

Registered number: 07998621

PRESERVICA LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2018

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PRESERVICA LIMITED
REGISTERED NUMBER: 07998621

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

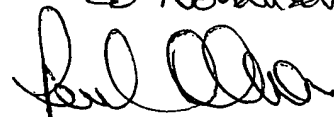
	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	142,134	79,656
		<u>142,134</u>	<u>79,656</u>
Current assets			
Debtors: amounts falling due within one year	6	1,282,798	693,631
Cash at bank and in hand	7	2,067,877	3,219,934
		<u>3,350,675</u>	<u>3,913,565</u>
Creditors: amounts falling due within one year	8	(2,341,927)	(1,387,035)
Net current assets		<u>1,008,748</u>	<u>2,526,530</u>
Other provisions	9	(20,000)	-
		<u>(20,000)</u>	<u>-</u>
Net assets		<u><u>1,130,882</u></u>	<u><u>2,606,186</u></u>
Capital and reserves			
Called up share capital		1,421	1,421
Share premium account		3,429,335	3,429,335
Foreign exchange reserve		476	(12,721)
Profit and loss account		(2,300,350)	(811,849)
Equity attributable to owners of the parent Company		<u><u>1,130,882</u></u>	<u><u>2,606,186</u></u>
		<u><u>1,130,882</u></u>	<u><u>2,606,186</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

20 November 2018


P Allman
Director

The notes on pages 8 to 18 form part of these financial statements.

PRESERVICA LIMITED
REGISTERED NUMBER: 07998621

COMPANY BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	136,096	76,764
Investments	5	71	59
		<u>136,167</u>	<u>76,823</u>
Current assets			
Debtors: amounts falling due within one year	6	2,009,099	584,718
Cash at bank and in hand	7	1,537,186	3,029,290
		<u>3,546,285</u>	<u>3,614,008</u>
Creditors: amounts falling due within one year	8	(1,678,214)	(796,313)
Net current assets		<u>1,868,071</u>	<u>2,817,695</u>
Total assets less current liabilities		<u>2,004,238</u>	<u>2,894,518</u>
Provisions for liabilities			
Other provisions	9	(20,000)	-
		<u>(20,000)</u>	<u>-</u>
Net assets		<u>1,984,238</u>	<u>2,894,518</u>
Capital and reserves			
Called up share capital		1,421	1,421
Share premium account		3,429,335	3,429,335
Profit and loss account brought forward		(536,238)	443,323
Loss for the year		(910,280)	(979,561)
		<u>(1,446,518)</u>	<u>(536,238)</u>
Profit and loss account carried forward		<u>1,984,238</u>	<u>2,894,518</u>

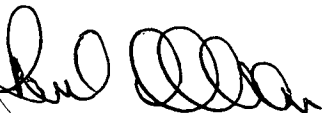
The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

20th November 2018



Allman

PRESERVICA LIMITED
REGISTERED NUMBER: 07998621

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

Director

The notes on pages 8 to 18 form part of these financial statements.

PRESERVICA LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2017	1,421	3,429,335	(12,721)	(811,849)	2,606,186
Comprehensive income for the year					
Loss for the year	-	-	-	(1,488,501)	(1,488,501)
Currency translation differences	-	-	13,197	-	13,197
Other comprehensive income for the year	-	-	13,197	-	13,197
Total comprehensive income for the year	-	-	13,197	(1,488,501)	(1,475,304)
Total transactions with owners	-	-	-	-	-
At 31 March 2018	1,421	3,429,335	476	(2,300,350)	1,130,882

The notes on pages 8 to 18 form part of these financial statements.

PRESERVICA LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2016	825	724,687	(18,408)	300,622	1,007,726
Comprehensive income for the year					
Loss for the year	-	-	-	(1,112,471)	(1,112,471)
Currency translation differences	-	-	5,687	-	5,687
Other comprehensive income for the year	-	-	5,687	-	5,687
Total comprehensive income for the year	-	-	5,687	(1,112,471)	(1,106,784)
Shares issued during the year	596	2,999,574	-	-	3,000,170
Shares redeemed during the year	-	(294,926)	-	-	(294,926)
Total transactions with owners	596	2,704,648	-	-	2,705,244
At 31 March 2017	1,421	3,429,335	(12,721)	(811,849)	2,606,186

The notes on pages 8 to 18 form part of these financial statements.

PRESERVICA LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	1,421	3,429,335	(536,238)	2,894,518
Comprehensive income for the year				
Loss for the year	-	-	(910,280)	(910,280)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(910,280)	(910,280)
Total transactions with owners	-	-	-	-
At 31 March 2018	1,421	3,429,335	(1,446,518)	1,984,238

The notes on pages 8 to 18 form part of these financial statements.

PRESERVICA LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	825	724,687	443,323	1,168,835
Comprehensive income for the year				
Loss for the year	-	-	(979,561)	(979,561)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(979,561)	(979,561)
Contributions by and distributions to owners				
Shares issued during the year	596	2,999,574	-	3,000,170
Shares redeemed during the year	-	(294,926)	-	(294,926)
Total transactions with owners	596	2,704,648	-	2,705,244
At 31 March 2017	1,421	3,429,335	(536,238)	2,894,518

The notes on pages 8 to 18 form part of these financial statements.

PRESERVICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Preservica Ltd is a private limited company, incorporated in the United Kingdom and registered in England and Wales. The principal activity of the Group is the provision of software and related services.

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 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 Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2015.

2.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

PRESERVICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.4 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.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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.

Turnover on fixed price contracts is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations unless exception criteria apply. For such contracts the amount of turnover reflects the accruals of the right to consideration by reference to the value of the work performed. Turnover not billed to client is included in debtors as unbilled receivables.

Revenue from licence subscriptions fees, hosting and customer support is invoiced in advance and spread over the period to which the service relates. Revenue from perpetual licences is recognised when the licence is initiated.

Revenue from initial software set-up and from development work is recognised on completion of the service.

Revenue for consultancy and professional services is recognised when the service is provided.

PRESERVICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

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

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

2.7 Interest income

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

2.8 Finance costs

Finance costs are charged to the Consolidated 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.

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated 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 Group in independently administered funds.

2.10 Taxation

Tax is recognised in the Consolidated 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 balance sheet date in the countries where the Company and the Group operate and generate income.

The Group has made claims for Research and Development tax credits for qualifying activities in the UK. The claim for the year ended 31 March 2016 was not deemed sufficiently certain for recognition in the financial statements. The claim was received in the year ended 31 March 2018, therefore the asset relating to year ended 31 March 2018 has been recognised.

PRESERVICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.11 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Leasehold improvement	-	10%
Fixtures and fittings	-	25%
Computer equipment	-	33%

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 Consolidated statement of comprehensive income.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 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.

2.14 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.

2.15 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.

PRESERVICA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated statement of comprehensive income in the year that the Group 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.

2.17 Financial instruments

The Group 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.

3. Employees

The average monthly number of employees, including directors, during the year was 41 (2017 - 25).

PRESERVICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. Tangible fixed assets

Group

	Leasehold improve- ments £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	32,740	32,778	40,536	106,054
Additions	37,681	23,889	35,057	96,627
Exchange adjustments	-	-	(550)	(550)
At 31 March 2018	70,421	56,667	75,043	202,131
Depreciation				
At 1 April 2017	-	5,265	21,133	26,398
Charge for the year on owned assets	6,455	12,631	14,733	33,819
Exchange adjustments	-	-	(220)	(220)
At 31 March 2018	6,455	17,896	35,646	59,997
Net book value				
At 31 March 2018	63,966	38,771	39,397	142,134
At 31 March 2017	32,740	27,513	19,403	79,656

PRESERVICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. Tangible fixed assets (continued)

Company

	Leasehold improve- ments £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	32,740	32,778	35,692	101,210
Additions	37,681	23,889	29,654	91,224
At 31 March 2018	<u>70,421</u>	<u>56,667</u>	<u>65,346</u>	<u>192,434</u>
Depreciation				
At 1 April 2017	-	5,265	19,181	24,446
Charge for the year on owned assets	6,455	12,631	12,806	31,892
At 31 March 2018	<u>6,455</u>	<u>17,896</u>	<u>31,987</u>	<u>56,338</u>
Net book value				
At 31 March 2018	<u>63,966</u>	<u>38,771</u>	<u>33,359</u>	<u>136,096</u>
At 31 March 2017	<u>32,740</u>	<u>27,513</u>	<u>16,511</u>	<u>76,764</u>

PRESERVICA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Fixed asset investments

Subsidiary undertakings

The following was the subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Preservica Inc	United States of America	Ordinary	100 %	Provision of software

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Preservica Inc	(853,285)	(578,221)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2017	59
Additions	12
At 31 March 2018	71
Net book value	
At 31 March 2018	71
At 31 March 2017	59

PRESERVICA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	877,801	473,155	789,484	279,794
Amounts owed by group undertakings	-	-	908,739	145,767
Other debtors	80,437	114,357	27,152	55,437
Prepayments and accrued income	85,644	43,467	44,808	41,068
Tax recoverable	238,916	62,652	238,916	62,652
	<u>1,282,798</u>	<u>693,631</u>	<u>2,009,099</u>	<u>584,718</u>

Amounts owed by group undertakings are not interest bearing and repayable on demand.

7. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	2,067,877	3,219,934	1,537,186	3,029,290
	<u>2,067,877</u>	<u>3,219,934</u>	<u>1,537,186</u>	<u>3,029,290</u>

8. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	201,331	138,738	155,704	136,039
Amounts owed to group undertakings	-	-	-	59
Other taxation and social security	174,913	64,966	170,837	63,604
Other creditors	36,932	14,180	30,582	10,874
Accruals and deferred income	1,928,751	1,169,151	1,321,091	585,737
	<u>2,341,927</u>	<u>1,387,035</u>	<u>1,678,214</u>	<u>796,313</u>

Amounts owed to group undertakings are not interest bearing and repayable on demand.

PRESERVICA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Provisions

Group

	Dilapidation provision £	Total £
Charged to profit or loss	20,000	20,000
At 31 March 2018	<u>20,000</u>	<u>20,000</u>

Company

	Dilapidation provision £	Total £
Charged to profit or loss	20,000	20,000
At 31 March 2018	<u>20,000</u>	<u>20,000</u>

The dilapidation provision relates to an estimate of costs for restoration, repair and redecoration of the Company's leased premises at the termination of the leases in accordance with the terms of the lease agreements.

10. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £189,560 (2017 - £132,761). Contributions totalling £18,488 (2017 - £1,435) were payable to the fund at the balance sheet date.

11. Commitments under operating leases

At 31 March 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Not later than 1 year	55,056	61,252	55,056	36,215
Later than 1 year and not later than 5 years	160,580	215,636	160,580	215,636
	<u>215,636</u>	<u>276,888</u>	<u>215,636</u>	<u>251,851</u>

PRESERVICA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Related party transactions

The Group has taken advantage of the exemption under Section 33 of FRS 102 from disclosing transactions with wholly owned group companies.

13. Post balance sheet events

On 28 September 2018 the Company issued 4,059,720 ordinary E shares with a nominal value of £0.0001 for a total consideration of £2,000,000. On the same day, the Company also raised £2,000,000 by way of unsecured preference loan stock.

On 8 October 2018 the Company issued 466,667 ordinary D shares with a nominal value of £0.0001 for a total consideration of £46.67.

14. Controlling party

There is no ultimate controlling party.

15. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2018 was unqualified.

The audit report was signed on *21/11/18* by Sue Staunton MA FCA CF (Senior statutory auditor) on behalf of James Cowper Kreston.