

Company Registration Number: 3036966

**TRIBAL HOLDINGS LIMITED**

**Annual Report and Financial Statements**

**31 December 2018**

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**TRIBAL HOLDINGS LIMITED****ANNUAL REPORT AND FINANCIAL STATEMENTS 2018****CONTENTS**

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**TRIBAL HOLDINGS LIMITED****OFFICERS AND PROFESSIONAL ADVISERS****DIRECTORS**

M Pickett

R Last (appointed 28 August 2018)

**REGISTERED OFFICE**

Kings Orchard  
1 Queen Street  
Bristol  
BS2 0HQ

**BANKERS**

Lloyds Bank  
PO Box 112  
Canon's House  
Canon's Way  
Bristol  
BS99 7LB

HSBC Bank  
3 Temple Quay  
Bristol  
BS1 6DZ

**SOLICITORS**

Taylor Wessing LLP  
5 New Street Square  
London  
EC4A 3TW

**DIRECTORS' REPORT**

The Directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 December 2018. This Directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Company has taken advantage of the exemption not to produce a Strategic Review.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the Company is to hold the new Group internally generated Intellectual Property.

The Directors are satisfied with the result for the year and expect that the Company will continue as a head office service company in the future.

**RESULTS AND DIVIDENDS**

The results for the year are shown on page 5. The profit for the financial year was £198,000 (2017: loss of £232,000). Intercompany dividends were paid in the year £11,500,000 (2017: £nil).

**GOING CONCERN**

Tribal Group plc, the parent company, has undertaken to make adequate financial resources available to the Company to meet its current and future obligations as and when they fall due.

The Group maintains appropriate cash balances and has a £2.0m committed overdraft facility in the UK. The overdraft is committed for a 12 month period ending September 2019.

Group's software products benefit from a significant installed customer base, whilst its other activities are typically delivered under the framework of long-term contracts. Collectively, they have a range of customers across different geographic areas, good levels of committed income and a pipeline of new opportunities. The Group's forecasts and projections, which allow for reasonable possible changes in trading performance, show that the Group will be cash generative across the forecast period. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis in preparing the Group's financial statements.

In assessing the Company's going concern position and the Group's ability to provide the necessary financial support, the Directors have considered all relevant facts and latest forecasts and assessment of the risks faced by the Group, taking into account reasonably possible changes in trading performance. Accordingly, after making enquiries and receiving confirmation of Group support as set out above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

**DIRECTORS**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

- Ian Bowles (resigned 28 August 2018)
- Mark Pickett
- Richard Last (appointed 28 August 2018)

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which have been in force during the financial year and which remain in force at the date of this report. Directors' and officers' liability insurance is provided for all Directors of the Company.

**POST BALANCE SHEET EVENTS**

There have been no significant events since the balance sheet date.

**DIRECTORS' REPORT (continued)**

**AUDIT EXEMPTION**

For the year ending 31 December 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 5 to 14 were approved by the Board of Directors and signed on behalf of the Board on 19 July 2019.

A handwritten signature in black ink, appearing to read 'M Pickett', followed by a period.

**M Pickett**  
Director

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

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**TRIBAL HOLDINGS LIMITED****INCOME STATEMENT****For the year ended 31 December 2018**

	<b>Note</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Revenue		215	95
Administrative expenses		(136)	-
<b>OPERATING PROFIT</b>	<b>3</b>	<b>79</b>	<b>95</b>
Investment income	<b>6</b>	13	-
<b>PROFIT BEFORE TAXATION</b>		<b>92</b>	<b>95</b>
Tax credit/(charge)on profit	<b>7</b>	106	(327)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>198</b>	<b>(232)</b>

There is no other comprehensive income for the current or preceding financial year other than as stated in the income statement. Accordingly, no separate statement of comprehensive income has been presented.

All the Company's operations are classed as continuing activities.

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**TRIBAL HOLDINGS LIMITED****BALANCE SHEET****As at 31 December 2018**

	<b>Note</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>NON-CURRENT ASSETS</b>			
Intangible assets	7	5,287	1,237
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	19,940	29,444
Cash at Bank		60	25
		<u>20,000</u>	<u>29,469</u>
<b>CURRENT LIABILITIES</b>			
Payables	10	<u>(24,602)</u>	<u>(18,719)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(4,602)</u>	<u>10,750</u>
<b>NET ASSETS</b>		<u>685</u>	<u>11,987</u>
<b>EQUITY</b>			
Called up share capital	11	113	113
Share premium account		-	10,790
Share option reserve		359	359
Retained earnings		213	725
<b>SHAREHOLDERS' FUNDS</b>		<u>685</u>	<u>11,987</u>

Notes 1 to 12 form part of these financial statements.

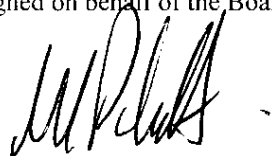
For the year ending 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 5 to 14 of Tribal Holdings Limited (Company Registration Number: 3036966) were approved by the Board of Directors and authorised for issue on 29 July 2019.

Signed on behalf of the Board of Directors



**M Pickett**  
Director

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**TRIBAL HOLDINGS LIMITED****STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2018**

	<b>Called up share capital £'000</b>	<b>Share premium account £'000</b>	<b>Share option reserve £'000</b>	<b>Retained earnings £'000</b>	<b>Total shareholders' funds £'000</b>
Balance at 1 January 2017	113	10,790	356	958	12,217
Credit to equity for share-based payments	-	-	3	-	3
Tax charge to equity for share-based payments	-	-	-	(1)	(1)
Loss for the financial year	-	-	-	(232)	(232)
Balance at 31 December 2017 and 1 January 2018	113	10,790	359	725	11,987
Dividends paid	-	-	-	(11,500)	(11,500)
Transfer to retained earnings	-	10,790	-	10,790	-
Profit for the financial year	-	-	-	198	198
Balance at 31 December 2018	113	-	359	213	685

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2018****1. GENERAL INFORMATION**

Tribal Holdings Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial reporting Council (FRC) incorporating the amendments to FRS 101 issued by the FRC in July 2015.

**Adoption of new and revised standards**

In the current financial year, the Company has applied a number of amendments to IFRSs and new interpretations by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after 1 January 2018 including IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" which have been adopted for the first time in 2018. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

At the date of the authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not been adopted by the EU):

- IFRS 2 (amendments) Share based payments
- IFRS 16 Leases
- IFRS 17 Insurance contracts
- IFRS 4 (amendments) 'Insurance contracts' regarding the implementation of IFRS 9 'Financial Instruments'
- IFRIC 22 Foreign currency transactions and advance consideration
- IFRIC 23 Uncertainty over income tax treatments
- Annual Improvements 2016-2018 Cycles

The Company has assessed the impact of adopting IFRS 16, and has concluded that there is no impact.

There are no other standards expected to have an impact.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2018**

**2. ACCOUNTING POLICIES**

**Basis of accounting**

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council. These financial statements have been prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash-flow statement, share based payments, financial instruments, presentation of comparative information in respect of certain aspects, and certain related party transactions.

Where relevant, equivalent disclosures have been given in the Group financial statements of Tribal Group plc. The Group financial statements of Tribal Group plc are available to the public and can be obtained as set out in note 15.

The financial statements have been prepared under the historical cost basis and in accordance with Financial Reporting Standard 101 (FRS 101) as issued by the Financial Reporting Council.

These policies have been consistently applied to all the years presented, unless otherwise stated.

**Going concern**

Tribal Group plc, the parent company, has undertaken to make adequate financial resources available to the company to meet its current and future obligations as and when they fall due. Given the reliance on the parent company, it is important that the Directors have considered the ability of the parent company to provide the financial support required by the company to continue to operate as a going concern for the foreseeable future which is at least 12 months from the approval of these financial statements.

The annual report of Tribal Group plc has been prepared on a going concern basis.

The Directors, having considered the Group's cash-flow forecast, and while noting the Group has net current liabilities, have performed a risk assessment of likely downside scenarios and associated mitigating actions, and have a reasonable expectation that adequate financial resources will continue to be available for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

**Critical accounting estimates and judgements**

The preparation of financial statements often requires the use of judgements to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and assumptions concerning the future may be required in selecting and applying those methods and policies in the financial statements. The Company bases its estimates and judgements on historical experience and various other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates and judgements under different assumptions or conditions.

There are no critical accounting estimates or judgements in applying the Company's accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2018****2. ACCOUNTING POLICIES (continued)****Intangible assets**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Company's product development is recognised only if all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally generated intangible assets are amortised on a straight-line basis over their useful economic lives of 2 to 7 years. A provision for any impairment is made where necessary. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

**Property, plant and equipment**

Property, plant and equipment is stated at cost, net of depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost of each asset, other than properties in the course of construction, by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	life of the lease
Fixtures and fittings, computer and office equipment	3 to 7 years

**Other Revenue**

Other Revenue relates to A Research and Development Expenditure Credit (RDEC) tax incentive which is accounted for on an accruals basis, and management charges received in the year which are accounted for on a receivable basis.

**Taxation**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at each balance sheet 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 in the income statement is charged or credited, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2. ACCOUNTING POLICIES (continued)

**Taxation (continued)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

- **Cash**  
Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand which have a right of offset against cash balances. These instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.
- **Financial liabilities**  
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

3. AUDITORS' REMUNERATION

Fees payable to the Group's auditors BDO LLP for the audit of the Company's annual financial statements were £nil (2017 Previous auditors: £nil). In the current and previous year the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

4. STAFF COSTS

**Directors' Remuneration**

M Pickett and R Last are directors of Tribal Group plc and their emoluments and pension details are disclosed in the Group financial statements. I Bowles was a director until 28 August 2018 when he sadly passed away. They are remunerated by Tribal Group plc for their services to the group as a whole and it is not practicable to allocate their remuneration between their services as directors of this company and their services as directors of other group companies. Their total remuneration payable for 2018 and comparable amounts for the preceding year are as follows: I Bowles £1,231,510 (2017: £873,709) M Pickett £673,331 (2017: £613,994) R Last £401,093 (2017: £364,740).

5. INVESTMENT INCOME

	2018 £'000	2017 £'000
Bank interest receivable	13	-

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2018

**6. TAX ON PROFIT**

	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
<b>Current tax</b>		
UK corporation tax for the year	(419)	(130)
Adjustments in respect of prior periods	(66)	(82)
	<u>(485)</u>	<u>(212)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	385	532
Adjustment in respect of prior periods	35	69
Effect of rate change	(41)	(62)
	<u>379</u>	<u>539</u>
<b>Tax charge on profit</b>	<u>(106)</u>	<u>327</u>

The standard rate of tax for the year was 19% (2017: 19.25%). The actual tax credit for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation:

	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
Profit before taxation	<u>92</u>	<u>95</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	17	18
Effects of:		
Transfer of capital allowances to group undertakings	-	364
Expenses not deductible for tax purposes	(52)	1
Effect of rate change	(41)	(62)
Worldwide debt cap adjustment	-	(40)
Transfer pricing adjustments	(4)	59
Adjustments in respect of prior periods	(31)	(13)
R&D tax credits	5	-
Total tax charge	<u>(106)</u>	<u>327</u>

In addition to the amount charged to the income statement a deferred tax charge of £Nil (2017: £1,000) has been recognised directly in equity during the year in relation to share schemes.

The tax on profit for the year is based on the blended UK statutory rate of corporation tax for the year of 19% (2017: 19.25%).

A further reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future tax charge accordingly. The deferred tax balances at 31 December 2018 have been calculated using these rates.

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**TRIBAL HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2018****7. INTANGIBLE ASSETS**

	<b>Development Costs £'000</b>
<b>Cost</b>	
At 1 January 2018	1,237
Additions	4,050
At 31 December 2018	<u>5,287</u>
<b>Accumulated Depreciation</b>	
At 1 January 2018 & 31 December 2018	<u>-</u>
<b>Net book value</b>	
At 31 December 2018	<u>5,287</u>
<b>Net book value</b>	
At 31 December 2017	<u>1,237</u>

**8. TRADE AND OTHER RECEIVABLES**

	<b>2018 £'000</b>	<b>2017 £'000</b>
Amounts due from group undertakings	19,143	29,010
Other debtors	-	5
Corporation tax	737	206
Other taxation and social security	60	223
	<u>19,940</u>	<u>29,444</u>

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**9. DEFERRED TAX**

	<b>2018 £'000</b>	<b>2017 £'000</b>
Deferred tax is provided as follows:		
Differences between capital allowances and depreciation	(526)	(147)
	<u>(526)</u>	<u>(147)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

9. DEFERRED TAX (continued)

The movement in deferred tax balances during the year and prior year is as follows:

	Accelerated capital allowances £'000	Share-based payments £'000	Total £'000
<b>Deferred taxation</b>			
At 1 January 2017	390	3	393
Net movement in equity	-	(1)	(1)
Income statement charge	(537)	(2)	(539)
At 31 December 2017 and 1 January 2018	(147)	-	(147)
Net movement in equity	-	-	-
Income statement charge	(379)	-	(379)
At 31 December 2018	(526)	-	(526)

The impact of changes in tax rates on deferred tax balances of £41,000 (2017: £62,000) has been credited to the income statement and is included within the total deferred tax charge to the income statement of £379,000 (2017: £539,000).

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Amounts owed to group undertakings	24,076	18,572
Deferred Tax (note 9)	526	147
	<u>24,602</u>	<u>18,719</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11. CALLED UP SHARE CAPITAL

	2018 £'000	2017 £'000
<b>Allotted, issued and fully paid</b>		
2,263,652 ordinary shares of 5p each	<u>113</u>	<u>113</u>

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company is a wholly-owned subsidiary of Tribal Group plc.

The Company's ultimate parent company and controlling party is Tribal Group plc, which is incorporated in the United Kingdom. Tribal Group plc is the parent of the only group for which group financial statements are prepared. The smallest and largest undertaking for which the Company is a member and for which group financial statements are prepared is Tribal Group plc. The consolidated financial statements of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ, or from their website [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk).