

COMPANY REGISTRATION NUMBER: 09502309

SessionCam Limited
Financial statements
31 December 2020

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SessionCam Limited

Financial statements

Period from 1 April 2020 to 31 December 2020

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SessionCam Limited

Officers and professional advisers

The board of directors

Y Gueta
Y Morgenstern

Registered office

St Vedast House
5-7 St Vedast Street
Norwich
NR1 1BT

Auditor

Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

SessionCam Limited

Directors' report

Period from 1 April 2020 to 31 December 2020

The directors present their report and the financial statements of the company for the period ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £85,366 (March 2020: loss £1,954,469).

The loss before taxation for the year was £356,025 (March 2020: loss of £2,175,070). The loss for the current year is after a share based payment charge of £357,872 (March 2020: £658,834). Underlying EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) excluding the impact of the share based payment charge was a profit of £42,396 (March 2020: loss £1,452,565).

Directors

The directors who served the company during the period were as follows:

Y Gueta	(Appointed 15 October 2020)
Y Morgenstern	(Appointed 15 October 2020)
K A Buck	(Resigned 15 October 2020)
R Churchill	(Resigned 15 October 2020)
T Cowper-Johnson	(Resigned 15 October 2020)
K R Goodings	(Resigned 15 October 2020)
P J E Smith	(Resigned 15 October 2020)
P Yallop	(Resigned 15 October 2020)
H R Edwards	(Resigned 15 October 2020)
S K Genders	(Resigned 15 October 2020)

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 period. 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 company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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.

SessionCam Limited

Directors' report *(continued)*

Period from 1 April 2020 to 31 December 2020

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

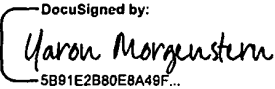
The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

December 15, 2021

This report was approved by the board of directors on and signed on behalf of the board by:

DocuSigned by:

5B91E2B80E8A49F...
Y Morgenstern
Director

Registered office:
St Vedast House
5-7 St Vedast Street
Norwich
NR1 1BT

SessionCam Limited

Independent auditor's report to the members of SessionCam Limited

Period from 1 April 2020 to 31 December 2020

Opinion

We have audited the financial statements of SessionCam Limited (the 'company') for the period ended 31 December 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of 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 company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company 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.

Conclusions relating to going concern

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 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.

SessionCam Limited

Independent auditor's report to the members of SessionCam Limited *(continued)*

Period from 1 April 2020 to 31 December 2020

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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.

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 the returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors reports and take advantage of the small companies exemption from the requirement to prepare a strategic report.

SessionCam Limited

Independent auditor's report to the members of SessionCam Limited *(continued)*

Period from 1 April 2020 to 31 December 2020

Responsibilities of directors for the financial statements

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 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 company or to cease operations, or have no realistic alternative but to do so.

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.

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.

SessionCam Limited

Independent auditor's report to the members of SessionCam Limited *(continued)*

Period from 1 April 2020 to 31 December 2020

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the principal laws and regulations applicable to the company through discussions with management and our wider knowledge and experience;
- identified laws and regulations were considered in our planning of the audit and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate material risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify material unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the principal accounting policies were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing material financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management and directors as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

SessionCam Limited

Independent auditor's report to the members of SessionCam Limited *(continued)*

Period from 1 April 2020 to 31 December 2020

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 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.

Lovewell Blake LLP

Stephen Eagling BSc ACA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

15 December 2021

SessionCam Limited**Statement of comprehensive income****Period from 1 April 2020 to 31 December 2020**

	9 month period ended 31 Dec 20	12 month period ended 31 Mar 20
	£	£
Turnover	5,748,840	7,296,248
Cost of sales	(4,680,951)	(6,842,863)
Gross profit	1,067,889	453,385
Administrative expenses	(1,445,106)	(2,602,735)
Other operating income	31,263	—
Operating loss	(345,954)	(2,149,350)
Interest payable and similar expenses	(10,071)	(25,720)
Loss before taxation	(356,025)	(2,175,070)
Tax on loss	5 205,889	220,601
Loss for the financial period and total comprehensive income	(150,136)	(1,954,469)

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

SessionCam Limited**Statement of financial position****31 December 2020**

	Note	£	31 Dec 20 £	£	31 Mar 20 £
Fixed assets					
Intangible assets	6		113,797		133,880
Tangible assets	7		16,488		21,261
			<u>130,285</u>		<u>155,141</u>
Current assets					
Debtors	8	1,297,279		1,790,222	
Cash at bank and in hand		<u>434,977</u>		<u>508,305</u>	
		1,732,256		2,298,527	
Creditors: Amounts falling due within one year	9	<u>(5,276,428)</u>		<u>(5,197,086)</u>	
Net current liabilities			<u>(3,544,172)</u>		<u>(2,898,559)</u>
Total assets less current liabilities			<u>(3,413,887)</u>		<u>(2,743,418)</u>
Creditors: Amounts falling due after more than one year	10		<u>—</u>		<u>(878,287)</u>
Net liabilities			<u>(3,413,887)</u>		<u>(3,621,705)</u>
Capital and reserves					
Called up share capital	13		1,119		1,037
Profit and loss account			<u>(3,415,006)</u>		<u>(3,622,742)</u>
Shareholders deficit			<u>(3,413,887)</u>		<u>(3,621,705)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on December 15, 2021

....., and are signed on behalf of the board by:

Y Morgenstern
Director

DocuSigned by:
Yaron Morgenstern
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Company registration number: 09502309

The notes on pages 12 to 21 form part of these financial statements.

SessionCam Limited**Statement of changes in equity****Period from 1 April 2020 to 31 December 2020**

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2019	1,037	(2,327,107)	(2,326,070)
Loss for the period		(1,954,469)	(1,954,469)
Total comprehensive income for the period	–	(1,954,469)	(1,954,469)
Equity-settled share-based payments	–	658,834	658,834
Total investments by and distributions to owners	–	658,834	658,834
At 31 March 2020	1,037	(3,622,742)	(3,621,705)
Loss for the period		(150,136)	(150,136)
Total comprehensive income for the period	–	(150,136)	(150,136)
Issue of shares	82	–	82
Equity-settled share-based payments	–	357,872	357,872
Total investments by and distributions to owners	82	357,872	357,954
At 31 December 2020	<u>1,119</u>	<u>(3,415,006)</u>	<u>(3,413,887)</u>

The notes on pages 12 to 21 form part of these financial statements.

SessionCam Limited

Notes to the financial statements

Period from 1 April 2020 to 31 December 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is St Vedast House, 5-7 St Vedast Street, Norwich, NR1 1BT.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the fact that it had net current liabilities and net liabilities at the year end.

During the year the company was acquired by Glassbox Digital UK Limited which is part of the Glassbox Ltd group. As part of the wider Glassbox group, SessionCam benefits from the financial strength of the ultimate parent company. The company is not reliant on any external funding with any required funding being provided by a loan facility with the ultimate parent undertaking. Glassbox Ltd has provided a formal letter of support confirming that it will provide on-going financial support for the foreseeable future, being a period of twelve months from the signing of these financial statements.

As a consequence, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

SessionCam Limited

Notes to the financial statements *(continued)*

Period from 1 April 2020 to 31 December 2020

3. Accounting policies *(continued)*

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue 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 revenue 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.

Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life of ten years.

Other 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 ten years. The Intellectual Property intangible assets is being amortised over a period of ten years.

SessionCam Limited

Notes to the financial statements *(continued)*

Period from 1 April 2020 to 31 December 2020

3. Accounting policies *(continued)*

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.

The estimated useful lives range as follows:

Fixtures, fittings and equipment - 3 years

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.

Development costs

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

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.

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.

SessionCam Limited

Notes to the financial statements *(continued)*

Period from 1 April 2020 to 31 December 2020

3. Accounting policies *(continued)*

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 from 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 payables or receivables, 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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

SessionCam Limited

Notes to the financial statements *(continued)*

Period from 1 April 2020 to 31 December 2020

3. Accounting policies *(continued)*

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.

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.

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.

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.

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.

SessionCam Limited

Notes to the financial statements *(continued)*

Period from 1 April 2020 to 31 December 2020

3. Accounting policies *(continued)*

Current and deferred 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

4. Employee numbers

The average number of employees during the period was 94 (2020: 91).

SessionCam Limited

Notes to the financial statements *(continued)*

Period from 1 April 2020 to 31 December 2020

5. Tax on loss

Major components of tax income

	9 month period ended 31 Dec 20 £	12 month period ended 31 Mar 20 £
Current tax:		
UK current tax income	(79,230)	(215,057)
Adjustments in respect of prior periods	(126,659)	(5,544)
Total current tax	<u>(205,889)</u>	<u>(220,601)</u>
Tax on loss	<u>(205,889)</u>	<u>(220,601)</u>

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the period is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences are explained below:-

	9 month period ended 31 Dec 20 £	12 month period ended 31 Mar 20 £
Loss on ordinary activities before taxation	(356,025)	(2,175,070)
Loss on ordinary activities by rate of tax	(67,645)	(413,263)
Adjustment to tax charge in respect of prior periods	(126,659)	(5,544)
Effect of expenses not deductible for tax purposes	67,996	131,767
Effect of capital allowances and depreciation	907	(303)
Unused tax losses	—	281,799
Tax impact of qualifying R&D claim	(79,230)	(215,057)
Other adjustment	(1,258)	—
Tax on loss	<u>(205,889)</u>	<u>(220,601)</u>

6. Intangible assets

	Goodwill £	Intellectual property £	Total £
Cost			
At 1 April 2020 and 31 December 2020	<u>87,767</u>	<u>180,000</u>	<u>267,767</u>
Amortisation			
At 1 April 2020	43,887	90,000	133,887
Charge for the period	<u>6,583</u>	<u>13,500</u>	<u>20,083</u>
At 31 December 2020	<u>50,470</u>	<u>103,500</u>	<u>153,970</u>
Carrying amount			
At 31 December 2020	<u>37,297</u>	<u>76,500</u>	<u>113,797</u>
At 31 March 2020	<u>43,880</u>	<u>90,000</u>	<u>133,880</u>

SessionCam Limited

Notes to the financial statements *(continued)*

Period from 1 April 2020 to 31 December 2020

7. Tangible assets

	Fixtures and fittings £
Cost	
At 1 April 2020	138,537
Additions	5,622
At 31 December 2020	<u>144,159</u>
Depreciation	
At 1 April 2020	117,276
Charge for the period	10,395
At 31 December 2020	<u>127,671</u>
Carrying amount	
At 31 December 2020	<u>16,488</u>
At 31 March 2020	<u>21,261</u>

8. Debtors

	31 Dec 20 £	31 Mar 20 £
Trade debtors	1,155,926	1,529,484
Corporation tax repayable	79,230	215,057
Other debtors	62,123	45,681
	<u>1,297,279</u>	<u>1,790,222</u>

9. Creditors: Amounts falling due within one year

	31 Dec 20 £	31 Mar 20 £
Trade creditors	282,496	358,566
Amounts owed to group undertakings	1,277,483	–
Accruals and deferred income	3,583,114	4,522,933
Social security and other taxes	109,466	133,309
Other loans	–	130,000
Other creditors	23,869	52,278
	<u>5,276,428</u>	<u>5,197,086</u>

10. Creditors: Amounts falling due after more than one year

	31 Dec 20 £	31 Mar 20 £
Other creditors	–	878,287
	<u>–</u>	<u>878,287</u>

11. Deferred taxation

At 31 December 2020 the company had carried forward tax losses of £646,000 (2020: £187,000). The resulting deferred tax asset of £123,000 (2020: £32,000) has not been recognised due to uncertainty over its future recoverability.

SessionCam Limited

Notes to the financial statements *(continued)*

Period from 1 April 2020 to 31 December 2020

12. Share-based payments

During the financial year ended 2018 the company issued 17,970 share options over its ordinary shares of £0.005 each. The shares options vest over three years with one third of the shares vesting on the first anniversary of the commencement date and the remainder in equal instalments monthly over the next two years such that the option shall be fully vested on the third anniversary of the commencement date. The options are not exercisable until they have vested and must be exercised within ten years of the grant date. The exercise price of the share options is £0.005 per share.

The share options have been accounted for as equity settled transactions and have been valued using the Black Scholes Model. The expense recognised in profit or loss for the period was £357,872 (2020: £658,834).

The number of share options outstanding at the year end and the weighted average exercise price of those options is shown below. During the current year 16,300 share options were exercised on the sale of the company to Glassbox Digital UK Limited. During the year 314 (2020: 316) options were cancelled due to employees leaving the scheme.

Details of the number and weighted average exercise prices (WAEP) of share options during the period are as follows:

	31 Dec 20		31 Mar 20	
	No.	WAEP	No.	WAEP
Outstanding at 1 April 2020	16,614	0.50	16,930	0.50
Forfeited during the period	(314)	0.50	(316)	0.50
Exercised during the period	(16,300)	0.50	—	—
Outstanding at 31 December 2020	—	—	16,614	0.50

The total expense recognised in profit or loss for the period is as follows:

	31 Dec 20	31 Mar 20
	£	£
Equity-settled share-based payments	357,872	658,834

13. Called up share capital

Issued, called up and fully paid

	31 Dec 20		31 Mar 20	
	No.	£	No.	£
Ordinary shares of £0.005 each	223,740	1,119	207,440	1,037

SessionCam Limited

Notes to the financial statements *(continued)*

Period from 1 April 2020 to 31 December 2020

14. Related party transactions

Internet Geeks Limited was a company related by common directors and shareholders until 15 October 2020. There was an outstanding loan balance £130,000 owed to Internet Geeks Limited. During the year interest of £2,002 (2020: £3,634) was accrued on this loan. The loan was repaid in full during the current year.

Patrick Smith (director until 15 October 2020) had a loan balance brought forward of £490,000. During the year interest of £4,731 (2020: £14,013) was accrued in respect of this loan. The loan was repaid in full during the current year.

Kevin Goodings (director until 15 October 2020) had a loan balance brought forward of £340,000. During the year interest of £3,269 (2020: £8,073) was accrued in respect of this loan. The loan was repaid in full during the current year.

15. Controlling party

The immediate parent undertaking of the company is Glassbox Digital UK Limited by virtue of its 100% shareholding. The directors consider Glassbox Ltd, a company incorporated in Israel to be the ultimate controlling party by virtue of its shareholding. The registered address for Glassbox Ltd is 5 Granit Street, Tikva, Israel.