

DEVICE AUTHORITY LTD

**Company Registration Number:
04676191 (England and Wales)**

Unaudited abridged accounts for the year ended 31 December 2017

Period of accounts

Start date: 01 January 2017

End date: 31 December 2017

DEVICE AUTHORITY LTD

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Balance sheet

As at 31 December 2017

	<i>Notes</i>	<i>2017</i>	<i>2016</i>
		£	£
Fixed assets			
Intangible assets:	3	20,456	24,189
Tangible assets:	4	2,564	4,491
Investments:	5	6,386,628	6,386,628
Total fixed assets:		<u>6,409,648</u>	<u>6,415,308</u>
Current assets			
Stocks:		0	0
Debtors:		1,316,091	761,858
Cash at bank and in hand:		218,039	1,593,540
Total current assets:		<u>1,534,130</u>	<u>2,355,398</u>
Creditors: amounts falling due within one year:		(7,536,399)	(6,609,816)
Net current assets (liabilities):		<u>(6,002,269)</u>	<u>(4,254,418)</u>
Total assets less current liabilities:		407,379	2,160,890
Creditors: amounts falling due after more than one year:		0	0
Provision for liabilities:		0	0
Total net assets (liabilities):		<u>407,379</u>	<u>2,160,890</u>
Capital and reserves			
Called up share capital:		1,121,333	1,121,296
Share premium account:		3,764,323	3,764,323
Profit and loss account:		(4,478,277)	(2,724,729)
Shareholders funds:		<u>407,379</u>	<u>2,160,890</u>

The notes form part of these financial statements

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Balance sheet statements

For the year ending 31 December 2017 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A).

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The directors have chosen to not file a copy of the company's profit & loss account.

**This report was approved by the board of directors on 26 September 2018
and signed on behalf of the board by:**

Name: Darron Antill
Status: Director

The notes form part of these financial statements

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Notes to the Financial Statements

for the Period Ended 31 December 2017

1. Accounting policies

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Turnover policy

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. This is recognised, as amounts are invoiced, earned and become payable. If revenues are invoiced for services to be rendered in respect of a future period, the revenues are apportioned.

Tangible fixed assets and depreciation policy

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are, Computer hardware 3 Years.

Intangible fixed assets and amortisation policy

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intellectual Property License costs are recognised as an intangible asset when all the following criteria are demonstrated: The technical feasibility of completing the Intellectual Property Licenses so that it will be available for use or sale. The intention to complete the Intellectual Property Licenses and use or sell it. The ability to use the Intellectual Property Licenses or to sell it. How the Intellectual Property Licenses 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 Intellectual Property Licenses. The ability to measure reliably the expenditure attributable to the Intellectual Property Licenses during its development. Amortisation is charged to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives, Intellectual Property License cost Original Device Authority Limited IP 10 Years Computer Software development 3 Years. If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

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

2. Employees

	<i>2017</i>	<i>2016</i>
Average number of employees during the period	17	15

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

3. Intangible Assets

	Total
Cost	£
At 01 January 2017	30,800
Additions	0
Disposals	0
Revaluations	0
Transfers	0
At 31 December 2017	<u>30,800</u>
Amortisation	
At 01 January 2017	6,611
Charge for year	3,733
On disposals	0
Other adjustments	0
At 31 December 2017	<u>10,344</u>
Net book value	
At 31 December 2017	<u>20,456</u>
At 31 December 2016	<u>24,189</u>

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

4. Tangible Assets

	Total
Cost	£
At 01 January 2017	5,781
Additions	0
Disposals	0
Revaluations	0
Transfers	0
At 31 December 2017	<u><u>5,781</u></u>
Depreciation	
At 01 January 2017	1,290
Charge for year	1,927
On disposals	0
Other adjustments	0
At 31 December 2017	<u><u>3,217</u></u>
Net book value	
At 31 December 2017	<u><u>2,564</u></u>
At 31 December 2016	<u><u>4,491</u></u>

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Notes to the Financial Statements

for the Period Ended 31 December 2017

5. Fixed investments

On April 20, 2016, Device Authority Limited acquired 100% of the share capital of DeviceAuthority Inc. During 2017 no amortization has been assigned to the investment.

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Notes to the Financial Statements

for the Period Ended 31 December 2017

6. Related party transactions

Name of the related party:	DeviceAuthority Inc
Relationship:	Subsidiary
Description of the Transaction:	At the balance sheet date, included within debtors, was an intercompany loan for £1,234,802 (2015 £666,635), due to Device Authority Limited from Device Authority Inc, a subsidiary with is 100% owned by Device Authority Limited. There are no fixed terms in place for the loan and no interest was charged during the year.
	£
Balance at 01 January 2017	666,635
Balance at 31 December 2017	1,234,802

Name of the related party:	Tern Plc
Relationship:	Shareholder
Description of the Transaction:	Tern PLC, which has a controlling shareholding in the Company, is considered a related party. During the period, Tern's total invoices to the company was £20,000 (2016: £39,715) in respect of management services, facility fees and expenses. At the period-end the Company owed £12,000 (2016: £nil) in trade payables. Tern has also provided a convertible loan note facility to Device Authority Limited. As at 31st December 2017, £382,436 was outstanding (2016: £nil).
	£
Balance at 01 January 2017	39,715
Balance at 31 December 2017	414,436

Name of the related party:	Alsop Louie Partner
Relationship:	Shareholder
Description of the Transaction:	Alsop Louie Partners provided a convertible loan note facility to Device Authority Limited. As at 31st December 2017, £317,989 was outstanding (2016: £nil).
	£
Balance at 01 January 2017	0
Balance at 31 December 2017	317,989

Name of the related party:	George Samenuk
Relationship:	Shareholder
Description of the Transaction:	George Samenuk provided a convertible loan note facility to Device Authority Limited. As at 31st December 2017, £60,403 was outstanding (2016: £nil).

	£
Balance at 01 January 2017	0
Balance at 31 December 2017	60,403

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Notes to the Financial Statements

for the Period Ended 31 December 2017

7. Post balance sheet events

Convertible Loan Note On February 28th, 2018, Device Authority subscribed to an additional convertible loan note of £512,548 from its current shareholders. On June 8th, 2018, Device Authority subscribed to an additional convertible loan note of £318,352 from its current shareholders. On September 13th, 2018, Device Authority subscribed to an additional convertible loan note of £560,865 from its current shareholders.

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