

REGISTERED NUMBER: 04955555 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

FOR

SKILLS MATTER LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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SKILLS MATTER LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS:

W I M Devolder
N Macris
J K Schmidt

SECRETARY:

N Macris

REGISTERED OFFICE:

31 High Street
Haverhill
Suffolk
CB9 8AD

REGISTERED NUMBER:

04955555 (England and Wales)

ACCOUNTANTS:

Hackett Griffey LLP
Chartered Certified Accountants
31 High Street
Haverhill
Suffolk
CB9 8AD

BALANCE SHEET
31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Intangible assets	4		657,928		608,768
Tangible assets	5		106,972		104,871
Investments	6		50		50
			<u>764,950</u>		<u>713,689</u>
CURRENT ASSETS					
Stocks		3,285		3,693	
Debtors	7	2,217,010		1,538,781	
Cash at bank and in hand		<u>873,337</u>		<u>122,097</u>	
		3,093,632		1,664,571	
CREDITORS					
Amounts falling due within one year	8	<u>3,501,732</u>		<u>3,556,242</u>	
NET CURRENT LIABILITIES			<u>(408,100)</u>		<u>(1,891,671)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			356,850		(1,177,982)
CREDITORS					
Amounts falling due after more than one year	9		<u>2,687,000</u>		<u>200,000</u>
NET LIABILITIES			<u>(2,330,150)</u>		<u>(1,377,982)</u>
CAPITAL AND RESERVES					
Called up share capital			176		176
Share premium			1,958,409		1,958,409
Other reserves			1,100,000		-
Retained earnings			<u>(5,388,735)</u>		<u>(3,336,567)</u>
SHAREHOLDERS' FUNDS			<u>(2,330,150)</u>		<u>(1,377,982)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
31 DECEMBER 2018

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 16 September 2019 and were signed on its behalf by:

W I M Devolder - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. **STATUTORY INFORMATION**

Skills Matter Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has been in a development phase and has also recently completed a move to substantial new premises and so has incurred a trading loss.

Following a successful funding round the company has cash reserves which the directors consider is sufficient for the company to continue through the next stage of its growth.

The directors therefore consider it appropriate to prepare the financial statements on the basis that the company is a going concern.

Turnover

Turnover is the amount derived from ordinary activities, stated after trade discounts, other sales taxes and net of VAT.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of nil years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to leasehold property	- Straight line over the term of the lease
Office equipment	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Investments in subsidiaries and associates

Investments in subsidiary and associate undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Intangible assets - web platform development expenditure

Development expenditure on the Web Platform project is carried forward on the basis that its future recoverability can be foreseen with reasonable assurance and once completed is amortised in line with revenue from the project.

Amortisation has been charged at a rate of 25% on cost.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 53 (2017 - 34) .

4. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 January 2018	1,473,471
Additions	478,931
At 31 December 2018	<u>1,952,402</u>
AMORTISATION	
At 1 January 2018	864,703
Amortisation for year	429,771
At 31 December 2018	<u>1,294,474</u>
NET BOOK VALUE	
At 31 December 2018	<u>657,928</u>
At 31 December 2017	<u>608,768</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

4. INTANGIBLE FIXED ASSETS - continued

Development expenditure on the Web Platform project is carried forward on the basis that its future recoverability can be foreseen with reasonable assurance and once completed is amortised in line with revenue from the project. These are considered to be special circumstances why capitalised development costs are not to be treated as a realised loss when determining distributable reserves.

5. TANGIBLE FIXED ASSETS

	Improvements to leasehold property £	Office equipment £	Computer equipment £	Totals £
COST				
At 1 January 2018	61,584	49,798	98,923	210,305
Additions	-	1,763	24,423	26,186
Disposals	-	(81)	(3,831)	(3,912)
At 31 December 2018	<u>61,584</u>	<u>51,480</u>	<u>119,515</u>	<u>232,579</u>
DEPRECIATION				
At 1 January 2018	9,323	30,399	65,712	105,434
Charge for year	4,246	5,090	14,501	23,837
Eliminated on disposal	-	(78)	(3,586)	(3,664)
At 31 December 2018	<u>13,569</u>	<u>35,411</u>	<u>76,627</u>	<u>125,607</u>
NET BOOK VALUE				
At 31 December 2018	<u>48,015</u>	<u>16,069</u>	<u>42,888</u>	<u>106,972</u>
At 31 December 2017	<u>52,261</u>	<u>19,399</u>	<u>33,211</u>	<u>104,871</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Interest in associate £	Totals £
COST			
At 1 January 2018 and 31 December 2018	<u>1</u>	<u>49</u>	<u>50</u>
NET BOOK VALUE			
At 31 December 2018	<u>1</u>	<u>49</u>	<u>50</u>
At 31 December 2017	<u>1</u>	<u>49</u>	<u>50</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	274,454	301,308
Amounts owed by group undertakings	47,155	43,361
Other debtors	1,137,617	709,316
Accrued income	711	4,745
Prepayments	<u>757,073</u>	<u>480,051</u>
	<u>2,217,010</u>	<u>1,538,781</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Convertible bonds	500,000	1,000,000
Loan notes	500,000	500,000
Preference shares	50,000	-
Trade creditors	649,179	672,909
Amounts owed to associates	36,917	72,734
Social security and other taxes	77,083	46,445
VAT	34,333	56,592
Other creditors	11,815	7,633
Deferred income	1,108,575	899,900
Accrued expenses	533,830	300,029
	<u>3,501,732</u>	<u>3,556,242</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Convertible bonds	2,537,000	-
Preference shares	150,000	200,000
	<u>2,687,000</u>	<u>200,000</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Convertible bonds	2,537,000	1,000,000
Loan notes	500,000	500,000
	<u>3,037,000</u>	<u>1,500,000</u>

The convertible bonds and loan notes are secured by a charge over the assets of the company.

11. OTHER FINANCIAL COMMITMENTS

The total amount of commitments, guarantees and contingencies is £3,300,040 (2017: £3,850,028).

12. POST BALANCE SHEET EVENTS

During the year £1,100,000 was raised by advanced share agreements. During April 2019 this was used to subscribe for equity share capital.

Convertible bonds of £500,000 were converted to advanced share agreements during April 2019.

Since the year-end further amounts of £675,000 in the aggregate have been raised by advanced share agreements and in May 2019 the Company entered into a contract to receive a further equity investment of £2,500,000 from an institutional investor by 30th September 2019.

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.