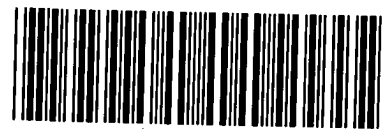


Company Registration No. 06183878 (England and Wales)

CONTAGIOUS COMMUNICATIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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CONTAGIOUS COMMUNICATIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3		59,443		70,044
Tangible assets	4		17,581		28,629
Investments	5		1		1
			<u>77,025</u>		<u>98,674</u>
Current assets					
Stocks		2,625		-	
Debtors	7	1,063,928		763,199	
Cash at bank and in hand		77,190		36,892	
		<u>1,143,743</u>		<u>800,091</u>	
Creditors: amounts falling due within one year					
Loans and overdrafts		-		11,696	
Taxation and social security		110,606		61,043	
Other creditors	8	666,988		623,048	
Deferred income		916,026		848,465	
		<u>1,693,620</u>		<u>1,544,252</u>	
Net current liabilities			<u>(549,877)</u>		<u>(744,161)</u>
Total assets less current liabilities			<u>(472,852)</u>		<u>(645,487)</u>
Provisions for liabilities			-		(14,814)
Net liabilities			<u>(472,852)</u>		<u>(660,301)</u>
Capital and reserves					
Called up share capital	9		1,401		1,401
Share premium account			21,000		21,000
Other reserves			4,888		(5,041)
Profit and loss reserves			<u>(500,141)</u>		<u>(677,661)</u>
Total equity			<u>(472,852)</u>		<u>(660,301)</u>

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

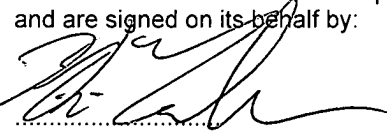
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

CONTAGIOUS COMMUNICATIONS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 11.09.2019 and are signed on its behalf by:



Mr K Marsden
Director

Company Registration No. 06183878

CONTAGIOUS COMMUNICATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Share premium account £	Currency translation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2017	1,401	21,000	(3,382)	(601,421)	(582,402)
Year ended 31 December 2017:					
Loss for the year	-	-	-	(76,240)	(76,240)
Other comprehensive income:					
Currency translation differences	-	-	(1,659)	-	(1,659)
Total comprehensive income for the year	-	-	(1,659)	(76,240)	(77,899)
Balance at 31 December 2017	1,401	21,000	(5,041)	(677,661)	(660,301)
Year ended 31 December 2018:					
Profit for the year	-	-	-	177,520	177,520
Other comprehensive income:					
Currency translation differences	-	-	9,929	-	9,929
Total comprehensive income for the year	-	-	9,929	177,520	187,449
Balance at 31 December 2018	1,401	21,000	4,888	(500,141)	(472,852)

CONTAGIOUS COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Contagious Communications Limited is a private company limited by shares incorporated in England and Wales. The registered office is Business Design Centre, Suite 238, 52 Upper Street, London, N1 0QH.

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 other than where additional disclosure is required to show a true and fair view.

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 £.

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

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

Detailed forecasts and onward projections have been prepared by the directors for 2019 and 2020. These show the company is expected to make a profit of £159,000 for 2019 and £375,000 for 2020. They also indicate that the company is expected to operate comfortably within its available cash funds and bank facilities. The first half-year management accounts for 2019 indicate that the company is meeting expected budgets and forecasts. Based on this and the continuing support of the ultimate shareholders the directors are of the opinion that the company can continue to operate as a going concern for the foreseeable future.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

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 the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 it is probable will be recovered.

CONTAGIOUS COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation 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:

Trademark and domain name	110 months straight line
Development Costs	3 years straight line

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.

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:

Land and buildings Leasehold	5 years straight line
Plant and machinery	3 years straight line
Fixtures, fittings & equipment	3 years straight line
Computer equipment	3 years 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 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

CONTAGIOUS COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 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.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

CONTAGIOUS COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

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.

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.

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 profit and loss account, 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.

CONTAGIOUS COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 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.

1.16 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.

1.17 Invoice discounting

The company has an invoice discounting agreement that enables it to receive advances against its sales invoices. The company discloses both the debtors and creditors relating to this agreement separately within its balance sheet.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 38 (2017 - 30).

CONTAGIOUS COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Intangible fixed assets

	Other £
Cost	
At 1 January 2018	866,160
Additions	38,555
At 31 December 2018	904,715
Amortisation and impairment	
At 1 January 2018	796,116
Amortisation charged for the year	49,156
At 31 December 2018	845,272
Carrying amount	
At 31 December 2018	59,443
At 31 December 2017	70,044

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2018	18,446	232,256	250,702
Additions	-	4,558	4,558
At 31 December 2018	18,446	236,814	255,260
Depreciation and impairment			
At 1 January 2018	16,930	205,143	222,073
Depreciation charged in the year	1,432	14,174	15,606
At 31 December 2018	18,362	219,317	237,679
Carrying amount			
At 31 December 2018	84	17,497	17,581
At 31 December 2017	1,516	27,113	28,629

CONTAGIOUS COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Fixed asset investments

	2018 £	2017 £
Investments	1	1

The fixed asset investment relates to the purchase of 100 shares in the US company Contagious Communications Inc.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2018 & 31 December 2018	1
Carrying amount	
At 31 December 2018	1
At 31 December 2017	1

6 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Contagious Communications Inc	USA	Global advertising intelligence provider	Ordinary	100.00

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

Name of undertaking	Profit £	Capital and Reserves £
Contagious Communications Inc	23,554	191,915

During the year the company transferred its 75% interest in Contagious Brazil Consultoria e Eventos Ltda, a company incorporated in Brazil, to the holder of the remaining 25% for £nil consideration.

CONTAGIOUS COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	753,250	482,752
Amounts owed by group undertakings	201,666	195,666
Other debtors	47,711	84,781
	<u>1,002,627</u>	<u>763,199</u>
	2018	2017
	£	£
Amounts falling due after more than one year:		
Deferred tax asset	61,301	-
	<u>61,301</u>	<u>-</u>
Total debtors	<u>1,063,928</u>	<u>763,199</u>

8 Other creditors falling due within one year

	2018	2017
	£	£
Trade creditors	155,013	248,740
Amounts due to group undertakings	199,825	143,190
Other creditors	68,766	189,472
Accruals	243,384	41,646
	<u>666,988</u>	<u>623,048</u>

Other creditors includes an invoice discounting advance of £65,325 (2017: £185,124) which is secured against the company's trade debtors. Director, Mr P Kemp-Robertson has further provided a personal guarantee up to a maximum of £50,000 for the facility.

Bank borrowings have been secured by way of personal guarantees provided by the directors to a maximum of £50,000 each which have subsequently been removed post year end.

9 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1,401 Ordinary shares of £1 each	<u>1,401</u>	<u>1,401</u>

CONTAGIOUS COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 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 Paul Maberly FCA.

The auditor was Mercer & Hole Chartered Accountants.

11 Financial commitments, guarantees and contingent liabilities

In accordance with the Rent Deposit Deed the landlord has a charge over the rent deposit held by them on behalf of the company covering all monies due to them from time to time to the maximum of the deposit held. At the balance sheet date, the rent deposit held by the landlord was £14,614 (2017: £14,614).

12 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for land and buildings.

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

2018	2017
£	£
7,526	274,196
<u>7,526</u>	<u>274,196</u>

13 Related party transactions

The company has taken advantage of the exemption available in FRS 102 1A, whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

14 Parent company

The company's immediate and ultimate parent company is Steel River Media Limited, a company incorporated and registered in England. The registered office of Steel River Media Limited is Business Design Centre, Suite 28, 52 Upper Street, London N1 0QH. The company's financial statements are not incorporated into any group financial statements as Steel River Media Limited is not required to prepare consolidated financial statements.