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Runtime Collective Limited

Annual report and financial statements

for the year ended 31 December 2021

Registered number: 03898053

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Runtime Collective Limited

Company Information

Directors

U Larsen
B Goodband
K Garrood

Secretary

B Goodband

Registered Office

Sovereign House
Church Street
1st Floor
Brighton
East Sussex
BN1 1UJ
United Kingdom

Bankers

Silicon Valley Bank
Alphabeta,
14-18 Finsbury Square
London
EC2A 1BR
United Kingdom

Independent auditors

PricewaterhouseCoopers LLP
Statutory Auditor
40 Clarendon Road
Watford
Hertforshire
WD17 1JJ
United Kingdom

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Runtime Collective Limited

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Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

Revenue decreased by 5.3% year on year to £45.3m. This was largely driven by an adverse currency impact from US customer sales.

As presented in the KPI table on the following page, the Company made a net loss of £24.9m (2020: £18.3.m loss) which translated into an adjusted EBITDA loss of £3.2m (2020: £6.2m loss). Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation further adjusted for exceptional costs, revaluation of warrants, share option expense and foreign exchange differences

The Company holds cash reserves of £1.6m at the year-end (2020: £5.5m).

The Company is the parent company of Brandwatch Groupwhich was acquired by Castle Intermediate Holdings II Ltd, a Cision group company on 1 June 2021 (the "Acquisition) for a consideration of $453m. The SVB loan facilities of $40m, comprising a $20m revolver and a $20m term loan were repaid by Castle Intermediate Holdings II Ltd upon acquisition the Company ("Brandwatch") on the acquisition date. The acquisition also triggered full vesting and exercise of all Company share options and the incurrance of professional fees totalling £6.6m Brandwatch is now strategically positioned within a newly created social division, integrating with Cision's existing Falcon.io business to create a global leader in this fast evolving space.

Key performance indicators

Revenue by market	2021 FY £k	2020 FY £k	Growth %
Americas	23,395	26,297	(11.0%)
UK	9,614	9,772	(1.6%)
Europe	8,919	8,409	6.1%
APAC / Rest of World	3,355	3,339	0.5%
Revenue	45,283	47,817	(5.3%)

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Strategic report (continued)

Reconciliation of Adjusted EBITDA	2021 FY £k	2020 FY £k
Loss for the financial year	(24,853)	(18,332)
Depreciation	924	1,787
Amortisation	138	33
Impairment of investments	-	3,663
Interest (net)	696	2,097
Exceptional costs *	22,382	3,444
Revaluation (gain)/loss on warrants	(499)	90
Tax on loss	(2,018)	952
FX differences	35	18
Adjusted EBITDA	**(3,195)**	**(6,248)**

* 2021 Exceptional costs of £22,382k include share based payment expense of £15,129k, professional fees relating to the acquisition by Cision £6,553k, and offcycle share options payroll £358k. 2020 exceptional costs included share based payment expense of £2,791k, Qriously earn out payments £358k, severance costs of £181k and customer migration costs £114k. Exceptional costs are classified as non-recurring in nature. Adjusted EBITDA is a key metric for the business as it reflects underlying trade performance.

Country	As at 31 December 2021 Headcount	As at 31 December 2020 Headcount	Growth %
UK	268	228	17.5%
Spain	4	3	33.3%
	272	**231**	**17.7%**

A breakdown of staff numbers by function is included in note 7 to the financial statements.

Runtime Collective Limited

Strategic report (continued)

Principal risks and uncertainties

The Company operates in a marketplace that includes a number of successful companies with products that compete directly with Brandwatch's social media monitoring product suite.

The principal risk facing the Company is the threat of increased competition leading to a loss of market share.

The Company is reliant on key data sources to provide content for the product. The relationships with our key suppliers are robust and the Company has long-term contracts in place for the provision of this data. The Board is confident that the current business plan will enable the Company to maintain its product leadership position for the foreseeable future.

Due to the volume of business conducted outside the UK, foreign exchange risk is a risk to the Company. Details of the Company's risk management strategy for foreign exchange are included in the Directors' report.

The Directors in their assessment of risks impacting the Company have considered the risks arising from Britain exiting the EU "Brexit". The Directors do not consider there to be a material impact on the carrying value of the business or future prospects. The Directors have considered the impact of Brexit on the availability of finance and the potential changes in terms of available finance and do not believe that Brexit changes the assessment of the business as a going concern.

The Directors in their assessment of risks impacting the Company have considered the continuing risk arising from Covid-19. Trading conditions have normalised, in our key markets and Management remain confident that the 2022 Budget will be delivered. However, should market conditions deteriorate, Management retain the agility to implement appropriate mitigation levers to support cost reduction and cash conservation. Covenants have been complied with up to the date of loan repayment, the Company is now free of third party borrowings and therefore the risk of any future covenant breach.

Future developments

The directors expect a revenue decrease in 2022 as US customer billing transitions to the Company's US subsidiary, Crimson Hexagon Inc.

Details of any significant events since the balance sheet date if applicable are contained in the Directors' Report and in Note 24.

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Statement of directors' duties to stakeholders

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment; and
- the desirability of the Company maintaining a reputation for high standards of business conduct; and – the need to act fairly as between members of the Company.

The directors of the Company have sought to balance the needs of its members with the s.172 matters throughout the year, for example in the policies and practices which run through the Company, ensuring that the Company's reputation for high standards of conduct are maintained and in our engagement with our employees.

The Directors of the Company have a duty to promote the success of the Company, and it relies on smooth operations and the support and joint efforts of stakeholders. Thus, effective communication and interaction are indispensable in the Company's business operations, The Company is aware of the importance of stakeholder opinions, and understands and responds to relevant stakeholders and their concerns.

We identified the most important stakeholders based on past stakeholder communications. We contact these stakeholders through regular/ad hoc channels to ensure full communication of every issue.

Engagement with employees

Employees are the most valuable assets of the Company. We engage with the employees through Company wide meetings, operating meetings, regular and ad hoc meetings, telephone, email and slack channels for the following topics:

- Compensation, welfare and employee care
- Compliance
- Work environment safety and labour health protection
- Strategic and operational matters

We set up strict selection procedures and standards in place to ensure non-discrimination in our employment policy. We provide employees with comprehensive training and career development opportunities. We conduct departmental and external professional training.

We continue to organize management courses to assist managers on effective management for the Company to achieve higher performance.

The Company strives to enhance employee safety and care.

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Engagement with suppliers, customers and others in a business relationship with the Company

Suppliers

The Company works with its supplier base to ensure its operations can be carried out as efficiently as possible. We work with suppliers to give them maximum possible vision of our relevant requirements, and ensure that invoices are paid in a timely manner.

Customers

The Company aims to deliver services that meet and exceed customer expectations, and continue to adapt to changing customer needs.

Approved by the Board of Directors on 13 July 2022.
And signed on behalf of the Board by:

DocuSigned by:
Ben Goodband
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B Goodband
Director

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Runtime Collective Limited

Directors' report

The directors present their report with the audited financial statements of the Company for the year ended 31 December 2021.

Principal Activity
The Company delivers powerful social media monitoring and analytics tools, chosen by pioneering brands and agencies all over the world.
The Strategic report details the board's view of the future development of the business in the year ahead.

Research and development
During 2021 the Company's project to develop and extend the functionality of its SaaS software offerings continued according to plan.

Existence of branches outside the UK
The Company, through the branches, as defined in section 1046(3) of the Companies Act 2006, operated outside the UK as follows:

Runtime Collective Limited – Spanish branch.

Going concern
The Directors of the company have received a letter of support from Castle Top Holding Limited (a Cision group Company) confirming the intention of the shareholders to provide the necessary support to allow the Company to meet its obligations as they fall due.
Thus, they continue to adopt the going concern basis in preparing the annual financial statements. The impact of Covid 19 trading conditions and the Cision acquisition have been included in this assessment. Further details regarding the adoption of the going concern basis, and the support provided by Cision, can be found in the accounting policies section in Note 1.

Post balance sheet events
Paladin Software LLC was acquired by Brandwatch post year end. Further details are disclosed in Note 24.

Financial risk management objectives and policies
The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company does not use derivative financial instruments for speculative purposes.

Cash flow risk
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company does not employ derivatives to manage this risk and uses spot foreign exchange transactions to manage short-term currency cash flow issues and attempts to match local currency expenditure to income for longer-term hedging. The Company is debt free and has access to funding if required from is Cision parent.

Runtime Collective Limited

Directors' report (continued)

Credit risk
The Company's principal financial assets are bank balances and trade and other receivables.
The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is indication of an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company pays close attention to the credit rating of potential clients and the ageing of its debt in order to mitigate this risk.
The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.
The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk
Historically the Company used a mixture of long-term and short-term debt finance in order to maintain liquidity to ensure that sufficient funds were available for ongoing operations and future developments. External borrowings have now been repaid upon acquisition by Cision. The Company continues to actively manages it's cash to ensure it can meet all debts as and when they fall due together with future investment requirements.

Dividends
No dividends will be distributed for the year ended 31 December 2021 (2020: £nil).

Directors
The directors, who served throughout the year and to the date of this report, were as follows:

U Larsen (Appointed 24 February 2022)
B Goodband (Appointed 24 February 2022)
K Garrood (Appointed 24 February 2022)
R Casamento (Appointed 24 February 2022, Resigned 07 July 2022)
G Palmer (Resigned 24 February 2022)
D Marvin (Appointed 01 June 2021, Resigned 24 February 2022))
N Gilhespie (Appointed 01 June 2021, Resigned 16 September 2021)
P Gondipalli. (Appointed 20 August 2021, Resigned 24 February 2022)
S Brooks (Resigned 01 June 2021)
O Benayoun (Resigned 01 June 2021)
J Corkran (Resigned 01 June 2021)
D Nelson (Resigned 01 June 2021)
F Gloster (Resigned 01 June 2021)
G Berruyer (Resigned 01 June 2021

Directors' indemnities
The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during this year and last and remain in force at the date of this report.

Runtime Collective Limited

Directors' report (continued)

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company and the Company. This is achieved through formal monthly company meetings, and informal meetings to which all employees of the Company are invited and is recorded for those who are unable to attend. The format of the meetings provides the opportunity for employees to give feedback to the executive team which allows for a free flow of information and ideas. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests by the Company's People Team representatives in each location.

Disclosure of information in the strategic report

Matters required by schedule 7 of the large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report in Accordance with S.414c(11) of the Companies Act 2006.

Energy and emissions report

As a large, unquoted organisation, Runtime Collective Limited is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 because it meets the thresholds for reporting.
Energy use and carbon emissions are reported for the Company only. Other UK subsidiaries in the Company do not meet the thresholds for reporting and are not required to report. Overseas subsidiaries in the Company are not required to include energy and carbon information under this legislation.

Greenhouse gas (GHG) emissions and energy use data for the year:	**2021**	**2020**
UK energy consumption used to calculate emissions in kWh:	266,660	251,137
Emissions from purchased electricity (scope 2) in kg CO2e:	101,587	95,673
Intensity ratio (kg CO2e/ m2)	40.5	38.1

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Runtime Collective Limited

Directors' report (continued)

Methodology

The data detailed in this table represents energy use and emissions for which the Company is responsible for the year 1 January 2021 to 31 December 2021. It includes the sub-metered electricity used in the Company's offices which is procured by the landlord.

The Company has used the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard as an emissions calculation methodology. The methodology recommends that emissions are calculated by multiplying activity data (energy use is kWh) by an appropriate conversion factor. The company has used the UK government GHG conversion factors for company reporting 2021 to calculate emissions.

Our emissions intensity is reported by floor area (m2) of our offices. This is because the amount of office space we occupy is directly related to our business activities, as increased business may result in a corresponding requirement for more office space.

Reporting our emissions by m2 of office space also allows us to detail how efficient our offices are compared to typical and best practice office use in the Real Estate Environmental Benchmark (REEB) developed by the Better Buildings Partnership. This is a publicly available operational benchmark of environmental performance for commercial property in the UK. It is one of the only benchmarks based on the performance of buildings 'in use' and is used by investors, fund managers and property owners to compare the performance of their assets with other similar assets from portfolios across the UK.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and financial statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;

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- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations
In the case of each director in office at the date the directors' report is approved:

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

Approved by the Board of Directors on 13 July 2022.
And signed on behalf of the Board by:

DocuSigned by:
Ben Goodband
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B Goodband
Director

Independent auditors' report to the members of Runtime Collective Limited

Report on the audit of the financial statements

Opinion

In our opinion, Runtime Collective Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Profit and loss account, the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members of Runtime Collective Limited (Continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Independent auditors' report to the members of Runtime Collective 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Testing journal entries for appropriateness,testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business ; and
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Runtime Collective Limited (Continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Gregory Briggs (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
13 July 2022

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Runtime Collective Limited

Profit and loss account
For the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	45,282,443	47,816,754
Cost of sales		(16,264,848)	(15,749,429)
Gross profit		29,017,595	32,067,325
Administrative expenses		(33,552,210)	(43,932,556)
Exceptional items		(22,381,668)	(3,444,266)
Other operating income		-	116,350
Operating loss		(26,916,283)	(15,193,147)
Interest payable and similar expenses	4	(696,499)	(2,097,279)
Other gains/(losses)	5	742,455	(90,374)
Loss before taxation	6	(26,870,327)	(17,380,800)
Tax on loss	9	2,017,583	(951,521)
Loss for the financial year		(24,852,744)	(18,332,321)

All amounts above relate to continuing operations.

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Runtime Collective Limited

Statement of comprehensive income
For the year ended 31 December 2021

	2021 £	2020 £
Loss for the financial year	(24,852,744)	(18,332,321)
Currency translation difference on foreign currency net investments	(319,026)	(114,114)
Other comprehensive loss	(319,026)	(114,114)
Total comprehensive loss	(25,171,770)	(18,446,435)

Runtime Collective Limited

Balance sheet
At 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	514,745	635,757
Tangible assets	12	491,417	1,141,751
Investments	13	126,057,325	126,057,325
		127,063,487	127,834,833
Current assets			
Debtors: amounts falling due within one year	14	42,632,263	29,979,115
Debtors: amounts falling due after more than one year	14	1,549,985	-
Cash at bank and in hand		1,636,620	5,516,747
		45,818,868	35,495,862
Creditors: amounts falling due within one year	15	(69,182,270)	(49,195,702)
Net current liabilities		(23,363,402)	(13,699,840)
Total assets less current liabilities		103,700,085	114,134,993
Creditors: amounts falling due after more than one year	16	-	(26,500,683)
Net assets		103,700,085	87,634,310
Capital and reserves			
Called up share capital	20	1,246	1,049
Share premium account	21	193,452,070	139,617,076
Profit and loss account	21	(89,753,231)	(51,983,815)
Shareholders' funds		103,700,085	87,634,310

The financial statements of Runtime Collective Limited (Registered Number 03898053) were approved by the board of directors and authorised for issue on 13 July 2022. They were signed on its behalf by:

DocuSigned by:
Ben Goodband
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B Goodband
Director

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Runtime Collective Limited

Statement of changes in equity

For the year ended 31 December 2021

	Notes	Called-up share capital £	Share premium account £	Other reserve £	Profit and loss account £	Total £
At 1 January 2020		1,043	138,562,676	1,040,110	(36,328,568)	103,275,261
Loss for the financial year		-	-	-	(18,332,321)	(18,332,321)
Other comprehensive loss		-	-	-	(114,114)	(114,114)
Total comprehensive loss		-	-	-	(18,446,435)	(18,446,435)
Issue of share capital	20	6	1,054,400	-	-	1,054,406
Issuance of deferred share consideration		-	-	(1,040,110)	-	(1,040,110)
Credit to equity for equity-settled share-based payment	10	-	-	-	2,791,188	2,791,188
At 31 December 2020		1,049	139,617,076	-	(51,983,815)	87,634,310
Loss for the financial year		-	-	-	(24,852,744)	(24,852,744)
Other comprehensive loss		-	-	-	(319,026)	
Total comprehensive loss		-	-	-	(25,171,770)	(25,171,770)
Issue of share capital	20	197	53,834,994	-	-	53,835,191
Credit to equity for equity-settled share based payment	10	-	-	-	15,129,271	15,129,271
Extinguishment of equity-settled share-based payment		-	-	-	(27,726,917)	(27,726,917)
At 31 December 2021		1,246	193,452,070	-	(89,753,231)	103,700,085

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1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Runtime Collective Limited is a private Company limited by shares incorporated in England under the Companies Act 2006. The address of the registered office is given on the Company information page at the start of these financial statements. The nature of the Company's operations and its principal activities are set out in the directors' report.
The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and 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.

The functional currency of Runtime Collective Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out below. A significant proportion of the Company's revenue is generated in US dollars, but this is offset against significant costs in US dollars and no derivatives are in place to hedge these currency transactions.
Runtime Collective Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Consolidated financial statements

The Company is a wholly owned subsidiary of Castle Intermediate Holding V Limited and its ultimate parent, Platinum Equity Capital Partners International V (Cayman), L.P. Group consplidated fincnail statements are prepared at Castle Top Holding Limited, a company incorporated in England and Wales. The registered number is 12357407 and the registered address is 100 New Bridge Street, London, United Kingdom, EC4V 6JA. Results of the Company are included in the consolidated financial statements of Castle Top Holding Limited. which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

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1. Accounting policies(continued)

b. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report further describes the financial position of the Company; its cash flows and liquidity position; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

Since the acquisition of the Company and its subsidiaries by Cision group, the new shareholders have had to bridge temporary funding requirements of the Company.

The Company has been strategically positioned within a newly created social business unit within the Cision Group, who are fully committed to its success. The shareholders have provided the Directors with a letter of support confirming a) the intention of the shareholders to provide the necessary support to allow the Company to meet its obligations as they fall due and b) the shareholders' ability to provide this support. This support will be available for a period of not less than 12 months from the date of these financial statements. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. Intangible assets – other

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Company is expected to benefit. This period is between three and five years. Provision is made for any impairment.
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 if the fair value can be measured reliably and if the intangible assets arise from contractual or other legal rights and are separable.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values on a straight-line basis over their useful lives, as follows:

Software	5 years

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1. Accounting policies(continued)

d. Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Improvements to short leasehold property	4 years
Fixtures and fittings	4 years
Computer equipment	3 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

e. Financial instruments

The Company has applied the provisions of both Section 11 and Section 12 of Financial Reporting Standard 102 in accounting for its financial instruments. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

(i) Financial assets and liabilities
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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1. Accounting policies(continued)

e. Financial instruments (continued)

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled; (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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1. Accounting policies(continued)

e. Financial instruments (continued)

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Equity instruments
Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment, such as obsolescence due to new technology, at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

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1. Accounting policies(continued)

f. Impairment of assets (continued)

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.
Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

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1. Accounting policies(continued)

g. Taxation (continued)

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

h. Turnover

Turnover is measured at fair value of the consideration received or receivable and is stated net of VAT and other sales taxes or duty.

Turnover is recognised only to the extent that it is probable the economic benefits will flow to the Company and can be reliably measured. The following specific revenue recognition criteria must also be met before turnover is recognised.

Revenue from software subscriptions and service contracts

The Company sells software subscriptions and service contracts of fixed periods of duration, and where sold together are usually coterminous. Where there is a multi-element arrangement, the turnover is allocated to each element based on the separate prices stated within the contract. Turnover from these subscriptions and service contracts where there are no additional performance obligations are recognised equally over the period to which the subscriptions and service contracts relate.

1. Accounting policies(continued)

h. Turnover (continued)

Revenue from fixed term service contracts

The Company also sells service contracts which are shorter term in nature related to setup and onboarding of new customers, training, and for the provision of one-off research reports. Turnover from these contracts is recognised only to the extent that performance obligations under each contract have been met. Where a contract contains multiple performance obligations and has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the separable performance obligations met at the balance sheet date.

Accrued and deferred revenue arising on both software subscriptions and service contracts is included in receivables as accrued income, and in creditors due within one year as deferred revenue as appropriate.

i. Employee benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

j. Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

1. Accounting policies(continued)

j. Foreign Currency(continued)

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor
- likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

k. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, or until the break-point of longer leases where it is anticipated that the break clause will be exercised by management during the lease term.

l. Share-based payment

The Company issued equity-settled share options to certain employees. Equity-settled share-based payment transactions were measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant.

The fair value determined at the grant date of the equity-settled share-based payments was expensed as the shares vest over the vesting period, based on the Group's estimate of shares that eventually vested and adjusted for the effect of non-market based vesting conditions.

Fair value was measured by use of the Black Scholes pricing model which was considered by management to be the most appropriate method of valuation. The expected life used in the model was adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

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1. Accounting policies(continued)

m. Accounting for Government grants

In various circumstances the Company can be entitled to and has been in receipt of a number of different grants and financial support packages from various government bodies across the territories in which it operates. The Company looks to apply Section 24 of FRS 102, The Financial Reporting Standard for the UK and Republic of Ireland for entities reporting under UK GAAP.

Grants are accounted for under the accruals model as permitted by FRS 102. All grants received are of a revenue nature and are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough') as detailed in Note 3. The Company has not directly benefited from any other forms of government assistance.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The items referred to below pertain to both the Company and the Company

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2. Critical accounting judgements and key sources of estimation uncertainty (cont.)

a) Key sources of estimation uncertainty

Equity-settled share options and warrants

A key source of estimation relates to the valuation of the equity-settled share options issued to employees as outlined above. New equity instruments issued to employees are fair valued at grant date and expensed over the vesting period. The Company also has warrants attached to the bank loans which require fair value assessment as the value of the Company's shares drives the warrant value.

Equity-settled share options and warrants

The estimation of valuation for privately held shares involves modelling and judgement, including the expected volatility, risk free rate of return and expected dividend yields. See note 10 for further details of share based payments.

The Company recognised a debit to exceptional expenses of £15,129,271 (2020 : debit of £2,791,188) relating to equity-settled share-based payment transactions.

Investments in subsidiaries

The cost of the investment in the Company's financial statements has been reviewed for impairment.

The Directors are confident that the carrying amount of intangible assets and investments are fairly stated. The directors consider that the estimates and judgements applied in their assessment that no impairment review is required are reasonable, however variances in inputs could materially impact the carry value of these items.

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3. Turnover

The turnover and loss before taxation are attributable to the one principal activity of the Company. An analysis of the Company's turnover by geographical market is set out below:

	2021 £	2020 £
Americas	23,395,462	26,296,658
United Kingdom	9,613,828	9,771,636
Europe	8,918,600	8,409,113
APAC / Rest of World	3,354,553	3,339,347
	45,282,443	47,816,754

Government grants

Government grant income was received in the UK (2021: £nil, 2020: £116,350) in relation to Covid-19 support schemes and is reported within Other Operating Income in accordance with Section 24 of FRS 102, The Financial Reporting Standard for the UK and Republic of Ireland for entities reporting under UK GAAP, as disclosed in Note 1(m).

4. Interest payable and similar expenses

	2021 £	2020 £
Bank loans and overdrafts	696,499	2,097,279

5. Other gains/losses

	2021 £	2020 £
Fair value gains/(losses) on warrants	498,933	(90,374)
Dividends received	243,522	-
	742,555	(90,374)

Runtime Collective Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

6. Loss before taxation

Loss before taxation is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	923,734	1,786,538
Amortisation of intangible assets	138,276	33,095
Impairment of investments	-	3,662,653
Bad debt writte off and allowance for bad debt	427,326	475,524
Auditors' remuneration	95,000	142,500
Operating lease rentals:		
- plant and machinery	2,155	178,774
- office buildings	824,308	658,596
Research and development expenditure	97,050	109,555
Realised foreign exchange loss	35,051	18,221
Exceptional items:		
Share based payment expense	15,129,271	2,791,188
Professional fees relating to the acquisition by Cision	6,552,637	-
Offcycle share options payroll	357,692	-
Qriously earn out payments	-	357,671
Severance costs	-	181,036
Customer migration costs	-	114,371
Other exceptional costs	342,068	-

The analysis of auditors' remuneration is as follows:

	2021	2020
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	95,000	142,500

Runtime Collective Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

7. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2021 No.	2020 No.
Product development	111	114
Staff Supporting Revenue	55	48
Sales and marketing	51	46
General administration	37	26
	254	234

	2021 £	2020 £
Their aggregate remuneration comprised:		
Wages and salaries	18,217,736	15,479,909
Social security costs	2,049,343	1,871,736
Other pension costs	589,187	520,177
	20,856,266	17,871,822

8. Directors' remuneration and transactions

Directors' remuneration

	2021 £	2020 £
Emoluments	474,614	342,323
Company contributions to money purchase pension schemes	11,612	18,925
	486,226	361,248

The number of directors who:		
Are members of a money purchase pension scheme	2	1

8. *Directors' remuneration and transactions (continued)*

Remuneration of the highest paid director:

	2021	2020
	£	£
Emoluments	360,806	238,323
Company contributions to money purchase pension schemes	9,212	18,925
	370,018	257,248

The salary of Giles Palmer was borne by Cision US Inc for June 2021 to December 2021.

9. Tax on loss

	2021	2020
	£	£
The tax (credit)/charge comprises:		
R&D tax (credit)/charge	(467,598)	244,675
Total current tax	(467,598)	244,675
Deferred tax	(1,549,985)	706,846
Total tax on loss	(2,017,583)	951,521

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9. Tax on loss (continued)

The differences between the total tax credit shown above and the amount calculated by applying the effective rate of UK corporation tax to the loss before tax is as follows:

	2021 £	2020 £
Loss before taxation	(26,870,327)	(17,380,800)
Tax credit on loss before taxation at the effective rate of corporation tax in the UK of 19% (2020: 19%)	(5,105,362)	(3,302,352)
Effects of:		
Expenses not deductible for tax purposes	3,406,469	1,839,209
R&D tax (credit)/charge	(467,598)	244,675
Current year losses not recognised for deferred tax	1,698,893	1,463,143
Deferred tax adjustments in respect of prior periods	(1,549,985)	706,846
Total tax (credit)/charge for year	(2,017,583)	951,521

In the March 2021 Budget, it was announced that the UK corporate tax rate will increase from the current 19% to 25% from 1 April 2023. The Deferred tax adjustment takes account of this increase in tax rate.

Runtime Collective Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

10. Share-based payments

Equity-settled share option schemes

The Company had a share option scheme for all employees of the Brandwatch Group up to the acquisition by Cision on 1 June 2021. Upon acquisition all options vested and were exercised. The Company took part in this group share-based payment plan and recognised and measured the entire expense for employees for the pre acquisition period.

Options were exercisable at a price equal to or greater than the estimated fair value of the Company's shares on the date of grant. The vesting period was variable, but is, in general 4 years from date of grant. If the options remain unexercised after a period of ten years from the date of grant, the options expired. Options were forfeited if the employee leaves the Group before the options vest.

Details of the share options movement during the year are as follows:

	2021		2020	
	Number of share options No.	Weighted average exercise price £	Number of share options No.	Weighted average exercise price £
Outstanding at beginning of year	19,531,037	1.434	18,388,186	1.361
Granted	314,953	1.63	4,161,820	1.595
Forfeited	(81,164)	1.61	(2,866,780)	1.248
Exercised	(19,764,826)	1.44	(54,189)	0.383
Expired	-	-	(98,000)	0.428
Outstanding at the end of the year	-	-	19,531,037	1.434
Exercisable at the end of the year	-	-	10,772,436	1.086

Included in the outstanding year-end volume are warrants of Nil (2020: 1,042,339).The fair value of the share options at the grant date was calculated using the Black Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value. The Black Scholes model inclues judgemental inputs such as the applicability of a risk free rate and volatility estimate. The Company recognised a debit to administrative expenses of £15,129,271 (2020: debit to expense of £2,791,188) relating to equity-settled share-based payment transactions. Under FRS 102, an entity shall account for a cancellation or settlement of an equity-settled share-based payment transaction as an acceleration of vesting, and therefore shall recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

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11. Intangible assets

Company	Software
	£
Cost	
At 1 January 2021	1,602,262
Additions	17,264
At 31 December 2021	1,619,526
Amortisation	
At 1 January 2021	966,505
Charge	138,276
At 31 December 2021	1,104,781
Net book value	
At 31 December 2021	514,745
At 31 December 2020	635,757

The amortisation charge for the year is included in administrative expenses. Software additions in the current year are being amortised over a period of 60 months.

Runtime Collective Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

12. Tangible assets

Company	Improvements short leasehold property	Fixtures and fixings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	617,368	150,964	7,820,811	8,589,143
Additions	-	-	273,400	273,400
Disposals	-	-	(379,945)	(379,945)
At 31 December 2021	617,368	150,964	7,714,266	8,482,598
Depreciation				
At 1 January 2021	587,891	135,262	6,724,239	7,447,392
Charge for the year	11,982	8,988	902,764	923,734
Disposals	-	-	(379,945)	(379,945)
At 31 December 2021	599,873	144,250	7,247,058	7,991,181
Net book value				
At 31 December 2021	17,495	6,714	467,208	491,417
At 31 December 2020	29,477	15,702	1,096,572	1,141,751

Runtime Collective Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

13. Investments

	2021 £	2020 £
	126,057,325	126,057,325

Principal Company investments

The Directors believe the carrying value of each investment is supported by the fair value. The Company have investments in the following subsidiary undertakings:

Subsidiary undertakings	Registered Address	Holding	% Direct interest
Brandwatch GmbH	Gutenbergstraße 77, 70197 Stuttgart, Germany	Ordinary	100
Brandwatch LLC	48 W21st Street, Suite 1101, New York, NY, 10010, USA	Member	100
PeerIndex Limited*	Sovereign House, Church Street, Brighton, BN1 1UJ, United Kingdom	Ordinary	100
Brandwatch Pte Ltd	8 Shenton Way #21-08, Singapore 068811 Shenton Way, Singapore	Ordinary	100
Buzzsumo Limited*	Sovereign House, Church Street, Brighton, BN1 1UJ, United Kingdom	Ordinary	100
Crimson Hexagon, Inc	160 Greentree Drive, Suite 101, Dover, Delaware 19904m USA	Member	100
Crimson Hexagon Limited*	Sovereign House, Church Street, Brighton, BN1 1UJ, United Kingdom	Ordinary	100
Brandwatch International (Australia) Pty Ltd	12 Help St, 2067 Chatswood, New South Wales, Australia	Ordinary	100
Brandwatch SARL	28 Rue De L'Amiral Hamelin, 75116 Paris, France	Ordinary	100
Qriously Limited*	Sovereign House, Church Street, Brighton, BN1 1UJ, United Kingdom	Ordinary	100
Qriously, Inc	2711 Centerville Road, Suite 300, PMB #620, Wilmington De 19808	Ordinary	100

The Company's subsidiaries above denoted with a * are exempt from audit by virtue of Section 479A of the Companies Act 2006. In accordance with Section 479C of the Companies Act 2006, Castle Top Holding Ltd has provided guarantees over the liabilities of these subsidiaries.

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13. Investments (cont.)

Movements in fixed asset investments

Company	**Subsidiary undertakings**
	£
Cost	
At 1 January 2021	126,057,325
At 31 December 2021	126,057,325

14. Debtors

	2021	**2020**
	£	**£**
Amounts falling due within one year:		
Trade debtors	5,709,529	9,165,271
Amounts owed by group undertakings	33,307,790	17,867,356
Other debtors	1,675,252	1,398,816
Prepayments	1,272,531	947,217
Accrued income	667,161	600,455
	42,632,263	29,979,115
Amounts falling due after more than one year:		
Deferred tax asset (note 19)	1,549,985	-
Total	44,182,248	29,979,115

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

A Research and Development tax credit receivable of £1,141,339 (2020: £926,969) has been recognised in other debtors.

During the year, an impairment loss of £427,326 (2020: £475,524) was recognised by the Company in respect of irrecoverable trade debtors.

Runtime Collective Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

15. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans (note 17)	-	3,214,033
Trade creditors	2,849,264	3,726,752
Amounts owed to group undertakings	49,204,772	24,605,715
Other creditors	222,853	125,321
Payroll liabilities	763,059	2,164,140
Other taxes and social security	48,351	63,463
Deferred consideration payable on acquisition of subsidiary undertaking	-	12,765
Accruals	3,150,708	2,840,250
Deferred income	12,336,705	11,359,076
Provisions	490,665	779,736
VAT liability	115,893	304,451
Total	69,182,270	49,195,702

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans (note 17)	-	25,379,265
Liability on share warrants	-	1,121,418
Total	-	26,500,683

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17. Bank loans

	2021 £	2020 £
Bank borrowings are repayable as follows:		
On demand or within one year	-	3,214,033
Betweeen one and two years	-	24,936,453
Between two and five years	-	442,812
	-	28,593,298

In 2020, the Company arranged a revised working capital facility and term loan arrangement with SVB and Kreos of, in aggregate, up to $40.0m, with a maturity date on the revolving line of 31st January 2022, and on the fixed term loan of 31st January 2023. These facilities were repaid in full on 1 June 2021, following the acquisition by Cision.

18. Financial instruments

The carrying values of the Company's financial assets and liabilities measured at fair value through profit or loss are summarised by category below:

	2021 £	2020 £
Financial liabilities		
Share warrants measured at fair value through profit or loss	-	1,121,418

The Company's income, expense, gains and losses in respect of financial instruments measured at fair value through profit or loss are summarised below:

	2021 £	2020 £
Fair value (gains)/losses		
Warrants liability measured at fair value through profit or loss	(498,933)	90,374

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18. Financial instruments (continued)

The warrants attached to the bank loan arrangements are included at fair value which requires an assessment of the value of the Company's shares. The director's fair value calculation is supported by valuations undertaken by third party professional valuers. The valuation is underpinned by estimates relating to future revenue and adjusted EBITDA growth coupled with the multiple applied to the cash flows. The multiple is determined by reference to common SaaS valuation methodology which includes judgemental inputs such as the applicability of a risk free rate and volatility estimate, and multiples achieved by comparable businesses.

19. Provisions for liabilities

Deferred Tax Asset

Movements in the year on the deferred tax asset (note 14):

	2021	**2020**
	£	**£**
At 1 January	-	706,846
Charge/(credit) to profit or loss	1,549,985	(706,846)
At 31 December	1,549,985	-

The deferred tax asset above is expected to reverse in more than 12 months and relates to tax losses available to be carried forward against future trading profits.

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20. Called up share capital

	2021 No.	2021 £
Issued and fully paid		
Class 1-C1 preferred (£0.00001)	13,421,000	134
Class 1-C2 preferred (£0.00001)	780,000	8
Class 1-B preferred (£0.00001)	11,434,000	114
Class 1-A preferred (£0.00001)	10,439,000	104
Class 1 Ordinary (£0.00001)	47,657,878	477
Class 2 Ordinary (£0.00001)	14,146,751	141
Class 2-C preferred (£0.00001)	7,539,844	75
Class 2-B preferred (£0.00001)	4,133,899	41
Class 2-B1 preferred (£0.00001)	5,254,834	53
Class 2-A preferred (£0.00001)	2,780,589	28
Class 2-A1 preferred (£0.00001)	945,006	9
Class 2-A2 preferred (£0.00001)	6,075,658	61
	124,608,459	1,246

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20. Called up share capital (cont.)

All shares carry equal voting rights and are entitled to a distribution in order of priority as listed above.

	2020 No.	2020 £
Issued and fully paid		
Class 1-C1 preferred (£0.00001)	13,421,000	134
Class 1-C2 preferred (£0.00001)	780,000	8
Class 1-B preferred (£0.00001)	11,368,000	114
Class 1-A preferred (£0.00001)	10,004,000	100
Class 1 Ordinary (£0.00001)	34,073,717	340
Class 2 Ordinary (£0.00001)	7,125,473	71
Class 3 Ordinary (£0.00001)	1,501,712	16
Class 2-C preferred (£0.00001)	7,382,807	74
Class 2-B preferred (£0.00001)	4,133,899	41
Class 2-B1 preferred (£0.00001)	5,254,834	53
Class 2-A preferred (£0.00001)	2,780,589	28
Class 2-A1 preferred (£0.00001)	945,006	9
Class 2-A2 preferred (£0.00001)	6,075,658	61
	104,846,695	1,049

During the year the Company allotted the following shares for a total consideration of £28,369,479

4,709,500	£0.00001 Class 1 ordinary shares
2,452,123	£0.00001 Class 2 ordinary shares
11,945,166	£0.00001 Class 3 ordinary shares *
435,000	£0.00001 Class 1-A ordinary shares
66,000	£0.00001 Class 1-B ordinary shares
157,037	£0.00001 Class 2-C ordinary shares
19,764,826	

*Class 3 shares were bifurcated into Class 1 and Class 2 shares on sale to Cision.

The above consideration is made up as follows:

Allotment of shares to option holders before the acquisition	20,075
Allotment of shares to option holders upon acquisition (per SOCIE)	27,726,917
Allotment of shares to warrant holders upon acquisition	622,487
	28,369,479

Runtime Collective Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

21. Reserves

Share premium
Consideration for shares issued above their nominal value net of transaction costs.

Profit and loss account
Cumulative profit and loss net of distributions to owners.

22. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Expiry date		
- within one year	605,231	884,331
- between one and five years	1,008,718	1,613,949
	1,613,949	2,498,280

23. Employee benefits

Defined contribution schemes:

The Company operates defined contribution retirement benefit schemes for all qualifying employees.
The total expense charged to profit or loss in the year ended 31 December 2021 was £589,187 (2020: £520,177). At 31 December 2021 £130,711 (2020: £105,946) was payable in relation to employee benefits.

24. Post Balance sheet events

Paladin Software LLC, an influencer marketing management platform, has been acquired by Brandwatch on 31 March 2022. It is an indirect subsidiary of Runtime Collective Limited and is 100% owned.

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25. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102, section 33.1 not to disclose transactions with wholly owned subsidiaries.

There were no transactions during the year were with companies which had a qualifying interest in the Company.

26. Controlling party

The immediate parent undertaking is Castle Intermediate Holding V Limited.

Platinum Equity Capital Partners International V (Cayman), L.P is the ultimate controlling party of the Company.