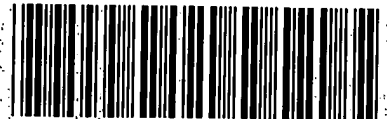


LIVECODE LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2018
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LIVECODE LTD

BALANCE SHEET

AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2018 £	£
Fixed assets					
Intangible assets	3		1,293		1,432
Tangible assets	4		3,517		7,072
Investments	5		300		300
			<u>5,110</u>		<u>8,804</u>
Current assets					
Debtors	6	144,043		176,268	
Cash at bank and in hand		4,219		250	
		<u>148,262</u>		<u>176,518</u>	
Creditors: amounts falling due within one year	7	(154,384)		(237,259)	
Net current liabilities			(6,122)		(60,741)
Total assets less current liabilities			(1,012)		(51,937)
Creditors: amounts falling due after more than one year	8		(1,164,278)		(1,035,826)
Net liabilities			<u>(1,165,290)</u>		<u>(1,087,763)</u>
Capital and reserves					
Called up share capital	9		6,057		5,869
Share premium account			1,463,786		1,383,613
Profit and loss reserves			(2,635,133)		(2,477,245)
Total equity			<u>(1,165,290)</u>		<u>(1,087,763)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial Period ended 31 October 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the Period in question in accordance with section 476.

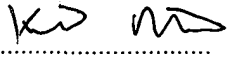
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

LIVECODE LTD

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2018

The financial statements were approved by the board of directors and authorised for issue on 14 / 11 / 18
and are signed on its behalf by:


.....

K Miller

Director

Company Registration No. SC200728

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 OCTOBER 2018

1 Accounting policies

Company information

Livecode Ltd is a private company limited by shares incorporated in Scotland. The registered office is 66 Albion Road, Edinburgh, EH7 5QZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

GOING CONCERN

The financial statements have been prepared on a going concern basis. The company's ongoing activities are dependent upon the continued support of the directors, loan funders and investors who have undertaken to provide such support for the foreseeable future along with voluntary arrangement entered into in 2015. The company is also expecting trading to pick up from December 2018.

If the going concern basis were not appropriate, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that may arise and to reclassify fixed assets as current assets and long term liabilities as current liabilities. The directors have assurances that funds would be made available by investors to pay certain creditors if required.

1.3 Reporting period

This period is for 7 months from 1 April 2018 to 31 October 2018. The previous period was for a full 12 months.

1.4 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents and other intangibles	10% Straight Line
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax, the tax charge also includes the impact of any claim for research and development tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date. The taxation charge also shows refunds due to research and development tax credit claims.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. A deferred tax asset has not been included for losses available to carry forward.

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

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

1.16 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Employees

The average monthly number of persons (including directors) employed by the company during the Period was 15 (2018 - 15).

3 Intangible fixed assets

	Other £
Cost	
At 1 April 2018 and 31 October 2018	448,484
Amortisation and impairment	
At 1 April 2018	447,052
Amortisation charged for the Period	139
At 31 October 2018	447,191
Carrying amount	
At 31 October 2018	1,293
At 31 March 2018	1,432

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2018

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2018	85,289
Additions	2,614
At 31 October 2018	87,903
Depreciation and impairment	
At 1 April 2018	78,217
Depreciation charged in the Period	6,169
At 31 October 2018	84,386
Carrying amount	
At 31 October 2018	3,517
At 31 March 2018	7,072

5 Fixed asset investments

	2018 £	2018 £
Investments	300	300

Fixed asset investments not carried at market value

The above investments relate to a 50% share in Livecode China Ltd (a Chinese registered entity) valued at £0 and a 30% share in Kognition.io Ltd (a Scottish registered company) valued at £300. During the year ended 31 March 2018 the Livecode China Ltd investment was written off to £nil. At present the Kognition.io investment is valued at the cost of the investment until their activities are more established.

6 Debtors

	2018 £	2018 £
Amounts falling due within one year:		
Trade debtors	9,522	93,668
Corporation tax recoverable	67,137	53,221
Other debtors	67,384	29,379
	144,043	176,268

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2018

7 Creditors: amounts falling due within one year

	2018 £	2018 £
Bank loans and overdrafts	-	68
Trade creditors	16,400	54,924
Other taxation and social security	54,045	50,023
Other creditors	83,939	132,244
	<u>154,384</u>	<u>237,259</u>

8 Creditors: amounts falling due after more than one year

	2018 £	2018 £
Other creditors	1,164,278	1,035,826
	<u>1,164,278</u>	<u>1,035,826</u>

9 Called up share capital

	2018 £	2018 £
Ordinary share capital		
Issued and fully paid		
60,565 Ordinary shares of 10p each	6,057	5,869
	<u>6,057</u>	<u>5,869</u>

Reconciliation of movements during the Period:

	Ordinary Number
At 1 April 2018	58,689
Issue of fully paid shares	1,876
At 31 October 2018	<u>60,565</u>

During the year 1876 ordinary £0.10 shares were issued for cash.