

Atex Media Limited
Registered number: 01500217

Directors' report and financial statements

For the year ended 31 December 2017



Atex Media Limited

Company Information

Directors	J E Billowits D Lee
Registered number	01500217
Registered office	Unit A Underwood Business Park Wookey Hole Road Wells Somerset BA5 1AF
Independent auditors	Haines Watts Chartered Accountants & Statutory Auditors Advantage 87 Castle Street Reading Berkshire RG1 7SN

Atex Media Limited

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Atex Media Limited

Directors' report For the year ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Principal activity

The principal activity of the Company during the year was the selling and installation of software for the media industry, principally newspapers, magazines and online publications.

Results and dividends

The loss for the year, after taxation, amounted to £422,862 (2016 - profit £1,185,829).

The directors have not recommended the payment of a dividend.

Directors

The directors who served during the year were:

H O Olsson (resigned 14 August 2017)
F Marturano (resigned 14 August 2017)
J E Billowits (appointed 14 August 2017)
D Lee (appointed 14 August 2017)

Future developments

There are no particular matters that the directors feel will significantly alter the ongoing development of the business in the short and medium term. The Company aims to continue its policy of providing both exceptional level of service and excellent product quality, in order to maintain existing customer relationships, and to allow it to exploit new opportunities that arise.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make 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 financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

Atex Media Limited

**Directors' report (continued)
For the year ended 31 December 2017**

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Haines Watts, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
D Lee
Director

Date: 24 October 2018

Atex Media Limited

Strategic report For the year ended 31 December 2017

Business review

The Company has seen some significant change in the year, including relocating its trading premises following its acquisition in August 2017. The group continues to pride itself in exceptional products and customer service, now strengthened and enhanced by its wider group.

The market in which the Company operates has continued to be challenging due to competitive pressures, but despite that, the Company has maintained turnover at a similar level to the prior year, being £4.1m (2016 £4.2m). However, variations in sales mix have resulted in overall margin reducing from 51% to 39.5%.

Profit before exceptional items has reduced from £1.2m in 2016 to £0.9m in 2017 primarily as a result of the reduction in margin.

Net assets have reduced from £0.7m to £0.3m despite the profit in the year, due to an exceptional provision relating to the group's defined benefit pension obligations.

Principal risks and uncertainties

The Company maintains financing support from other group entities and as such, is exposed to interest rate risk. However, the extent of group financing is such that the impact of changes to interest rates is considered to be minimal, and certainly within manageable limits.

An element of the Company's activities are exposed to foreign currencies, and thus the Company is exposed to exchange rate risk on those activities which are subject to general economic factors. The Company has no measures in place to mitigate the risk of currency fluctuations other than maintaining currency bank accounts, which provides adequate protection.

In addition to the above, there is some exposure to credit risk, and in this regard, the Company carries out appropriate credit checks on potential customers before sales are made, and continually monitors and investigates the ageing of debts.

Financial key performance indicators

The Company considers turnover and gross profit margin to be the key indicators of its performance.

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



.....
D Lee
Director

Date: 24 October 2018

Atex Media Limited

Independent auditors' report to the shareholders of Atex Media Limited

Opinion

We have audited the financial statements of Atex Media Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Balance sheet, the 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 Financial Reporting Standard 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 2017 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Auditors' 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

Atex Media Limited

Independent auditors' report to the shareholders of Atex Media Limited (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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.

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Independent auditors' report to the shareholders of Atex Media Limited (continued)

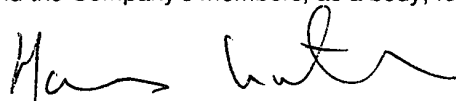
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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.

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 Auditors' report.

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 Auditors' 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.



Adrian Williams ACA FCCA (Senior statutory auditor)

for and on behalf of
Haines Watts

Chartered Accountants
Statutory Auditors

Advantage
87 Castle Street
Reading
Berkshire
RG1 7SN

Date: 29 October 2018

Atex Media Limited

**Statement of comprehensive income
For the year ended 31 December 2017**

	Note	2017 £	2016 £
Turnover	4	4,107,774	4,241,887
Cost of sales		(2,486,484)	(2,085,849)
Gross profit		1,621,290	2,156,038
Distribution costs		(333,049)	(231,000)
Administrative expenses		(893,758)	(799,383)
Exceptional administrative expenses		(1,317,508)	-
Operating (loss)/profit	5	(923,025)	1,125,655
Income from fixed assets investments		441,216	-
Interest receivable and similar income	9	60,317	60,221
Interest payable and expenses	10	(1,370)	(47)
(Loss)/profit before tax		(422,862)	1,185,829
(Loss)/profit for the financial year		(422,862)	1,185,829

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 10 to 23 form part of these financial statements.

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Balance sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	13	-	11,500
Tangible assets	14	22,003	5,424
Investments	15	22,794	-
		<u>44,797</u>	<u>16,924</u>
Current assets			
Debtors: amounts falling due within one year	16	4,518,032	5,157,497
Cash at bank and in hand	17	146,585	1,142,689
		<u>4,664,617</u>	<u>6,300,186</u>
Creditors: amounts falling due within one year	18	(3,123,942)	(5,621,792)
Net current assets		<u>1,540,675</u>	<u>678,394</u>
Provisions for liabilities			
Other provisions	20	(1,317,508)	(5,700)
Net assets		<u>267,964</u>	<u>689,618</u>
Capital and reserves			
Called up share capital	21	1,260,000	1,260,000
Profit and loss account	22	(992,036)	(570,382)
		<u>267,964</u>	<u>689,618</u>

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



.....
D Lee
Director

Date: 29 October 2018

Atex Media Limited

**Statement of changes in equity
For the year ended 31 December 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	1,260,000	(570,382)	689,618
Comprehensive income for the year			
Loss for the year	-	(422,862)	(422,862)
Currency translation differences	-	1,208	1,208
At 31 December 2017	<u>1,260,000</u>	<u>(992,036)</u>	<u>267,964</u>

**Statement of changes in equity
For the year ended 31 December 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	1,260,000	(1,756,211)	(496,211)
Comprehensive income for the year			
Profit for the year	-	1,185,829	1,185,829
At 31 December 2016	<u>1,260,000</u>	<u>(570,382)</u>	<u>689,618</u>

The notes on pages 10 to 23 form part of these financial statements.

Atex Media Limited

Notes to the financial statements For the year ended 31 December 2017

1. General information

Atex Media Limited is a private company limited by shares, incorporated in England. Its primary trading activities, which comprise the selling and installation of software for the media industry, derive from its address in Wells, Somerset.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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 (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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;

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**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.3 Revenue (continued)

- 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.

2.4 Intangible assets

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

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

The estimated useful lives range as follows:

Development costs	-	2	years
Customer contracts	-	10	years

2.5 Tangible fixed assets

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

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

The estimated useful lives range as follows:

Fixtures and fittings	-	3	years
Computer 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.

Atex Media Limited

Notes to the financial statements For the year ended 31 December 2017

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.7 Debtors

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

2.8 Cash and cash equivalents

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

2.9 Financial instruments

The Company only enters into basic financial instrument 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, loans to related parties and investments in non-puttable ordinary shares.

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

2.10 Creditors

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

Atex Media Limited

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.12 Finance costs

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

2.13 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

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

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**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the recoverability of trade debtors, the valuation of accrued costs, and the assessment and impact of potentially onerous contracts.

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**Notes to the financial statements
For the year ended 31 December 2017**

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Software and product sales	876,474	760,756
Provision of services including customer support	3,231,301	3,481,132
	<u>4,107,775</u>	<u>4,241,888</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	1,801,239	2,031,556
Rest of Europe	1,123,662	1,493,102
Rest of the world	1,182,874	717,230
	<u>4,107,775</u>	<u>4,241,888</u>

5. Operating (loss)/profit

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

	2017 £	2016 £
Exchange differences	(34,996)	(133,313)
Other operating lease rentals	13,524	11,849
	<u> </u>	<u> </u>

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,000	7,000
	<u> </u>	<u> </u>

Atex Media Limited

**Notes to the financial statements
For the year ended 31 December 2017**

7. Employees

	2017 £	2016 £
Wages and salaries	1,162,799	1,056,814
Social security costs	171,597	140,121
Cost of defined contribution scheme	156,466	134,379
	<u>1,490,862</u>	<u>1,331,314</u>

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

	2017 No.	2016 No.
Technical	11	13
Sales	1	1
Administration	2	2
	<u>14</u>	<u>16</u>

8. Income from investments

	2017 £	2016 £
Dividends received from subsidiaries	441,216	-
	<u>441,216</u>	<u>-</u>

9. Interest receivable

	2017 £	2016 £
Interest receivable from group companies	60,317	60,221
	<u>60,317</u>	<u>60,221</u>

Atex Media Limited

**Notes to the financial statements
For the year ended 31 December 2017**

10. Interest payable and similar expenses

	2017 £	2016 £
Other interest payable	1,370	47
	<u>1,370</u>	<u>47</u>

11. Taxation

	2017 £	2016 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
(Loss)/profit on ordinary activities before tax	<u>(422,862)</u>	<u>1,185,829</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	<u>(81,401)</u>	<u>237,166</u>
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	7,834
Unrelieved tax losses carried forward	81,401	(245,000)
Total tax charge for the year	<u>-</u>	<u>-</u>

Atex Media Limited

**Notes to the financial statements
For the year ended 31 December 2017**

11. Taxation (continued)

Factors that may affect future tax charges

The Company has significant tax losses and is therefore unlikely to suffer any tax charges in the foreseeable future.

12. Exceptional items

	2017 £	2016 £
Guarantee against group liabilities	1,317,508	-
	<u>1,317,508</u>	<u>-</u>

The Company has given a guarantee against the indebtedness of its German subsidiary in favour of that entity's creditors. At the balance sheet date, that entity recognised a net liability against its pension scheme in the sum provided, and as such, the Company has made full provision for this sum on the basis that it may be called upon to settle the liability in full.

13. Intangible assets

	Development costs £	Customer contracts £	Total £
Cost			
At 1 January 2017	2,134,000	691,000	2,825,000
At 31 December 2017	<u>2,134,000</u>	<u>691,000</u>	<u>2,825,000</u>
Amortisation			
At 1 January 2017	2,134,000	679,500	2,813,500
Charge for the year	-	11,500	11,500
At 31 December 2017	<u>2,134,000</u>	<u>691,000</u>	<u>2,825,000</u>
Net book value			
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u>-</u>	<u>11,500</u>	<u>11,500</u>

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**Notes to the financial statements
For the year ended 31 December 2017**

14. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2017	13,000	36,285	49,285
Additions	-	24,437	24,437
Disposals	(13,000)	(33,528)	(46,528)
At 31 December 2017	-	27,194	27,194
Depreciation			
At 1 January 2017	13,000	30,861	43,861
Charge for the year on owned assets	-	5,708	5,708
Disposals	(13,000)	(31,378)	(44,378)
At 31 December 2017	-	5,191	5,191
Net book value			
At 31 December 2017	-	22,003	22,003
At 31 December 2016	-	5,424	5,424

15. Fixed asset investments

	Investments in subsidiary companies £
Cost	
Additions	22,794
At 31 December 2017	22,794
Net book value	
At 31 December 2017	22,794
At 31 December 2016	-

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**Notes to the financial statements
For the year ended 31 December 2017**

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Atex Media Command AB	Ordinary	100 %	Dormant
Atex Software GmbH	Ordinary	100 %	Provision of staff benefits

16. Debtors

	2017	2016
	£	£
Trade debtors	1,248,147	1,004,676
Amounts owed by group undertakings	3,159,240	3,991,727
Other debtors	15,899	3,140
Prepayments and accrued income	94,746	157,954
	4,518,032	5,157,497

17. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	146,585	1,142,689
	146,585	1,142,689

Atex Media Limited

**Notes to the financial statements
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18. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	149,486	172,087
Amounts owed to group undertakings	929,157	2,664,850
Other taxation and social security	178,425	191,043
Accruals and deferred income	1,866,874	2,593,812
	<u>3,123,942</u>	<u>5,621,792</u>

19. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	146,585	1,142,689
Financial assets that are debt instruments measured at amortised cost	4,431,609	5,087,830
Financial assets that are equity instruments measured at cost less impairment	-	-
	<u>4,578,194</u>	<u>6,230,519</u>

Financial liabilities

Financial liabilities measured at amortised cost	<u>(1,312,577)</u>	<u>(3,066,165)</u>
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Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors.

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**Notes to the financial statements
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20. Provisions

	Onerous contracts £	Intra-group guarantee £	Total £
At 1 January 2017	5,700	-	5,700
Charged to profit or loss	(5,700)	1,317,508	1,311,808
At 31 December 2017	-	1,317,508	1,317,508

The onerous contract provision has been reversed in the current year. The intra-group guarantee relates to a guarantee made by the Company in respect of its German subsidiary, details of which are shown in note 12.

21. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
126,000 (2016 - 126,000) Ordinary shares of £10.00 each	1,260,000	1,260,000

22. Reserves

Profit and loss account

The Profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £156,466 (2016 - £134,378).

At the balance sheet date there were outstanding contributions owed to the pension scheme of £22,611 (2016 - £20,013) which have been included in creditors.

24. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with other wholly owned group members.

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**Notes to the financial statements
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25. Controlling party

The immediate parent undertaking is Constellation Software UK Holdco Limited. The ultimate parent undertaking and controlling party is Constellation Software Inc, a company incorporated in Canada. Copies of its group financial statements are available from 1200-20 Adelaide Street East, Toronto ON M5C 2T6.