

Linkdex Limited

## Company Information

**Directors**

V Mifsud (appointed 23 August 2016)  
M A Holman (resigned 19 April 2016)  
R L Lincoln (appointed 19 April 2016, resigned 23 August 2016)  
J D Pell (appointed 4 January 2016, resigned 23 August 2016)  
J C Pinto (resigned 23 August 2016)  
M D Smith (resigned 23 August 2016)  
J C Straw (resigned 23 August 2016)  
A R Van Someren (resigned 23 August 2016)  
N J Wood (resigned 23 August 2016)

**Registered number**

06569025

**Registered office**

90 Chancery Lane  
London  
WC2A 1EU

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
The Colmore Building  
20 Colmore Circus  
Birmingham  
West Midlands  
B4 6AT

**Linkdex Limited**

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**Linkdex Limited**

## **Directors' Report**

**For the Year Ended 31 December 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

### **Principal activity**

The principal activity of the company is software consultancy and supply.

### **Results and dividends**

The loss for the year, after taxation, amounted to £975,839 (2015 - loss £3,992,602).

The directors do not recommend the payment of a dividend (2015: £Nil).

### **Going concern**

The director has received confirmation from Scribble Technologies Inc, the immediate parent undertaking, that it will provide sufficient financial and other support necessary to Linkdex Limited to enable it to meet its financial and other obligations as they fall due for a period of at least 12 months from the date of signing the 2016 audited accounts.

Accordingly the financial statements have been provided on a going concern basis.

### **Directors**

The directors who served during the year were:

V Mifsud (appointed 23 August 2016)  
M A Holman (resigned 19 April 2016)  
R I. Lincoln (appointed 19 April 2016, resigned 23 August 2016)  
J D Pell (appointed 4 January 2016, resigned 23 August 2016)  
J C Pinto (resigned 23 August 2016)  
M D Smith (resigned 23 August 2016)  
J C Straw (resigned 23 August 2016)  
A R Van Someren (resigned 23 August 2016)  
N J Wood (resigned 23 August 2016)

## Directors' Report (continued)

For the Year Ended 31 December 2016

### Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



V Mifsud  
Director

Date: 21/12/2017



## Independent Auditor's Report to the Members of Linkdex Limited

We have audited the financial statements of Linkdex Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.



## Independent Auditor's Report to the Members of Linkdex Limited (continued)

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under the Companies Act 2006**

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.

### **Matters on which we are required to report by exception**

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

David White (Senior statutory auditor)

for and on behalf of

**Grant Thornton UK LLP**

Chartered Accountants  
Statutory Auditor

Birmingham

Date: 6/7/17

## Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	2,161,628	2,821,070
Cost of sales		(953,012)	(883,747)
<b>Gross profit</b>		<b>1,208,616</b>	<b>1,937,323</b>
Administrative expenses		(2,301,046)	(6,093,948)
<b>Operating loss</b>	5	<b>(1,092,430)</b>	<b>(4,156,625)</b>
Interest receivable and similar income	9	797	177
Interest payable and similar charges	10	(105,719)	(9,229)
<b>Loss before tax</b>		<b>(1,197,352)</b>	<b>(4,165,677)</b>
Tax on loss	11	221,513	173,075
<b>Loss for the year</b>		<b>(975,839)</b>	<b>(3,992,602)</b>

There was no other comprehensive income for 2016 (2015: £Nil).

The notes on pages 8 to 23 form part of these financial statements.

## Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	13	99,886	169,115
		<u>99,886</u>	<u>169,115</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	3,356,434	682,033
Cash at bank and in hand	16	115,925	1,561,845
		<u>3,472,359</u>	<u>2,243,878</u>
Creditors: amounts falling due within one year	17	(4,496,427)	(1,503,522)
<b>Net current (liabilities)/assets</b>		<u>(1,024,068)</u>	<u>740,356</u>
<b>Total assets less current liabilities</b>		<u>(924,182)</u>	<u>909,471</u>
Creditors: amounts falling due after more than one year	18	-	(1,199,053)
<b>Net liabilities</b>		<u><u>(924,182)</u></u>	<u><u>(289,582)</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	51	46
Share premium account	22	13,449,082	13,107,848
Profit and loss account	22	(14,373,315)	(13,397,476)
		<u><u>(924,182)</u></u>	<u><u>(289,582)</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

  
V Mifsud  
Director

Date: 31/12/2017

The notes on pages 8 to 23 form part of these financial statements.



## Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	46	13,107,848	(13,397,476)	(289,582)
Comprehensive income for the year				
Loss for the year	-	-	(975,839)	(975,839)
Total comprehensive income for the year	-	-	(975,839)	(975,839)
Shares issued during the year	5	341,234	-	341,239
Total transactions with owners	5	341,234	-	341,239
At 31 December 2016	51	13,449,082	(14,373,315)	(924,182)

## Statement of Changes in Equity

For the Year Ended 31 December 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	40	11,366,081	(9,404,874)	1,961,247
Comprehensive income for the year				
Loss for the year	-	-	(3,992,602)	(3,992,602)
Total comprehensive income for the year	-	-	(3,992,602)	(3,992,602)
Shares issued during the year	6	1,741,767	-	1,741,773
Total transactions with owners	6	1,741,767	-	1,741,773
At 31 December 2015	46	13,107,848	(13,397,476)	(289,582)

The notes on pages 8 to 23 form part of these financial statements.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 1. General information

Linkdex Limited is a limited liability company incorporated in England and Wales. Its registered office is located at 90 Chancery Lane, London, WC2A 1EU.

These accounts relate solely to Linkdex Limited as the company has taken the small group exemption from preparing consolidated accounts.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Going concern

The director has received confirmation from Scribble Technologies Inc, the immediate parent undertaking, that it will provide sufficient financial and other support necessary to Linkdex Limited to enable it to meet its financial and other obligations as they fall due for a period of at least 12 months from the date of signing the 2016 audited accounts.

Accordingly the financial statements have been provided on a going concern basis.

#### 2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

#### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property - 10% straight line  
Furniture, fittings and equipment - 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

#### 2.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

#### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

#### 2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.11 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

#### 2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.14 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.15 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

#### 2.16 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

#### 2.17 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

#### 2.18 Deferred tax

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### 2.19 Research and development

Research and development expenditure is written off in the year in which it is incurred.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of financial statements requires management to make significant judgments and estimates. The areas where these judgments and estimates have been made include:

#### *Trade debtors*

Trade debtors consist of amounts due from customers. An allowance for doubtful debt is maintained for estimated losses resulting from the viability of the company's customers to make required payment. The allowance is based on the company's regular assessment of the credit worthiness and financial conditions of customers.

#### *Useful economic lives of tangible fixed assets*

The annual depreciation charge for tangible fixed assets is sensitive to changes in the useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, future investments, economic utilisation and the physical condition of the assets.

#### *Non recognition of deferred tax assets*

Deferred tax assets are included to the extent that it is considered reasonably likely that the company will trade profitable in the short term and enjoy the benefit of trading losses existing at the balance sheet date.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material misstatement to the carrying amounts of assets and liabilities within the financial year.

### 4. Turnover

The whole of the turnover is attributable to the rendering of search engine optimisation services.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	1,599,604	2,821,070
Rest of Europe	367,477	-
Rest of the world	194,547	-
	<u>2,161,628</u>	<u>2,821,070</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 5. Operating loss

The operating loss is stated after charging/(crediting):

	2016 £	2015 £
(Decrease)/increase in provision against amounts due from subsidiary undertaking	(1,081,393)	1,081,393
Depreciation of tangible fixed assets	54,183	62,419
Exchange differences	(480,503)	35,500
Other operating lease rentals	165,832	257,628
Defined contribution pension cost	28,521	14,184
	<u>28,521</u>	<u>14,184</u>

### 6. Auditor's remuneration

	2016 £	2015 £
Audit-related assurance services	15,000	14,250
Taxation compliance services	2,150	2,060
	<u>17,150</u>	<u>16,310</u>

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	2,582,041	2,852,346
Social security costs	267,480	327,035
Cost of defined contribution pension scheme	28,521	14,184
	<u>2,878,042</u>	<u>3,193,565</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Employees	<u>41</u>	<u>51</u>



## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	231,895	188,914
Company contributions to defined contribution pension schemes	1,580	-
	<u>233,475</u>	<u>188,914</u>

During the year retirement benefits were accruing to 2 directors (2015 - None) in respect of defined contribution pension schemes.

The highest paid director received remuneration totalling £206,000 during the year.

Company pension contributions in respect of the highest paid director paid during the year totalled £1,500.

### 9. Interest receivable and similar income

	2016 £	2015 £
Other interest receivable	797	177
	<u>797</u>	<u>177</u>

### 10. Interest payable and similar charges

	2016 £	2015 £
Other loan interest payable	97,901	9,229
Other interest payable	7,818	-
	<u>105,719</u>	<u>9,229</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 11. Taxation

	2016 £	2015 £
<b>Analysis of tax credit in the period</b>		
Adjustments in respect of previous periods	(221,513)	(173,075)
<b>Tax on loss on ordinary activities</b>	<u>(221,513)</u>	<u>(173,075)</u>

The tax credit relates to research and development tax credits received by the company.

The Company has tax losses amounting to £11,295,679 (2015 - £10,567,180) available to be carried forward against future trading profits. The associated tax deferred asset of £1,940,021 (2015 - £1,918,706) has not been provided for as the directors cannot predict its utilisation in the foreseeable future.

## 12. Intangible assets

	Domain name and trademarks £
<b>Cost</b>	
At 1 January and 31 December 2016	<u>5,386</u>
<b>Amortisation</b>	
At 1 January and 31 December 2016	<u>5,386</u>
<b>Net book value</b>	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>-</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 13. Tangible fixed assets

	Short-term leasehold property £	Furniture, fixtures and equipment £	Total £
<b>Cost</b>			
At 1 January 2016	121,560	167,533	289,093
Additions	1,562	6,492	8,054
Disposals	(25,709)	-	(25,709)
At 31 December 2016	97,413	174,025	271,438
<b>Depreciation</b>			
At 1 January 2016	17,699	102,279	119,978
Charge for the period	10,886	43,297	54,183
Disposals	(2,609)	-	(2,609)
At 31 December 2016	25,976	145,576	171,552
<b>Net book value</b>			
At 31 December 2016	71,437	28,449	99,886
At 31 December 2015	103,861	65,254	169,115

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 14. Fixed asset investments

	Investment in subsidiary company £
<b>Cost</b>	
At 1 January and 31 December 2016	20,000
<b>Impairment</b>	
At 1 January and 31 December 2016	20,000
At 31 December 2016	-
At 31 December 2015	-

The company holds 100% of the issued share capital of Linkdex Inc, a company incorporated in the United States of America.

The principal activity of the company is software consultancy and supply.

### 15. Debtors

	2016 £	2015 £
Trade debtors	286,655	227,141
Amounts owed by subsidiary undertaking	2,779,608	-
Other debtors	91,405	259,958
Prepayments and accrued income	198,766	194,934
	<u>3,356,434</u>	<u>682,033</u>

The director has received confirmation from the immediate parent undertaking, Scribble Technologies Inc, that should the subsidiary undertaking be unable to repay amounts owed to Linkdex Limited in full, then any shortfall would be made good out of monies owed to the parent company such that this company would not suffer any loss.

The company has incurred an impairment loss against trade debtors during the year totalling £16,118 (2015: credit of £22,992).

Linkdex Limited

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 16. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	115,925	1,561,845
	<u>115,925</u>	<u>1,561,845</u>

### 17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Loans	-	290,947
Trade creditors	202,840	470,580
Amounts owed to group undertakings	3,586,570	-
Other taxation and social security	117,021	75,209
Other creditors	-	7,421
Accruals and deferred income	589,996	659,365
	<u>4,496,427</u>	<u>1,503,522</u>

### 18. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Loans	-	1,199,053
	<u>-</u>	<u>1,199,053</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 19. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
<b>Amounts falling due within one year</b>		
Other loans	-	290,947
	<u>-</u>	<u>290,947</u>
<b>Amounts falling due 2-5 years</b>		
Other loans	-	1,199,053
	<u>-</u>	<u>1,199,053</u>
	<u>-</u>	<u>1,490,000</u>

## 20. Financial instruments

	2016 £	2015 £
<b>Financial assets</b>		
Cash and cash equivalents	115,925	1,561,845
Financial assets measured at amortised cost	3,157,668	487,099
	<u>3,273,593</u>	<u>2,048,944</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(4,379,406)	(2,627,366)
	<u>(4,379,406)</u>	<u>(2,627,366)</u>

Cash and cash equivalents comprise cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Financial assets measured at amortised cost comprise trade and other debtors and amounts due from the subsidiary undertaking.

Financial liabilities measured at amortised cost comprise trade and other creditors, amounts owed to the parent undertakings, bank loans and accruals and deferred income.

## 21. Share capital

	2016 £	2015 £
Shares classified as equity		

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 21. Share capital (continued)

#### Allotted, called up and fully paid

1,071,541 (2015 - 694,999) Ordinary shares of £0.00001 each	11	7
4,017,988 (2015 - 3,900,945) A ordinary shares of £0.00001 each	40	39
	<hr/>	<hr/>
	51	46
	<hr/>	<hr/>

During the year, the Company issued 376,542 ordinary shares (2015 - Nil) and 117,043 ordinary A shares (2015 - 602,813) for the consideration of £3,765 (2015 - £Nil) and £348,519 (2015 - £1,741,767) respectively.

The ordinary and A ordinary shares carry full voting and dividend rights. The A ordinary shares carry a right to participate in a distribution with the right to receive an amount the greater of the amount subscribed for each A ordinary share or their pro-rata when considered with the ordinary shares. The A ordinary shares carry a preference on liquidation, share and asset sales.

The share options in existence at 31 December 2015 vested during the year on the change of ownership of the company. No share options are in existence at 31 December 2016.

### 22. Reserves

#### Share premium

Share premium contains the excess paid for shares over the nominal value.

#### Profit and loss account

The profit and loss account contains all current and prior period retained profit and losses.

### 23. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £23,798 (2015 - £14,184). Contributions totaling £4,723 (2015 - £7,035) were payable to the fund at the reporting date

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 24. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£	£
<b>Land and Buildings</b>		
Not later than 1 year	202,400	279,204
Later than 1 year and not later than 5 years	253,000	500,202
	<u>455,400</u>	<u>779,406</u>

## 25. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties, which are related parties by virtue of common shareholders who exercise significant influence over the entity.

During the year the company paid non-executive director fees of £5,000 (2015 - £10,000) to Amadeus Capital Partners Limited, £6,365 (2015 - £15,000) to Oxford Capital Partners LLP, £11,000 (2015 - £24,000) to TurnPoint Capital Advisers Limited and £88,757 (2015 - £Nil) to JVP Consultants Ltd, respectively. In addition, expenses amounting to £Nil (2015 - 1,914) and investment fees of £Nil (2015 - £1,777) were paid to Amadeus Capital Partners Limited and investment fees of £8,074 (2015 - £18,738) were paid to Oxford Capital Partners LLP.

During the year, the company paid fees of £7,180 (2015 - £12,000) to John Straw as rent accommodation for an employee.

During the year three (2015: two) key management personnel received remuneration of £446,000 (2015: £162,000).

At the year end the company was owed £2,779,608 by its wholly owned subsidiary Linkdex Inc (2015: £1,698,215). Provisions have been included against the non payment of this balance totalling £Nil (2015: £1,698,215) This balance is interest free and repayable on demand.

At the year end the company owed £3,586,570 to its immediate parent undertaking Scribble Technologies Inc (2015: £Nil). This balance is interest free and repayable on demand.

## 26. Controlling party

At 31 December 2015 there was no ultimate controlling party of the company.

During the 2016 year 100% of the ordinary share capital of the company was acquired by Scribble Technologies Inc.

The ultimate parent undertaking and controlling party at the year end is Scribble Technologies Inc, a Company incorporated in Ontario, Canada. Scribble Technologies Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2016.



**Linkdex Limited**

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2016**

### **27. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.