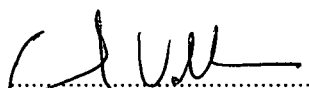
The company has no recognised gains or losses for the year other than the results above.

The notes on pages 11 to 19 form an integral part of these financial statements.

Wolfram Research Europe Limited
(Registration number: 02464025)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	208,312	171,928
Current assets			
Stocks		3,531	3,641
Debtors	13	2,606,141	2,870,878
Cash at bank and in hand		<u>3,900,571</u>	<u>3,128,558</u>
		6,510,243	6,003,077
Creditors: Amounts falling due within one year	15	<u>(3,071,529)</u>	<u>(3,021,525)</u>
Net current assets		<u>3,438,714</u>	<u>2,981,552</u>
Total assets less current liabilities		3,647,026	3,153,480
Provisions for liabilities	16	<u>(26,148)</u>	<u>(23,894)</u>
Net assets		<u>3,620,878</u>	<u>3,129,586</u>
Capital and reserves			
Called up share capital	18	3	3
Share premium reserve		226,999	226,999
Profit and loss account		<u>3,393,876</u>	<u>2,902,584</u>
Total equity		<u>3,620,878</u>	<u>3,129,586</u>

Approved and authorised by the Board on 25/1/18 and signed on its behalf by:



C P Wolfram
Director

Wolfram Research Europe Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2017	3	226,999	2,902,584	3,129,586
Profit for the year	-	-	641,292	641,292
Dividends	-	-	(150,000)	(150,000)
At 31 December 2017	<u>3</u>	<u>226,999</u>	<u>3,393,876</u>	<u>3,620,878</u>
	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2016	3	226,999	2,554,832	2,781,834
Profit for the year	-	-	460,252	460,252
Total comprehensive income	-	-	460,252	460,252
Dividends	-	-	(112,500)	(112,500)
At 31 December 2016	<u>3</u>	<u>226,999</u>	<u>2,902,584</u>	<u>3,129,586</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

Wolfram Research Europe Limited

Statement of Cash Flows for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		641,292	460,252
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	42,964	34,716
Loss on disposal of tangible assets	4	1,766	-
Finance income	6	(48,833)	(52,816)
Finance costs	7	7,070	-
Income tax expense	11	<u>151,308</u>	<u>115,063</u>
		795,567	557,215
Working capital adjustments			
Decrease/(increase) in stocks		110	(386)
Decrease/(increase) in trade debtors	13	264,737	(432,858)
(Decrease)/increase in trade creditors	15	(12,605)	295,307
Increase in deferred income, including government grants		<u>29,873</u>	<u>292,872</u>
Cash generated from operations		1,077,682	712,150
Income taxes paid	11	<u>(116,318)</u>	<u>(90,550)</u>
Net cash flow from operating activities		<u>961,364</u>	<u>621,600</u>
Cash flows from investing activities			
Interest received	6	48,833	52,816
Acquisitions of tangible assets		(95,091)	(16,925)
Proceeds from sale of tangible assets		<u>13,977</u>	<u>-</u>
Net cash flows from investing activities		<u>(32,281)</u>	<u>35,891</u>
Cash flows from financing activities			
Interest paid	7	(7,070)	-
Dividends paid	20	<u>(150,000)</u>	<u>(112,500)</u>
Net cash flows from financing activities		<u>(157,070)</u>	<u>(112,500)</u>
Net increase in cash and cash equivalents		772,013	544,991
Cash and cash equivalents at 1 January		<u>3,128,558</u>	<u>2,583,567</u>
Cash and cash equivalents at 31 December		<u><u>3,900,571</u></u>	<u><u>3,128,558</u></u>

The notes on pages 11 to 19 form an integral part of these financial statements.

Wolfram Research Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

The Wolfram Centre

Lower Road

Long Hanborough

Witney

Oxfordshire

OX29 8FD

These financial statements were authorised for issue by the Board on 25 September 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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.'

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts. Income relating to support contracts invoiced in advance have been reported as deferred income.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Deferred Tax

The tax expense for the period comprises UK corporation and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax laws and rules that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Wolfram Research Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	33% reducing balance
Fixtures, fittings and equipment	10% reducing balance
Motor vehicles	25% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method, if required.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Wolfram Research Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Defined contribution pension obligation

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss accounts in the period in which they become payable in accordance with the rules of the scheme.

3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017 £	2016 £
Sales	8,879,072	7,985,470
Rental income from property	30,671	30,846
Freight	4,252	5,160
Other income	<u>36,156</u>	<u>42,232</u>
	<u>8,950,151</u>	<u>8,063,708</u>

The analysis of the company's turnover for the year by market is as follows:

	2017 £	2016 £
UK	1,308,151	1,388,238
Europe	6,999,000	5,699,470
Rest of world	<u>643,000</u>	<u>976,000</u>
	<u>8,950,151</u>	<u>8,063,708</u>

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2017 £
Gain (loss) on disposal of property, plant and equipment	<u>(1,766)</u>

Wolfram Research Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

5 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	42,964	34,716
Foreign exchange losses	(34,623)	(125,203)
Operating lease expense - property	166,882	166,123
Loss on disposal of property, plant and equipment	<u>1,766</u>	<u>-</u>

6 Other interest receivable and similar income

	2017 £	2016 £
Interest income on bank deposits	1,670	3,215
Other finance income	<u>47,163</u>	<u>49,601</u>
	<u>48,833</u>	<u>52,816</u>

7 Interest payable and similar expenses

	2017 £	2016 £
Interest expense on other finance liabilities	<u>7,070</u>	<u>-</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	1,331,494	1,266,720
Social security costs	161,062	141,885
Other short-term employee benefits	4,019	4,719
Pension costs, defined contribution scheme	<u>24,014</u>	<u>18,846</u>
	<u>1,520,589</u>	<u>1,432,170</u>

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

	2017 No.	2016 No.
Administration and support	11	8
Sales, marketing and distribution	12	17
Other departments	<u>11</u>	<u>6</u>
	<u>34</u>	<u>31</u>

Wolfram Research Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	<u>121,114</u>	<u>107,744</u>

10 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>6,275</u>	<u>5,000</u>

11 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	149,056	116,318
Deferred taxation		
Arising from origination and reversal of timing differences	<u>2,252</u>	<u>(1,255)</u>
Tax expense in the income statement	<u>151,308</u>	<u>115,063</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 19% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>792,600</u>	<u>575,315</u>
Corporation tax at standard rate	150,594	115,063
Increase (decrease) from effect of different UK tax rates on some earnings	1,954	-
Tax increase (decrease) from effect of capital allowances and depreciation	<u>(1,240)</u>	<u>-</u>
Total tax charge	<u>151,308</u>	<u>115,063</u>

Wolfram Research Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

12 Tangible assets

	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2017	279,860	49,152	198,079	527,091
Additions	4,376	47,735	42,980	95,091
Disposals	-	(49,152)	(10,428)	(59,580)
At 31 December 2017	<u>284,236</u>	<u>47,735</u>	<u>230,631</u>	<u>562,602</u>
Depreciation				
At 1 January 2017	165,390	33,435	156,338	355,163
Charge for the year	11,896	9,095	21,973	42,964
Eliminated on disposal	-	(35,569)	(8,268)	(43,837)
At 31 December 2017	<u>177,286</u>	<u>6,961</u>	<u>170,043</u>	<u>354,290</u>
Carrying amount				
At 31 December 2017	<u>106,950</u>	<u>40,774</u>	<u>60,588</u>	<u>208,312</u>
At 31 December 2016	<u>114,470</u>	<u>15,717</u>	<u>41,741</u>	<u>171,928</u>

13 Debtors

	Note	2017 £	2016 £
Trade debtors		1,021,347	1,201,525
Amounts owed by related parties	21	1,542,782	1,630,481
Other debtors		-	2
Prepayments		<u>42,012</u>	<u>38,870</u>
		2,606,141	2,870,878
Less non-current portion		<u>(1,393,417)</u>	<u>(1,483,746)</u>
Total current trade and other debtors		<u>1,212,724</u>	<u>1,387,132</u>

Details of non-current trade and other debtors

£1,393,417 (2016 -£1,483,746) of amounts owed by related parties is classified as non current.

14 Cash and cash equivalents

	2017 £	2016 £
Cash on hand	3,905	1,729
Cash at bank	<u>3,896,666</u>	<u>3,126,829</u>
	<u>3,900,571</u>	<u>3,128,558</u>

Wolfram Research Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

15 Creditors

	Note	2017 £	2016 £
Due within one year			
Trade creditors		46,495	39,456
Amounts due to related parties	21	629,369	702,329
Social security and other taxes		105,700	115,511
Other payables		718	-
Accrued expenses		338,784	281,648
Income tax liability	11	149,056	116,318
Deferred income		1,780,393	1,750,522
Gross amount due to customers for contract work		<u>21,014</u>	<u>15,741</u>
		<u>3,071,529</u>	<u>3,021,525</u>

16 Deferred tax and other provisions

	Deferred tax £
At 1 January 2017	23,894
Increase (decrease) in existing provisions	<u>2,254</u>
At 31 December 2017	<u>26,148</u>

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £24,014 (2016 - £18,846).

Wolfram Research Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

18 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary of £0.10 each	<u>30</u>	<u>3.00</u>	<u>30</u>	<u>3.00</u>

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	147,640	147,640
Later than one year and not later than five years	590,560	590,560
Later than five years	1,254,940	1,402,580
	<u>1,993,140</u>	<u>2,140,780</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £147,640 (2016 - £147,640).

20 Dividends

	2017 £	2016 £
Interim dividend of £5,000.00 (2016 - £3,750.00) per ordinary share	<u>150,000</u>	<u>112,500</u>

Wolfram Research Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

21 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Wolfram Research Inc

(Stephen Wolfram is common owner and director)

Wolfram Research Inc is the main supplier of the company. During the year the company paid royalties to, bought goods from and paid for consultancy and IT services from Wolfram Research Inc at a cost of £6,042,405 (2016 - £5,619,951). This was in accordance with the terms of the management agreements. The company received £33,513 (2016 - £42,232) from Wolfram Research Inc in respect of royalty income. At the balance sheet date the amount due to Wolfram Research Inc was £629,369 (2016 - £702,329).

Wolfram Properties Limited

(Conrad Wolfram is a common director)

The company has previously loaned Wolfram Properties Limited £2,078,945 upon which interest has been accruing and repayments received. The balance of this loan at the beginning of the year was £1,630,481 (2016 - £1,715,742).

During the year, a further £61,000 (2016 - £62,000) was loaned to Wolfram Properties Limited, interest was charged at £47,163 (2016 - £49,601) and repayments were received totalling £195,862 (2016 - £196,929).

During the year the company paid rent and service charges to Wolfram Properties Limited of £164,071 (2016 - £163,040). At the balance sheet date the amount due from Wolfram Properties Limited was £1,542,782 (2016 - £1,630,481).

Conrad Wolfram

(Director and shareholder)

During the year dividends of £50,000 (2016 - £37,500) were paid to Conrad Wolfram, a director of the company. At the balance sheet date the amount due to Conrad Wolfram was £nil (2016 - £nil).

Stephen Wolfram

(Director and shareholder)

During the year, dividends of £50,000 (2016 - £37,500) were paid to Stephen Wolfram, a director of the company. At the balance sheet date the amount due to Stephen Wolfram was £nil (2016 - £nil).

Wolfram Holdings Corp

(Stephen Wolfram is common director and shareholder)

During the year, dividends of £50,000 (2016 - £37,500) were paid to Wolfram Holdings Corp, a company of which Stephen Wolfram is a director and shareholder. At the balance sheet date the amount due to Wolfram Holdings Corp was £nil (2016 - £nil).

22 APB Ethical Standards relevant circumstances

In common with many other businesses of this size and nature the company's auditors assist with the preparation of the statutory financial statements.