

Company Registration No. 05553047 (England and Wales)

SALES-I UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



SALES-I UK LIMITED

COMPANY INFORMATION

Directors Mr P Black
Mr M Blackburn
Mr G Crawford
Mr R Hargreaves
Mr J Lee
Mr K McGirl
Mr A Peet (Appointed 1 April 2020)

Company number 05553047

Registered office Floor 3
31 Homer Road
Solihull
England
B91 3LT

Auditor Azets Audit Services
6th Floor
Bank House
Cherry Street
Birmingham
B5 5AL

Business address Floor 3
3 Homer Road
Solihull
England
B91 3LT

SALES-I UK LIMITED

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SALES-I UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of delivering effective sales analytics software for manufacturers, distributors and wholesalers.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Black

Mr M Blackburn

Mr G Crawford

Mr R Hargreaves

Mr J Lee

Mr K McGirl

Mr A Moug

(Resigned 16 September 2019)

Mr A Peet

(Appointed 1 April 2020)

Results and dividends

The results for the year are set out on page 5.

Going Concern and events after the reporting date

The directors have prepared detailed profit and cash flow forecasts for the company based on trading up to 31 January 2022. Based on this review, the directors consider the company to have sufficient resources to continue trading for the foreseeable future, being able to meet its liabilities as and when they fall due. This has been assessed for a period of not less than twelve months from the approval date of these financial statements.

Since the balance sheet date the World Health Organisation declared COVID-19 a global pandemic on the 11 March 2020. In response to such economic uncertainty and the worldwide restrictions put in place, the company undertook a series of measures to ensure that the business would be able to operate in the short and long term, not knowing when the situation may improve.

The company took the opportunity to support some of its customers that were struggling to trade due to COVID-19 implications, during these uncertain times for some industry verticals. The company also restructured in both the US and the UK in order to mitigate any potential downturn in business.

Such measures have ensured continued trade, profitability and strong cash positions for the company and future projections remain healthy despite the latest national lockdown in January 2021. It is envisaged that the company will emerge stronger from the pandemic as a result of these measures.

The directors have therefore adopted the going concern basis in preparing the financial statements and do not consider a material uncertainty is present in relation to going concern.

Auditor

Azets Audit Services were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

On 7 September 2020 Group Audit Service Limited trading as Baldwins Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

SALES-I UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of directors' responsibilities

The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



.....
Mr P Black
Director

Date: 21 January 2021
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SALES-I UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF SALES-I UK LIMITED

Opinion

We have audited the financial statements of Sales-I UK Limited (the 'company') for the year ended 31 December 2019 which comprise the income statement, the statement of financial position 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland Section 1A* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

SALES-I UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF SALES-I UK LIMITED

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

**Laura Hinsley FCCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

6th Floor
Bank House
Cherry Street
Birmingham
B5 5AL

22 January 2021
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SALES-I UK LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Year ended 31 December 2019 £	9 months ended 31 December 2018 £
Turnover	3,621,097	2,643,339
Cost of sales	(3,355,210)	(2,771,634)
Gross profit/(loss)	265,887	(128,295)
Administrative expenses	(2,460,996)	(1,200,437)
Other operating income	1,076,577	-
Operating loss	(1,118,532)	(1,328,732)
Interest receivable and similar income	-	11
Interest payable and similar expenses	(136)	(6,566)
Loss before taxation	(1,118,668)	(1,335,287)
Tax on loss	360,112	458,166
Loss for the financial year	(758,556)	(877,121)

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 7 to 17 form part of the financial statements.

There was no other comprehensive income for the year (2018 - None).

SALES-I UK LIMITED

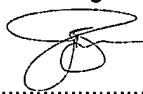
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		97,002		78,204
Current assets					
Debtors	6	1,973,566		2,658,572	
Cash at bank and in hand		247,244		420,772	
		<u>2,220,810</u>		<u>3,079,344</u>	
Creditors: amounts falling due within one year	7	<u>(967,453)</u>		<u>(1,046,517)</u>	
Net current assets			<u>1,253,357</u>		<u>2,032,827</u>
Total assets less current liabilities			<u>1,350,359</u>		<u>2,111,031</u>
Creditors: amounts falling due after more than one year	8		(87,179)		(129,024)
Provisions for liabilities			<u>(13,901)</u>		<u>(10,836)</u>
Net assets			<u>1,249,279</u>		<u>1,971,171</u>
Capital and reserves					
Called up share capital	12		267		267
Share premium account	13		3,096,416		3,096,416
Other reserves			36,664		-
Profit and loss reserves	14		<u>(1,884,068)</u>		<u>(1,125,512)</u>
Total equity			<u>1,249,279</u>		<u>1,971,171</u>

The notes on pages 9 to 26 form part of the financial statements.

These financial statements have been prepared 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 21 January 2021 and are signed on its behalf by:



Mr P Black
Director

Company Registration No. 05553047

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Sales-I UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Floor 3, 31 Homer Road, Solihull, England, B91 3LT.

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 disclosure requirements of section 1A of FRS 102 have been applied.

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 £.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sales-i Limited. These consolidated financial statements are available from its registered office at Floor 3, 31 Homer Road, Solihull, England, B91 3LT.

1.2 Prior period error

Creditors

The prior period has been restated to re-classify the non-current creditors from creditors due within one year. The restatement is necessary to correct a presentation error in the prior period.

The effect of this restatement is an increase in the prior period creditors due after more than one year of £129,024 and a decrease in creditors due within one year by £129,024.

The restatement has no effect on the company retained earnings or taxation.

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.3 Going concern

The directors have prepared detailed profit and cash flow forecasts for the company based on trading up to 31 January 2022. Based on this review, the directors consider the company to have sufficient resources to continue trading for the foreseeable future, being able to meet its liabilities as and when they fall due. This has been assessed for a period of not less than twelve months from the approval date of these financial statements.

Since the balance sheet date the World Health Organisation declared COVID-19 a global pandemic on the 11 March 2020. In response to such economic uncertainty and the worldwide restrictions put in place, the company undertook a series of measures to ensure that the business would be able to operate in the short and long term, not knowing when the situation may improve.

The company took the opportunity to support some of its customers that were struggling to trade due to COVID-19 implications, during these uncertain times for some industry verticals. The company also restructured in both the US and the UK in order to mitigate any potential downturn in business.

Such measures have ensured continued trade, profitability and strong cash positions for the company and future projections remain healthy despite the latest national lockdown in January 2021. It is envisaged that the company will emerge stronger from the pandemic as a result of these measures.

The directors have therefore adopted the going concern basis in preparing the financial statements and do not consider a material uncertainty is present in relation to going concern.

1.4 Reporting period

The prior period was a short period of 9 months to 31st December 2018.

1.5 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.

Subscriptions are recognised in equal instalments over the period of the customer is entitled to access the company's software. Services revenue is recognised when the service is rendered. Training fees are recognised when the training has been delivered.

Consideration received prior to the performance of or delivery of the services is recognised on the Statement of Financial Position as deferred income.

1.6 Research and development expenditure

All expenditure on research and development is written off against profits in the year in which it is incurred.

1.7 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.

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:

Plant and machinery etc	25% on cost
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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.

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

1.10 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 statement of financial position 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.

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

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

1.12 Taxation

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

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.14 Retirement benefits

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

1.15 Share-based payments

The company participates in a share-based payment arrangement granted to its employees. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in its consolidated accounts. The directors consider that an appropriate allocation is to recognise the expense based on the number of employees benefiting from the share based payment plan as employed by each group entity.

The fair value of equity-settled share based payments is measured by the parent company using a Black-Scholes pricing model.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.17 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 in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Deferred tax

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties. The company has significant tax losses but does not anticipate sufficient taxable profits to arise in the foreseeable future in order to utilise these losses, as a result the directors' judgment is that no deferred tax asset should be recognised.

Research and development tax credits - Uncertain tax positions

Amounts included within the tax credit and the associated balance sheet position in relation to research and development tax credits are recognised as uncertain tax positions. The directors consider that each outstanding annual claim represents a single unit of account, and single best estimates based on the information available as at the balance sheet date and subsequently are made in order to determine the appropriate recognition of these amounts. Although the recognition of these amounts is in part reliant upon the historical credits that have been received, future recoverability is also partially dependent upon the credits being successfully claimed, and as such the recognition of these amounts represents an area of judgement and estimation uncertainty in the financial statements.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 78 (2018 - 76).

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Directors' remuneration and dividends

	2019	2018
	£	£
Remuneration paid to directors	526,619	302,783

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 3).

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2019	224,958
Additions	60,601
At 31 December 2019	285,559
Depreciation and impairment	
At 1 January 2019	146,754
Depreciation charged in the year	41,803
At 31 December 2019	188,557
Carrying amount	
At 31 December 2019	97,002
At 31 December 2018	78,204

6 Debtors

	2019	2018
	£	£
Trade debtors	354,347	567,794
Corporation tax recoverable	363,177	469,002
Amounts due from fellow group undertakings	1,034,959	1,431,321
Other debtors	221,083	190,455
	1,973,566	2,658,572

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Creditors: amounts falling due within one year

	2019	2018 as restated
	£	£
Trade creditors	82,678	256,131
Other taxation and social security	307,877	250,992
Other creditors	576,898	539,394
	<u>967,453</u>	<u>1,046,517</u>

8 Creditors: amounts falling due after more than one year

	2019	2018 as restated
	£	£
Other creditors	87,179	129,024
	<u>87,179</u>	<u>129,024</u>

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019	Liabilities 2018
	£	£
Balances:		
Accelerated capital allowances	15,015	11,428
Tax losses	-	(592)
Disallowable provisions (trade)	(1,114)	-
	<u>13,901</u>	<u>10,836</u>
		2019
Movements in the year:		£
Liability at 1 January 2019		10,836
Charge to profit or loss		3,065
		<u>13,901</u>
Liability at 31 December 2019		<u>13,901</u>

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Deferred taxation (Continued)

The deferred tax liability set out above is expected to reverse within 48 months and mainly relates to accelerated capital allowances that are expected to mature within the same period.

The company has not recognised a deferred tax asset of £474,812 (2018: £474,811) relating to unutilised tax losses. It has been determined that it is not probable that taxable profits will be available in the near future against which the tax losses can be utilised.

10 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	80,914	36,580

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.

At the balance sheet date the company owed £14,656 to the pension provider (2018: £8,054).

11 Share-based payment transactions

During the year, the group to which the company belongs implemented a share option scheme for group employees.

The company recognises and measures its share based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The allocation is based on the number of employees benefiting from the share based payment plan employed by each group entity.

12 Called up share capital

	2019	2018
	£	£
Ordinary share capital Issued and fully paid		
267,054 (2018: 267,054) Ordinary Shares of 0.1p each	267	267

13 Share premium account

	2019	2018
	£	£
At the beginning of the year	3,096,416	2,646,375
Issue of new shares	-	450,041
At the end of the year	3,096,416	3,096,416

Includes excess of consideration received over nominal value of share issues in current and prior periods.

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

14 Profit and loss reserves

	2019	2018
	£	£
At the beginning of the year	(1,125,512)	(248,391)
Loss for the year	(758,556)	(877,121)
At the end of the year	<u>(1,884,068)</u>	<u>(1,125,512)</u>

15 Events after the reporting date

Since the balance sheet date, the World Health Organisation declared COVID-19 as a global pandemic on the 11 March 2020. In response to such economic uncertainty and the worldwide restrictions put in place, the company undertook a series of measures to ensure that the business would be able to operate both in the short and long term, not knowing when the situation may improve. However, as detailed within the going concern accounting policy, the directors' assessment at the date of approval of these accounts is that the virus does not create a material uncertainty as to going concern.

16 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:

	2019	2018
	£	as restated £
Within one year	446,462	446,462
Between two and five years	1,334,801	1,446,497
In over five years	920,599	1,255,365
	<u>2,701,862</u>	<u>3,148,324</u>

The prior period has been restated to increase outstanding commitments for future minimum lease payments under non-cancellable operating leases to the full outstanding liabilities. The restatement is necessary to correct a disclosure error in the prior period.

The effect of this restatement is an increase of £524,717 in the outstanding commitments for future minimum lease payments under non-cancellable operating leases.

SALES-I UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

17 Related party transactions

The Technology and Innovation Fund LP is a part shareholder of the immediate controlling party of Sales-I UK Limited. The fund provided Sales-I UK Limited with consultancy services as requested under a consultancy agreement. During the year the company paid £48,333 (2018: £13,333) for such services. There was no balance payable or receivable at the balance sheet date (2018: £0).

Phaistos Management Limited is a related party due to being under control of a director of the company. The company also provided Sales-I UK Limited with consultancy services as requested under a consultancy agreement. During the year the company paid £35,000 for consultancy services (2018: £27,000). There was no balance payable or receivable at the balance sheet date (2018: £0).

My Exceptional Personnel Limited is a related party due to being under control of a person closely associated to one of the Sales-I UK Limited directors.

In the prior period Sales-I UK Limited made purchases of £12,000 relating to recruitment services from My Exceptional Personnel Limited. There was no balance payable or receivable at the balance sheet date (2018: £0).

There was no transactions with My Exceptional Personnel Limited during the 2019 financial year.

The company has taken advantage of the exemption available per paragraph 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

18 Parent company

The immediate parent and controlling party is Sales-i Limited, a company registered in England.

The smallest and largest group preparing consolidated financial statements including the company is Sales-i Limited. These financial statements may be obtained from Sales-i Limited at the registered office, Floor 3 Homer road, Solihull, BT91 3LT.

There is no ultimate individual controlling shareholders.

19 Prior period adjustment

Creditors

The prior period has been restated to re-classify the non-current creditors from creditors due within one year. The restatement is necessary to correct a presentation error in the prior period.

The effect of this restatement is an increase in the prior period creditors due after more than one year of £129,024 and a decrease in creditors due within one year by £129,024.

The restatement has no effect on the company retained earnings or taxation.