

Signal Media Limited

Financial Statements

For Filing with Registrar

For the year ended 31 March 2018

Company Registration No. 08468207 (England and Wales)

Signal Media Limited

Company Information

Directors	D Benigson M Ikeda W McQuillan S Menashy A Hudson M Martinez M Morgan	(Appointed 5 April 2018) (Appointed 5 April 2018) (Appointed 19 April 2018)
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Secretary	D Benigson
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Company number	08468207
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Registered office	1st Floor Sackville House 143-149 Fenchurch Street London EC3M 6BN
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Auditor	Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
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Business address	5th Floor 32-38 Leman Street London United Kingdom E1 8EW
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Signal Media Limited

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Signal Media Limited

Balance Sheet

As at 31 March 2018

		2018		2017	
	Notes	£	£	As restated £	£
Fixed assets					
Tangible assets	4		66,367		86,031
Investments	5		7		7
			<u>66,374</u>		<u>86,038</u>
Current assets					
Debtors	7	1,496,967		1,475,451	
Cash at bank and in hand		802,885		1,443,746	
		<u>2,299,852</u>		<u>2,919,197</u>	
Creditors: amounts falling due within one year	8	<u>(2,559,115)</u>		<u>(1,105,829)</u>	
Net current (liabilities)/assets			<u>(259,263)</u>		<u>1,813,368</u>
Total assets less current liabilities			<u>(192,889)</u>		<u>1,899,406</u>
Creditors: amounts falling due after more than one year	9		(1,103,327)		-
Net (liabilities)/assets			<u>(1,296,216)</u>		<u>1,899,406</u>
Capital and reserves					
Called up share capital	13		433		407
Share premium account			8,293,250		7,793,317
Profit and loss reserves			<u>(9,589,899)</u>		<u>(5,894,318)</u>
Total equity			<u>(1,296,216)</u>		<u>1,899,406</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 18 June 2018 and are signed on its behalf by:

D Benigson
Director

Company Registration No. 08468207

Signal Media Limited

Statement of Changes in Equity

For the year ended 31 March 2018

	Share capital	Share premium	Profit and loss reserves	Total
Notes	£	account £	£	£
Balance at 1 May 2016	164	1,257,911	(2,540,081)	(1,282,006)
Prior year adjustment (see note 19)	-	-	351,184	351,184
Restated balance at 1 May 2016	164	1,257,911	(2,188,897)	(930,822)
Year ended 31 March 2017:				
Loss and total comprehensive income for the year	-	-	(4,274,101)	(4,274,101)
Prior period adjustment (see note 19)	-	-	568,680	568,680
Issue of share capital	13 243	6,535,406	-	6,535,649
Restated balance at 31 March 2017	407	7,793,317	(5,894,318)	1,899,406
Year ended 31 March 2018:				
Loss and total comprehensive income for the year	-	-	(3,695,581)	(3,695,581)
Issue of share capital	13 26	499,933	-	499,959
Balance at 31 March 2018	433	8,293,250	(9,589,899)	(1,296,216)

Signal Media Limited

Notes to the Financial Statements

For the year ended 31 March 2018

1 Accounting policies

Company information

Signal Media Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor Sackville House, 143-149 Fenchurch Street, London, EC3M 6BN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Company made a loss of £3,695,581 in the year and had net liabilities of £1,296,216 at 31 March 2018, however the company is still at an early stage and these losses were expected during the period of significant investment in research and development. The Directors are however pleased to report that they were successful in completing an equity investment round of £8,037,569 on 5 April 2018 which will enable the Company to fund its business plan and continue the development of its technology.

Based on the successful fundraising, the Company's Directors consider that the cash requirements of the business for the next 12 months will not exceed the funds available to the Company to finance the business, and on that basis they consider it appropriate to continue to prepare the accounts on the going concern basis. These accounts do not include those adjustments that would be necessary in the event that the Company ceased to be a going concern.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Signal Media Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	over remaining period of lease
Computers	3 year straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Signal Media Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable/ repayable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Signal Media Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 60 (2017: 48)

3 Taxation

	Year ended 31 March 2018 £	Period ended 31 March 2017 £ As restated
Current tax		
Research & development tax credit	621,317	794,660

4 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 April 2017	7,822	107,477	115,299
Additions	-	43,132	43,132
Disposals	-	(2,816)	(2,816)
At 31 March 2018	7,822	147,793	155,615
Depreciation and impairment			
At 1 April 2017	446	28,822	29,268
Depreciation charged in the year	7,376	53,389	60,765
Eliminated in respect of disposals	-	(785)	(785)
At 31 March 2018	7,822	81,426	89,248
Carrying amount			
At 31 March 2018	-	66,367	66,367
At 31 March 2017	7,376	78,655	86,031

5 Fixed asset investments

	2018 £	2017 £
Investments in subsidiaries	7	7

The company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

Signal Media Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

5 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2017 & 31 March 2018	7
Carrying amount	
At 31 March 2018	7
At 31 March 2017	7

6 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Signal Media Intelligence Inc.	United States	Artificial intelligence media monitoring	Ordinary shares	100

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Signal Media Intelligence Inc.	(378)	59,427

7 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	391,457	305,626
Corporation tax recoverable	621,317	919,864
Amounts due from group undertakings	107,093	66,309
Other debtors	13,540	20,501
Prepayments and accrued income	298,456	163,151
	1,431,863	1,475,451

Signal Media Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

7 Debtors		(Continued)	
		2018	2017
Amounts falling due after more than one year:		£	£
Other debtors		65,104	-
Total debtors		<u>1,496,967</u>	<u>1,475,451</u>
8 Creditors: amounts falling due within one year		2018	2017
		£	£
		Notes	
Loans and overdrafts	10	618,774	-
Trade creditors		297,149	252,074
Other taxation and social security		162,459	138,072
Other creditors		33,893	8,019
Accruals and deferred income		1,446,840	707,664
		<u>2,559,115</u>	<u>1,105,829</u>
9 Creditors: amounts falling due after more than one year		2018	2017
		£	£
		Notes	
Loans and overdrafts	11	1,103,327	-
10 Loans and overdrafts		2018	2017
		£	£
Loans and overdrafts		1,722,101	-
Payable within one year		618,774	-
Payable after one year		1,103,327	-

Long term loans are secured by way of fixed and floating charges over all assets and undertakings of the entity.

Signal Media Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

11 Retirement benefit schemes

	Year ended 31 March 2018	Period ended 31 March 2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	133,491	25,819

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £17,421 (2017: £7,640) were payable to the fund at the balance sheet date.

12 Share-based payment transactions

Certain employees hold options to subscribe for shares in the Company at prices ranging from £0.001 to £1.50. If options remain unexercised after a period of 10 years from the date of grant, the options expire. There were 39,592 (2017: 4,513) share options issued in the year with an average weighted value of £0.03 (2017: £1.50).

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

No share based payment charge has been recognised on the grounds that the charge is immaterial.

Signal Media Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

13 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
101,246 Ordinary Shares of £0.001 each	101	101
8,080 B Ordinary Shares of £0.001 each	8	8
10,650 C Ordinary Shares of £0.001 each	10	1
251,926 A Ordinary Shares of £0.001 each	252	235
61,315 Seed Shares of £0.001 each	61	61
1,446 Deferred Shares of £0.001 each	1	1
	<u>433</u>	<u>407</u>

During the year 16,839 A Ordinary Shares of £0.001 were issued for consideration of £499,950. During the year 9,343 C Ordinary Shares of £0.001 were issued for consideration of £9.34.

The A Ordinary Shares rank pari-passu in all respects. The C Ordinary Shares do not entitle holders to attend and speak at general meetings of the company nor hold any voting rights.

14 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Ian Graham.
The auditor was Kingston Smith LLP.

15 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018	2017
	£	£
Within one year	219,024	398,736
Between two and five years	-	219,024
	<u>219,024</u>	<u>617,760</u>

16 Events after the reporting date

On 5th April 2018 Signal Media Limited issued 164,579 A shares of £0.001 for consideration paid of £8,037,569.

The A Ordinary Shares rank pari-passu in all respects.

Signal Media Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

17 Related party transactions

The company has taken exemption under section 33 Related Party Disclosures paragraph 33.1A from disclosing transactions with other members of a wholly owned group.

18 Ultimate controlling party

As at 31 March 2018 and 31 March 2017, there was no single ultimate controlling party of the company.

Signal Media Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

19 Prior period adjustment

The financial statements have been restated for the research & development tax credit, relating to the year ended 30 April 2016 and the period ended 31 March 2017, that was omitted from the prior period's accounts. The impact of correcting the research & development tax credit in both previous periods has resulted in an increase of the profit and loss reserve by £351,184 and an increase of the prior period tax by £568,680. Subsequently, the corporation tax recoverable balance within debtors, has also been increased by the total amount of £919,864.

Changes to the balance sheet

	At 31 March 2017		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Investments	-	7	7
Current assets			
Debtors due within one year	555,594	919,857	1,475,451
	<u> </u>	<u> </u>	<u> </u>
Net assets	979,542	919,864	1,899,406
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	(6,814,182)	919,864	(5,894,318)
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 31 March 2017		
	As previously reported	Adjustment	As restated
	£	£	£
Taxation	225,980	568,680	794,660
	<u> </u>	<u> </u>	<u> </u>
Loss for the financial period	(4,274,101)	568,680	(3,705,421)
	<u> </u>	<u> </u>	<u> </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.