

CLOUDIQ LIMITED

**Company Registration Number:
07774309 (England and Wales)**

Unaudited statutory accounts for the year ended 31 December 2019

Period of accounts

Start date: 1 January 2019

End date: 31 December 2019

CLOUDIQ LIMITED

Contents of the Financial Statements

for the Period Ended 31 December 2019

[Directors report](#)

[Profit and loss](#)

[Balance sheet](#)

[Additional notes](#)

[Balance sheet notes](#)

CLOUDIQ LIMITED

Directors' report period ended 31 December 2019

The directors present their report with the financial statements of the company for the period ended 31 December 2019

Principal activities of the company

The principal activity of the company in the year under review was that of the development and sale of cloud-based marketing systems and applications. During the year, in February 2019 the business secured £7,555,474 funding in the form of Convertible Loan Notes to support the sales expansion in to the US and continued growth in the UK.

Additional information

EVENTS SINCE THE END OF THE YEAR On 7th April 2020, the Company closed a funding round in which the Company converted its existing convertible loan notes to equity before issuing a further £2.7M in equity to existing shareholders, of which £2.246M has been received by the Company so far. In addition, the Company secured a quarterly rolling loan repayment holiday with its venture debt provider. In March 2020, Covid-19 became a global pandemic with severe restrictions on daily life coming into effect. This is a non-adjusting subsequent event, and it does not have an impact on the valuation of assets and liabilities as at the year end date. The impact of this on the Company is unknown at this stage but it has already seen an 8% reduction in recurring revenue due to contracts being paused, although these pauses are expected to be temporary and management expect these to restart in 3 months. It has also impacted the business plan as the growth trajectory has shifted as potential customers put off their buying decisions. Despite the current conditions and in light of the recently secured funding, the Directors are confident that the projected forecasts demonstrate they have sufficient resources to continue as a going concern.

Directors

The directors shown below have held office during the whole of the period from **1 January 2019 to 31 December 2019**

James Critchley
Edd Rudd
Carles Roqueta

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on **1 May 2020**

And signed on behalf of the board by:

Name: James Critchley
Status: Director

CLOUDIQ LIMITED

Profit And Loss Account

for the Period Ended 31 December 2019

	2019	2018
	£	£
Turnover:	2,723,960	2,705,475
Cost of sales:	(851,313)	(705,255)
Gross profit(or loss):	1,872,647	2,000,220
Administrative expenses:	(9,177,862)	(9,544,236)
Operating profit(or loss):	(7,305,215)	(7,544,016)
Interest receivable and similar income:	1,392	9,332
Interest payable and similar charges:	(660,677)	(294,556)
Profit(or loss) before tax:	(7,964,500)	(7,829,240)
Tax:	1,045,171	1,143,093
Profit(or loss) for the financial year:	(6,919,329)	(6,686,147)

CLOUDIQ LIMITED**Balance sheet**

As at 31 December 2019

	<i>Notes</i>	<i>2019</i>	<i>2018</i>
		<i>£</i>	<i>£</i>
Fixed assets			
Intangible assets:	3	123,319	184,977
Tangible assets:	4	80,799	121,729
Total fixed assets:		<u>204,118</u>	<u>306,706</u>
Current assets			
Debtors:	5	1,497,762	1,798,981
Cash at bank and in hand:		2,286,557	1,944,140
Total current assets:		<u>3,784,319</u>	<u>3,743,121</u>
Creditors: amounts falling due within one year:	6	(13,321,465)	(2,009,414)
Net current assets (liabilities):		<u>(9,537,146)</u>	<u>1,733,707</u>
Total assets less current liabilities:		<u>(9,333,028)</u>	<u>2,040,413</u>
Creditors: amounts falling due after more than one year:	7	(91,891)	(4,613,730)
Total net assets (liabilities):		<u>(9,424,919)</u>	<u>(2,573,317)</u>
Capital and reserves			
Called up share capital:		1,232	1,232
Share premium account:		13,844,408	13,844,408
Other reserves:		29,465	(38,262)
Profit and loss account:		(23,300,024)	(16,380,695)
Total Shareholders' funds:		<u>(9,424,919)</u>	<u>(2,573,317)</u>

The notes form part of these financial statements

CLOUDIQ LIMITED

Balance sheet statements

For the year ending 31 December 2019 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

**This report was approved by the board of directors on 1 May 2020
and signed on behalf of the board by:**

Name: James Critchley
Status: Director

The notes form part of these financial statements

CLOUDIQ LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2019

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Turnover policy

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for services supplied, net of discounts and value added taxes. Turnover is recognised when the significant risks and rewards of the services have passed to the customer, which on deliveries is typically the point where services are performed to and accepted by the customer.

Tangible fixed assets depreciation policy

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Computer equipment – 33% on cost
Fixtures & Fittings – 20% on cost

Other accounting policies

These financial statements have been prepared in accordance with the provisions of Section 1A Small Entities of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks. Therefore, 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. However, the UK's decision to leave the UK has increased overall business uncertainty and consumer confidence. The influence of Brexit on consumer demand patterns and foreign exchange rates could impact the business, but given our future planned growth into international markets, we expect this risk to be minimal. The Board continues to monitor Brexit negotiations and the impact on key markets.

Basis of consolidationThe Group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings up to 31st December 2019. A subsidiary is an entity controlled by the Group where the Group owns more than 50 percent of the voting powers of the entity. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing these financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the group's interest in the entity.

GoodwillGoodwill is recognised on the excess of the consideration transferred over the fair value of the net identifiable assets acquired. Goodwill is recognised separately as intangible assets and carried at cost less accumulated impairment losses. They are amortised on a straight-line basis, on the expected life of the asset which is assessed on a case by case basis between 5 to 10 years.

Related party transactionsThe company has taken advantage of the exemption under FRS102 from disclosing transactions with members do the same group that are wholly owned.

Intellectual property rightsIntellectual property rights in relation on the company's IT systems and platforms has now been fully amortised over its estimated useful economic life of two years on a straight-line basis.

Investments in subsidiariesInvestments in subsidiary undertakings are recognised at cost less accumulated impairment losses.

TaxationTaxation for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account; except to the extent that it relates to items recognised in other comprehensive income or directly in equity respectively.

Foreign currencies(i)Functional and presentation currencyThe company's functional and presentation currency is the pound sterling.(ii) Transactions and balancesForeign exchange transactions are translated into the functional currency using the spot exchange rate at the dates of the transactions. At each period end foreign currency monetary items (such as trade debtors and trade creditors) are translated using the closing rate. 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 profit and loss account.

Operating leasesRentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

PensionsThe Company is part of a group pension scheme. The scheme is a defined contribution pension scheme and the pension costs incurred by the Company are charged to the profit and loss account in the period to which they relate.

Research and development tax creditsResearch and development tax credits are recognised on a receivable basis.

Employee benefitsThe company provides a range of benefits to employees, including paid holiday arrangements, bonuses, commissions and defined contribution pension

plans. Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received. Financial instruments The company applies sections 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments. Financial assets Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement immediately. If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement immediately. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions. Financial liabilities Basic financial liabilities, including trade creditors, 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 receipts discounted at a market rate of interest. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

CLOUDIQ LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2019

2. Employees

	2019	2018
Average number of employees during the period	115	113

CLOUDIQ LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2019

3. Intangible assets

	Goodwill	Other	Total
Cost	£	£	£
At 1 January 2019	647,835	31,249	679,084
Additions			
Disposals			
Revaluations			
Transfers			
At 31 December 2019	<u>647,835</u>	<u>31,249</u>	<u>679,084</u>
Amortisation			
At 1 January 2019	462,858	31,249	494,107
Charge for year	61,658	0	61,658
On disposals			
Other adjustments			
At 31 December 2019	<u>524,516</u>	<u>31,249</u>	<u>555,765</u>
Net book value			
At 31 December 2019	<u>123,319</u>	<u>0</u>	<u>123,319</u>
At 31 December 2018	<u>184,977</u>	<u>0</u>	<u>184,977</u>

CLOUDIQ LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2019

4. Tangible assets

	Land & buildings	Plant & machinery	Fixtures & fittings	Office equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£
At 1 January 2019			30,307	171,037		201,344
Additions			1,799	10,784		12,583
Disposals						
Revaluations						
Transfers						
At 31 December 2019			32,106	181,821		213,927
Depreciation						
At 1 January 2019			7,253	72,362		79,615
Charge for year			6,214	47,299		53,513
On disposals						
Other adjustments						
At 31 December 2019			13,467	119,661		133,128
Net book value						
At 31 December 2019			18,639	62,160		80,799
At 31 December 2018			23,054	98,675		121,729

CLOUDIQ LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2019

5. Debtors

	2019	2018
	£	£
Trade debtors	273,201	392,360
Prepayments and accrued income	63,709	91,299
Other debtors	1,160,852	1,315,322
Total	<u>1,497,762</u>	<u>1,798,981</u>

CLOUDIQ LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2019

6. Creditors: amounts falling due within one year note

	2019	2018
	£	£
Trade creditors	155,677	160,458
Taxation and social security	61,499	234,200
Accruals and deferred income	302,465	687,302
Other creditors	12,801,824	927,454
Total	13,321,465	2,009,414

CLOUDIQ LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2019

7. Creditors: amounts falling due after more than one year note

	2019	2018
	£	£
Other creditors	91,891	4,613,730
Total	91,891	4,613,730