

# Signal Media Limited

Annual Report and Financial Statements

For the year ended 31 March 2022

Company Registration No. 08468207 (England and Wales)

# Signal Media Limited

## Company Information

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<b>Directors</b>	D Benigson S Menashy M Martinez A Norman A R Zappala S Wood	(Appointed 15 June 2021) (Appointed 22 July 2021)
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<b>Secretary</b>	D Benigson
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<b>Company number</b>	08468207
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<b>Registered office</b>	1st Floor Sackville House 143-149 Fenchurch Street London England EC3M 6BN
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<b>Auditor</b>	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
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<b>Business address</b>	Floor 1 The Bower 207 Old Street London EC1V 9NR
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# Signal Media Limited

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# Signal Media Limited

## Strategic Report

For the year ended 31 March 2022

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The directors present the strategic report for the year ended 31 March 2022.

### **Fair Review of Business**

I am pleased to provide you with a report on our financial year ended March 31, 2022 and business activity to date. During the year we continued building toward our vision for the business whilst delivering strong commercial growth. We completed our Series D funding round and subsequent to year end we completed our first acquisition of Kelp Data.

Our £35m Series D funding round was led by Highland Europe as our principal new investor (with Partner Tony Zappala joining the board), supported by Aberdeen Asset Management and our existing investors; MMC Ventures, GMG Ventures and Hearst Ventures. This funding round will enable us to continue to invest in our product development and unlock further growth opportunities for the years ahead.

### **Strategic Investments and Performance Update**

Our commitment to product development remains strong and we have substantially expanded our product and engineering organisation to maintain our product leadership and invest in innovation as an area of continued differentiation.

Our mission to build the world's leading External Intelligence platform continues. The Signal AI Platform now ingests unstructured content from over 5M sources in over 200 markets and 100 languages, at scale and in near real-time. From published media, podcasts, blogs, broadcast, social to regulatory content, we ingest the world's content from all the sources that matter. Our AIQ engine automatically applies proprietary concept extraction, sentiment analysis, anomaly detection, ranking and more to transform an overwhelming amount of unstructured information into structured data and insights.

Clients can now access these insights in a variety of ways. Alongside our Web Application we've launched a suite of API's which enable direct integration of our platform into your own systems to query the data alongside their other data sources. We've added new capabilities such as "Workspaces", which enables our 650+ customers to collaborate effectively within their teams and distribute insights and analysis seamlessly across their businesses. Our new product "Dashboards" enable our clients to quickly visualise trends and patterns within the data in a suite of data visualisations. We have also added Twitter monitoring, enabling our clients to access Twitter data alongside the other key datasets we already cover in our platform.

These product releases widen our customer reach and impact and move us towards our vision of providing high value data and strategic insights to our clients. This further enhances our product suite and therefore drives higher AOV per customer.

Our financing strategy combined with our growth strategy, will help us extend our cash runway while we continue to invest in our product and technology.

As a result of our product investments during the Financial Year ended 31 Mar 2022, Signal-AI closed higher value deals, both on our core platform and through our advanced analytics solutions delivered via the API.

# Signal Media Limited

## Strategic Report (Continued)

For the year ended 31 March 2022

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### Changes in the Board and Executive Team

- Sarah Wood, joined as Non-Executive Director. She is NED at Tech Nation, formerly at Superdry, and was the Co-founder of Unruly.
- Tony Zappala, joined as Non-Executive Director. He is a partner at Highland Europe.
- Stephen Lucas, joined us in October 2021 as COO. Stephen was previously the COO at Planday (acquired by Xero), HoneyBee, ReceiptBank, etc and brings 20+ years of technology scale up experience.
- We have hired a new Global CRO, Nancy McNeil. Nancy was previously the Global Chief Revenue Officer of Dow Jones. Prior to Dow Jones, Nancy was Global Head of Sales and Account Management at Thomson Reuters.
- Dr. Alexandre Pinto has joined as our SVP Data Science, he was previously Chief Data Scientist of Outra, Director of AI at Accenture, and Professor of AI at The University of Lisbon.

### People and Culture

In regards to People and Culture, I'm delighted to say that the company engagement survey from June saw our eNPS score increase to +44, surpassing our previously set H1 goal of 40. As a business we have continued to invest in Learning and Development, building career paths and dedicated development time for every team across the business. It's also worth noting that diversity & inclusion is the area we scored the highest on overall in our recent engagement survey.

### M&A and Investment for growth

We continue to explore targeted inorganic growth opportunities and have recently completed our first acquisition of Kelp Data Inc. Kelp is an exciting company that has developed a strategic reputation scoring and analytics tool that strengthens our reputation product suite. We expect to accelerate our growth trajectory through this acquisition.

Whilst the business continues to enjoy strong growth and strategic expansion we are cognisant of the weakening external economic environment and we recognise this as an important time for the company to focus on its highest impact investment areas to ensure we continue to deliver against our goals. As a result we are driving to improved business efficiency and cash burn goals while we continue our strong growth in this new economic cycle.

### Key Performance Indicators

The Directors review KPIs throughout the year as part of the normal management process. The main KPIs include annual recurring revenue, total customer numbers, annual gross revenue retention rates, annual net revenue retention, sales efficiency and cash burn metrics.

# Signal Media Limited

## Strategic Report (Continued)

For the year ended 31 March 2022

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### Principal Risks and Uncertainties

The principal business risks affecting the company include:

#### Technology and business interruption

The products and services that Signal AI provides to its customers are reliant on complex technical infrastructure. A failure in the operation of a key system or infrastructure could cause a failure of service to our customers and negatively impact our brand.

Mitigation:

Signal AI has prepared a disaster recovery plan where we assume an extreme scenario of having to recover our entire platform in full. The full plan is tested at least on an annual basis, while specific subsets of the DR plan are automated and tested fortnightly. We aim to be able to recover our application and historical content set, in under 3 hours and full functionalities and content ingestion in 5 hours.

Mitigation:

Signal AI continues to invest heavily in the platform to continue to deploy cutting edge technology. Our product continues to be very important for our customers even in this challenging market due to its capabilities.

#### Foreign Exchange

Signal AI transacts in multiple currencies and with the continued investment in the US, Signal AI is further exposed to fluctuations in exchange rates between USD and GBP in particular.

Mitigation:

Signal AI continues to monitor movements in exchange rates and based on the amount of transactions in any currency, create appropriate arrangements to mitigate against the risk of unfavourable exchange rate movements.

On behalf of the board

D Benigson  
**Director**

5 October 2022

# Signal Media Limited

## Directors' Report

For the year ended 31 March 2022

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The directors present their annual report and financial statements for the year ended 31 March 2022.

### Principal activities

The principal activity of the company and group continued to be that of AI monitoring and analysis of external sources of intelligence such as media, social and other sources.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Benigson	
S Menashy	
A Hudson	(Resigned 15 June 2021)
M Martinez	
N Giuli	(Resigned 15 March 2022)
A Norman	
A R Zappala	(Appointed 15 June 2021)
S Wood	(Appointed 22 July 2021)

### Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a dividend.

No preference dividends were paid. The directors do not recommend payment of a dividend.

### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### Employee involvement

The group's policy is to consult and discuss with employees, through staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

### Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the group will be tabled at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

# Signal Media Limited

Directors' Report (Continued)

For the year ended 31 March 2022

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On behalf of the board

D Benigson

**Director**

5 October 2022



# Signal Media Limited

## Directors' Responsibilities Statement

For the year ended 31 March 2022

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The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Signal Media Limited

## Independent Auditor's Report

To the Members of Signal Media Limited

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### Opinion

We have audited the financial statements of Signal Media Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# Signal Media Limited

## Independent Auditor's Report (Continued)

### To the Members of Signal Media Limited

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

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

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

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

# Signal Media Limited

## Independent Auditor's Report (Continued)

### To the Members of Signal Media Limited

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Signal Media Limited

## Independent Auditor's Report (Continued)

### To the Members of Signal Media Limited

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#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

#### **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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.

**Ian Graham (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

6 October 2022

**Chartered Accountants**  
**Statutory Auditor**

Charlotte Building  
17 Gresse Street  
London  
W1T 1QL

# Signal Media Limited

## Group Profit and Loss Account

For the year ended 31 March 2022

	Notes	2022 £	2021 £
<b>Turnover</b>		14,376,456	11,192,333
Cost of sales		(2,234,688)	(2,878,645)
<b>Gross profit</b>		12,141,768	8,313,688
Administrative expenses		(26,269,798)	(20,712,944)
Other operating income		4,425	7,696
Exceptional item	3	(120,974)	-
<b>Operating loss</b>		(14,244,579)	(12,391,560)
Interest receivable and similar income	7	320	15,686
Interest payable and similar expenses		(394,777)	(503,123)
<b>Loss before taxation</b>		(14,639,036)	(12,878,997)
Taxation	8	1,121,400	1,048,962
<b>Loss for the financial year</b>		(13,517,636)	(11,830,035)

Loss for the financial year is all attributable to the owners of the parent company.

# Signal Media Limited

## Group Statement of Comprehensive Income

For the year ended 31 March 2022

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	2022 £	2021 £
<b>Loss for the year</b>	(13,517,636)	(11,830,035)
<b>Other comprehensive income</b>		
Currency translation differences	(373,816)	504,401
<b>Total comprehensive income for the year</b>	<u>(13,891,452)</u>	<u>(11,325,634)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# Signal Media Limited

## Group Balance Sheet

As at 31 March 2022

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	9	10,500	17,500
Tangible assets	10	182,641	229,432
		<u>193,141</u>	<u>246,932</u>
<b>Current assets</b>			
Debtors	13	5,325,607	4,343,730
Cash at bank and in hand		19,566,840	5,652,253
		<u>24,892,447</u>	<u>9,995,983</u>
<b>Creditors: amounts falling due within one year</b>	14	(10,805,990)	(7,642,624)
<b>Net current assets</b>		<u>14,086,457</u>	<u>2,353,359</u>
<b>Total assets less current liabilities</b>		<u>14,279,598</u>	<u>2,600,291</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(1,041,667)	(5,466,167)
<b>Net assets/(liabilities)</b>		<u><u>13,237,931</u></u>	<u><u>(2,865,876)</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	1,011	784
Share premium account		65,744,845	34,606,794
Equity reserve		-	1,143,019
Profit and loss reserves		(52,507,925)	(38,616,473)
<b>Total equity</b>		<u><u>13,237,931</u></u>	<u><u>(2,865,876)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 5 October 2022 and are signed on its behalf by:

D Benigson  
Director



# Signal Media Limited

## Company Balance Sheet

As at 31 March 2022

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	9	10,500	17,500
Tangible assets	10	158,378	197,571
Investments	11	7	7
		<u>168,885</u>	<u>215,078</u>
<b>Current assets</b>			
Debtors	13	11,914,226	9,248,432
Cash at bank and in hand		18,982,705	5,386,397
		<u>30,896,931</u>	<u>14,634,829</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(8,917,553)</u>	<u>(6,190,918)</u>
<b>Net current assets</b>		<u>21,979,378</u>	<u>8,443,911</u>
<b>Total assets less current liabilities</b>		<u>22,148,263</u>	<u>8,658,989</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(1,041,667)</u>	<u>(5,466,167)</u>
<b>Net assets</b>		<u><u>21,106,596</u></u>	<u><u>3,192,822</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	1,011	784
Share premium account		65,744,845	34,606,794
Equity reserve		-	1,143,019
Profit and loss reserves		<u>(44,639,260)</u>	<u>(32,557,775)</u>
<b>Total equity</b>		<u><u>21,106,596</u></u>	<u><u>3,192,822</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £12,081,485 (2021: £8,926,316).

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

The financial statements were approved by the board of directors and authorised for issue on 5 October 2022 and are signed on its behalf by:

D Benigson  
Director

Company Registration No. 08468207

# Signal Media Limited

## Group Statement of Changes in Equity

For the year ended 31 March 2022

		Share capital	Share premium account	Equity reserves	Profit and loss reserves	Total
	Notes	£	£	£	£	£
<b>Balance at 1 April 2020</b>		782	34,600,502	-	(27,290,839)	7,310,445
<b>Year ended 31 March 2021:</b>						
Loss for the year		-	-	-	(11,830,035)	(11,830,035)
Other comprehensive income:						
Currency translation differences		-	-	-	504,401	504,401
Total comprehensive income for the year		-	-	-	(11,325,634)	(11,325,634)
Issue of share capital	20	2	6,292	-	-	6,294
Issue of convertible loan	17	-	-	1,143,019	-	1,143,019
<b>Balance at 31 March 2021</b>		784	34,606,794	1,143,019	(38,616,473)	(2,865,876)
<b>Year ended 31 March 2022:</b>						
Loss for the year		-	-	-	(13,517,636)	(13,517,636)
Other comprehensive income:						
Currency translation differences		-	-	-	(373,816)	(373,816)
Total comprehensive income for the year		-	-	-	(13,891,452)	(13,891,452)
Issue of share capital	20	227	31,138,051	-	-	31,138,278
Conversion of loan to shares	20	-	-	(1,143,019)	-	(1,143,019)
<b>Balance at 31 March 2022</b>		1,011	65,744,845	-	(52,507,925)	13,237,931

# Signal Media Limited

## Company Statement of Changes in Equity

For the year ended 31 March 2022

	Notes	Share capital £	Share premium account £	Equity reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2020</b>		782	34,600,502	-	(23,631,459)	10,969,825
<b>Year ended 31 March 2021:</b>						
Loss and total comprehensive income for the year		-	-	-	(8,926,316)	(8,926,316)
Issue of share capital	20	2	6,292	-	-	6,294
Issue of convertible loan	17	-	-	1,143,019	-	1,143,019
<b>Balance at 31 March 2021</b>		784	34,606,794	1,143,019	(32,557,775)	3,192,822
<b>Year ended 31 March 2022:</b>						
Loss and total comprehensive income for the year		-	-	-	(12,081,485)	(12,081,485)
Issue of share capital	20	227	31,138,051	-	-	31,138,278
Conversion of loan to shares	20	-	-	(1,143,019)	-	(1,143,019)
<b>Balance at 31 March 2022</b>		1,011	65,744,845	-	(44,639,260)	21,106,596

# Signal Media Limited

## Group Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	24	(12,048,941)		(11,541,255)	
R&D tax rebate		1,041,151		1,115,924	
<b>Net cash outflow from operating activities</b>		<b>(11,007,790)</b>		<b>(10,425,331)</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(106,894)		(91,280)	
Proceeds on disposal of tangible fixed assets		16,854		(574)	
Interest received		320		15,686	
<b>Net cash used in investing activities</b>		<b>(89,720)</b>		<b>(76,168)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		26,328,797		6,294	
Issue of convertible loans		-		4,521,832	
Interest paid		(319,482)		(503,123)	
Repayment of borrowings		(625,000)		(1,804,614)	
Proceeds of new bank loans		-		2,500,000	
<b>Net cash generated from financing activities</b>		<b>25,384,315</b>		<b>4,720,389</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>14,286,805</b>		<b>(5,781,110)</b>	
Cash and cash equivalents at beginning of year		5,652,253		10,925,260	
Effect of foreign exchange rates		(372,218)		508,103	
<b>Cash and cash equivalents at end of year</b>		<b>19,566,840</b>		<b>5,652,253</b>	

# Signal Media Limited

## Notes to the Financial Statements

For the year ended 31 March 2022

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### 1 Accounting policies

#### Company information

Signal Media Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1st Floor Sackville House, 143-149 Fenchurch Street, London, EC3M 6BN.

The group consists of Signal Media Limited and all of its subsidiaries.

#### 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.

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, modified to include the valuation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Signal Media Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

#### 1.3 Going concern

Notwithstanding a loss for the year ended of £13,517,636 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period. This includes the use of the facility of \$30m signed in July 2022.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion.

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

#### 1.6 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.

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:

Software	5 years straight line
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#### 1.7 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:

Fixtures and fittings	3 years straight line
Computers	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 recognised in the profit and loss account.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

#### 1.10 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. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other, or basic financial instruments measured at fair value.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

#### 1.12 Compound instruments

The component parts of compound instruments issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

#### 1.13 Equity instruments

Equity instruments issued by the group 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 group.

#### 1.14 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 group'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 if, and only if, there is 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.

#### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.



# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

#### 1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.17 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

#### 1.18 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 leased asset are consumed.

#### 1.19 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 in the period are included in profit or loss.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Revenue Recognition

Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using the contract and the time spent to date. Estimates of the total time required to undertake the contracts are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

#### Depreciation

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### Intercompany loans

The company is owed £7,581,050 from its subsidiaries both of which, as shown in note 12 of the financial statements, have reported a loss in their financial statements and have net liabilities at the balance sheet date. The directors' judgement is that these loans are recoverable in full as these are expected losses which are necessary to scale up in these markets in order to deliver future EBITDA. Although there would be no impact on the consolidated financial statements if the judgement on the recoverability of these amounts changed this would have a material effect on the income statement and balance sheet of the company.

### 3 Exceptional item

	2022	2021
	£	£
<b>Expenditure</b>		
Exceptional cost	120,974	-

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 4 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	15,800	14,250
Audit of the financial statements of the company's subsidiaries	7,000	6,000
	<u>22,800</u>	<u>20,250</u>
<b>For other services</b>		
Taxation compliance services	2,500	2,250
All other non-audit services	7,000	5,000
	<u>9,500</u>	<u>7,250</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
184	154	147	121
<u>184</u>	<u>154</u>	<u>147</u>	<u>121</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	15,971,435	12,209,818	12,284,330	8,815,956
Social security costs	1,727,946	1,302,707	1,460,297	1,087,377
Pension costs	384,822	672,113	373,739	663,730
	<u>18,084,203</u>	<u>13,777,112</u>	<u>14,118,366</u>	<u>10,567,063</u>

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	352,865	263,044
Company pension contributions to defined contribution schemes	4,442	3,614
	<u>357,307</u>	<u>266,658</u>

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 6 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	225,231	157,500

### 7 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	320	15,686

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	320	15,686
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### 8 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(1,121,400)	(1,048,962)

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 8 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(14,639,036)	(12,878,997)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	(2,781,417)	(2,447,009)
Tax effect of expenses that are not deductible in determining taxable profit	125,818	9,035
Unutilised tax losses carried forward	2,383,327	1,876,735
Permanent capital allowances in excess of depreciation	964	9,573
Research and development tax credit	(1,129,617)	(1,049,368)
Effect of overseas tax rates	279,525	552,072
Taxation credit	(1,121,400)	(1,048,962)

### 9 Intangible fixed assets

Group & Company	Software £
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	35,000
<b>Amortisation and impairment</b>	
At 1 April 2021	17,500
Amortisation charged for the year	7,000
At 31 March 2022	24,500
<b>Carrying amount</b>	
At 31 March 2022	10,500
At 31 March 2021	17,500

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 10 Tangible fixed assets

Group	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 April 2021	1,281	560,290	561,571
Additions	2,400	104,494	106,894
Disposals	-	(107,458)	(107,458)
Exchange adjustments	-	3,134	3,134
At 31 March 2022	3,681	560,460	564,141
<b>Depreciation and impairment</b>			
At 1 April 2021	1,281	330,857	332,138
Depreciation charged in the year	400	152,335	152,735
Eliminated in respect of disposals	-	(105,100)	(105,100)
Exchange adjustments	-	1,727	1,727
At 31 March 2022	1,681	379,819	381,500
<b>Carrying amount</b>			
At 31 March 2022	2,000	180,641	182,641
At 31 March 2021	-	229,432	229,432
<b>Company</b>			
	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 April 2021	1,281	496,094	497,375
Additions	2,400	88,881	91,281
Disposals	-	(107,458)	(107,458)
At 31 March 2022	3,681	477,517	481,198
<b>Depreciation and impairment</b>			
At 1 April 2021	1,281	298,523	299,804
Depreciation charged in the year	400	127,716	128,116
Eliminated in respect of disposals	-	(105,100)	(105,100)
At 31 March 2022	1,681	321,139	322,820
<b>Carrying amount</b>			
At 31 March 2022	2,000	156,378	158,378
At 31 March 2021	-	197,571	197,571

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 11 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	12	-	-	7	7

#### Movements in fixed asset investments

Company	Shares in group undertakings
	£
<b>Cost or valuation</b>	
At 1 April 2021 and 31 March 2022	7
<b>Carrying amount</b>	
At 1 April 2021 and 31 March 2022	7

### 12 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Signal Media Intelligence Inc.	United States	Artificial intelligence media monitoring	Ordinary	100.00
Signal Limited	Hong Kong	Artificial intelligence media monitoring	Ordinary	100.00

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

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Signal Media Intelligence Inc.	(1,477,399)	(7,578,294)
Signal Limited	(13,221)	(292,477)

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 13 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	3,154,410	2,252,299	2,192,722	1,597,043
Corporation tax recoverable	1,129,617	1,049,368	1,129,617	1,049,368
Amounts owed by group undertakings	-	-	7,581,050	5,770,796
Other debtors	15,484	27,348	11,498	27,348
Prepayments and accrued income	1,026,096	1,014,715	999,339	803,877
	<u>5,325,607</u>	<u>4,343,730</u>	<u>11,914,226</u>	<u>9,248,432</u>

There are £28.3m of losses carried forward upon which there is no deferred tax asset recognised.

### 14 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Other borrowings	16	833,333	625,000	833,333	625,000
Trade creditors		631,418	516,990	598,755	502,744
Amounts owed to group undertakings		-	-	438,070	-
Other taxation and social security		640,876	387,905	620,425	376,199
Other creditors		169,292	76,790	169,292	76,790
Accruals and deferred income		8,531,071	6,035,939	6,257,678	4,610,185
		<u>10,805,990</u>	<u>7,642,624</u>	<u>8,917,553</u>	<u>6,190,918</u>

### 15 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Convertible loans	17	-	3,591,167	-	3,591,167
Other borrowings	16	1,041,667	1,875,000	1,041,667	1,875,000
		<u>1,041,667</u>	<u>5,466,167</u>	<u>1,041,667</u>	<u>5,466,167</u>



# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 16 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Other borrowings	1,875,000	2,500,000	1,875,000	2,500,000
Payable within one year	833,333	625,000	833,333	625,000
Payable after one year	1,041,667	1,875,000	1,041,667	1,875,000

These long term loans are secured by way of fixed and floating charges over all assets and undertakings of Signal Media Limited.

### 17 Convertible loan notes

	Group 2022 £	2021 £	Company 2022 £	2021 £
Liability component of convertible loan notes	-	3,591,167	-	3,591,167

In the prior year, the net proceeds received from the issue of the convertible loan notes were split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity.

The liability component was measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Balance Sheet represents the effective interest rate less interest paid to that date.

The effective rate of interest is 8%.

In the prior year, equity component of the convertible loan notes was credited to the equity reserve.

In the year, the convertible loan was converted to shares.

### 18 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	384,822	672,113

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 19 Share-based payment transactions

Group and company	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 April 2021	17,395,011	9,252,969	0.0517	0.0050
Granted	-	8,698,996	-	0.1000
Forfeited	(670,293)	(405,254)	0.1171	0.0003
Expired	(1,379,007)	(151,700)	0.0116	0.01
Outstanding at 31 March 2022	<u>15,345,711</u>	<u>17,395,011</u>	<u>0.0541</u>	<u>0.0517</u>
Exercisable at 31 March 2022	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 March 2022 had an exercise price ranging from £0.00001 to £1.01, and an average remaining contractual life of 7 years.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioral considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

No share based payment charge has been recognised on the grounds that the charge is immaterial.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 20 Share capital

	Group and company	
	2022	2021
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,124,600 A Ordinary Shares of £0.00001 each	101	101
2,187,007 B Ordinary Shares of £0.00001 each	22	8
1,629,532 C Ordinary Shares of £0.00001 each	19	16
6,131,500 Seed Shares of £0.00001 each	61	61
	<u>203</u>	<u>186</u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
41,650,200 A Preferred Shares of £0.00001 each	417	417
18,117,804 B Preferred Shares of £0.00001 each	181	181
20,963,769 C Preferred Shares of £0.00001 each	210	-
	<u>808</u>	<u>598</u>

During the year 1,379,007 B Shares with a nominal value ranging between £0.00001 and £0.3 were issued for consideration of £15,924.

In June 2021, 20,963,769 C Preferred Shares with a nominal value ranging between £36.74 and £172.90 were issued for consideration of £31,122,092.

The A Ordinary Shares rank pari-passu in all respects. Seed and A Ordinary Shares entitle the holders to attend and speak at general meetings, as well as vote at all general meetings and on all written resolutions. The B Ordinary Shares entitle the holders to attend and speak at general meetings, however they may not vote unless the vote pertains to the modification of share rights. The C Ordinary Shares and Deferred Shares do not entitle holders to attend or speak at general meetings of the company nor do they hold any voting rights.

### 21 Operating lease commitments

#### Lessee

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	822,859	1,002,103	609,006	621,955
Between two and five years	-	196,733	-	-
	<u>822,859</u>	<u>1,198,836</u>	<u>609,006</u>	<u>621,955</u>

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 22 Events after the reporting date

In June 2022 the group secured a \$30m loan which includes a warrant instrument, the loan is repayable over 36 months.

In June 2022, the group repaid £1.7m in relation to an outstanding loan at the year end.

In July 2022, the group purchased Kelp Data Inc for consideration which consisted of part cash and part shares in the company.

### 23 Controlling party

As at 31 March 2021, there was no single ultimate controlling party.

### 24 Cash generated from group operations

	2022 £	2021 £
Loss for the year after tax	(13,517,636)	(11,830,035)
Adjustments for:		
Taxation credited	(1,121,400)	(1,048,962)
Finance costs	394,777	503,123
Investment income	(320)	(15,686)
(Gain)/loss on disposal of tangible fixed assets	(14,496)	574
Amortisation and impairment of intangible assets	7,000	7,000
Depreciation and impairment of tangible fixed assets	152,735	139,338
Movements in working capital:		
(Increase) in debtors	(901,627)	(901,824)
Increase in creditors	2,955,034	1,605,217
<b>Cash absorbed by operations</b>	<b>(12,045,933)</b>	<b>(11,541,255)</b>

### 25 Analysis of changes in net funds/(debt) - group

	1 April 2021 £	Cash flows 31 March 2022 £	
Cash at bank and in hand	5,652,253	13,914,587	19,566,840
Borrowings excluding overdrafts	(2,500,000)	625,000	(1,875,000)
Convertible loan notes	(3,591,167)	3,591,167	-
	<b>(438,914)</b>	<b>18,130,754</b>	<b>17,691,840</b>

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.