

REGISTERED NUMBER: 07572406 (England and Wales)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019
FOR
ADSLOT UK LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2019

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

COMPANY INFORMATION
for the Year Ended 30 June 2019

DIRECTORS:

B Dixon
Miss F K Conlan

SECRETARY:

Miss F K Conlan

REGISTERED OFFICE:

10 John Street
London
WC1N 2EB

REGISTERED NUMBER:

07572406 (England and Wales)

AUDITORS:

Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

BALANCE SHEET
30 June 2019

	Notes	30.6.19 £	£	30.6.18 £	£
FIXED ASSETS					
Tangible assets	4		1,609		-
CURRENT ASSETS					
Debtors	5	9,762		10,568	
Cash at bank		<u>107,032</u>		<u>25,305</u>	
		116,794		35,873	
CREDITORS					
Amounts falling due within one year	6	<u>2,486,393</u>		<u>2,273,538</u>	
NET CURRENT LIABILITIES			<u>(2,369,599)</u>		<u>(2,237,665)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(2,367,990)</u>		<u>(2,237,665)</u>
CAPITAL AND RESERVES					
Called up share capital	7		100		100
Retained earnings			<u>(2,368,090)</u>		<u>(2,237,765)</u>
SHAREHOLDERS' FUNDS			<u>(2,367,990)</u>		<u>(2,237,665)</u>

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 3 February 2020 and were signed on its behalf by:

Miss F K Conlan - Director

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2019**

1. STATUTORY INFORMATION

Adslot UK 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.

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 financial statements have been prepared on the going concern basis as a result of parent company support. However, there is fundamental uncertainty as to the parent company's ability to provide this support as detailed in the 'emphasis of matter' in their own accounts, recited below;

'The consolidated financial statements have been prepared assuming that the Group will continue as a going concern. For the years ended June 30, 2019 and 2018, the Group has incurred net losses of \$7,042,755 and \$11,653,319, respectively. Net cash generated in operations for the years ended December 31, 2018 totalled \$3,207,829 and net cash used in 2017 totalled \$9,554,933. The Group's management continues to invest resources to support growth in trading fees, primarily from holding companies in the US market. In August 2018 (\$3.5m) & May 2019 (\$4.0m) the group successfully raised \$7.5 million via share placements, resulting in \$7.1 million net cash inflows from financing activities. Combined with the net cash outflows from operating and investing activities of \$3.9million, the net cash inflow for the year was \$3.2 million. Management anticipate incurring further net cash outflows from operations until such time as sufficient revenue growth is achieved. If a delay in expected growth in revenues and/or a negative outcome of AusIndustry's review of the FY16 R&D claim was to occur, this has the potential to create a cash flow risk to the Group which could affect its ability to pay its debts as and when they fall due, and to realise its assets in the normal course of business. However, the Directors believe the Group will be able to continue to pay its debts as and when they fall due for the following reasons:

- o the Group had a cash position of \$8.2 million at 30 June 2019;
- o strong Symphony licence fees to continue in FY20;
- o the ongoing cost management program;
- o the opportunity to implement further cost reductions; and
- o the ability to raise additional capital.

Accordingly, the Directors believe there exists a reasonable expectation that the Group can continue to pay its debts as and when they fall due, and the financial report has been prepared on a going concern basis.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Plant and machinery etc - Between 5 and 20 years

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

2. ACCOUNTING POLICIES - continued

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.

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.

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.

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.

Financial instruments

Basic Financial Instruments as covered by Section 11 of FRS102 are measured at amortised cost. The company does not have any Other Financial Instruments as covered by Section 12 of FRS102.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 2 (2018 - 2) .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 July 2018	2,414
Additions	2,012
Disposals	(1,665)
At 30 June 2019	<u>2,761</u>
DEPRECIATION	
At 1 July 2018	2,414
Charge for year	403
Eliminated on disposal	(1,665)
At 30 June 2019	<u>1,152</u>
NET BOOK VALUE	
At 30 June 2019	<u>1,609</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.19 £	30.6.18 £
Amounts owed by group undertakings	8,352	8,352
Other debtors	<u>1,410</u>	<u>2,216</u>
	<u>9,762</u>	<u>10,568</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.19 £	30.6.18 £
Trade creditors	1,993	7,553
Amounts owed to group undertakings	2,464,629	2,250,017
Other creditors & accruals	<u>19,771</u>	<u>15,968</u>
	<u>2,486,393</u>	<u>2,273,538</u>

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.6.19	30.6.18
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Emma Crowley (Senior Statutory Auditor)
for and on behalf of Oury Clark Chartered Accountants

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2019**

8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006 - continued

Whilst, as stated above, the Report of the Auditors was unqualified it did contain the following Emphasis of matter paragraph:-

"We draw attention to note 2 in the financial statements, which indicates that the company and the overall group have suffered a financial loss, and management anticipate incurring net losses from operations until a sufficient revenue growth is achieved. Without such revenue growth and resolution of other matters as detailed in note 2, a material uncertainty exists that may cast significant doubt on company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

We would further like to draw your attention to the following statement contained within our audit report as included within the full financial statements:-

"Use of our report

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 a Report of the Auditors 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."

9. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

10. SHARE-BASED PAYMENT TRANSACTIONS

On 2nd September 2016, Adslot UK Limited offered two employees 150,000 shares each and one employee 750,000 shares over a 21 month performance period to 30th June 2018 based on an annual target, with no vesting period.

During the year ended 30th June 2019 both employees exercised 75,000 shares each of their total 150,000 shares. Included in the profit and loss therefore is a credit of £10,026.97.

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.