

**REGISTERED NUMBER: 04955555 (England and Wales)**

**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

**FOR**

**SKILLS MATTER LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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**SKILLS MATTER LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**DIRECTORS:**

W I M Devolder  
N Macris  
D G Carville  
J K Schmidt

**SECRETARY:**

N Macris

**REGISTERED OFFICE:**

2 Mill Road  
Haverhill  
Suffolk  
CB9 8BD

**REGISTERED NUMBER:**

04955555 (England and Wales)

**ACCOUNTANTS:**

Hackett Griffey LLP  
Chartered Certified Accountants  
2 Mill Road  
Haverhill  
Suffolk  
CB9 8BD

**BALANCE SHEET**  
**31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>FIXED ASSETS</b>					
Intangible assets	4		608,768		701,793
Tangible assets	5		104,871		96,810
Investments	6		50		50
			<u>713,689</u>		<u>798,653</u>
<b>CURRENT ASSETS</b>					
Stocks		3,693		1,868	
Debtors	7	1,538,781		1,346,968	
Cash at bank and in hand		<u>122,097</u>		<u>127,865</u>	
		1,664,571		1,476,701	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u>3,556,242</u>		<u>1,587,166</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,891,671)</u>		<u>(110,465)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(1,177,982)		688,188
<b>CREDITORS</b>					
Amounts falling due after more than one year	9		<u>200,000</u>		<u>2,400,000</u>
<b>NET LIABILITIES</b>			<u>(1,377,982)</u>		<u>(1,711,812)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			176		136
Share premium			1,958,409		912,947
Retained earnings			<u>(3,336,567)</u>		<u>(2,624,895)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(1,377,982)</u>		<u>(1,711,812)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

**BALANCE SHEET - continued**  
**31 DECEMBER 2017**

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 20 September 2018 and were signed on its behalf by:

W I M Devolder - Director

N Macris - Director

D G Carville - Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATUTORY INFORMATION**

Skills Matter Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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.

The company has been in a development phase and has also recently completed a move to substantial new premises and so has incurred a trading loss.

Following a successful funding round the company has substantial cash reserves which the directors consider is sufficient for the company to continue through the next stage of its growth.

The directors therefore consider it appropriate to prepare the financial statements on the basis that the company is a going concern.

**Turnover**

Turnover is the amount derived from ordinary activities, stated after trade discounts, other sales taxes and net of VAT.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of nil years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to leasehold property	- Straight line over the term of the lease
Office equipment	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

**Investments in subsidiaries and associates**

Investments in subsidiary and associate undertakings are recognised at cost.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Intangible assets - web platform development expenditure**

Development expenditure on the Web Platform project is carried forward on the basis that its future recoverability can be foreseen with reasonable assurance and once completed is amortised in line with revenue from the project.

Amortisation has been charged at a rate of 25% on cost.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 34 (2016 - 27) .

4. INTANGIBLE FIXED ASSETS

	Development costs £
<b>COST</b>	
At 1 January 2017	1,231,132
Additions	242,339
At 31 December 2017	<u>1,473,471</u>
<b>AMORTISATION</b>	
At 1 January 2017	529,339
Amortisation for year	335,364
At 31 December 2017	<u>864,703</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>608,768</u>
At 31 December 2016	<u>701,793</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017

4. INTANGIBLE FIXED ASSETS - continued

Development expenditure on the Web Platform project is carried forward on the basis that its future recoverability can be foreseen with reasonable assurance and once completed is amortised in line with revenue from the project. These are considered to be special circumstances why capitalised development costs are not to be treated as a realised loss when determining distributable reserves.

5. TANGIBLE FIXED ASSETS

	Improvements to leasehold property £	Office equipment £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2017	54,703	41,228	84,843	180,774
Additions	<u>6,881</u>	<u>8,570</u>	<u>14,080</u>	<u>29,531</u>
At 31 December 2017	<u>61,584</u>	<u>49,798</u>	<u>98,923</u>	<u>210,305</u>
<b>DEPRECIATION</b>				
At 1 January 2017	5,136	25,081	53,747	83,964
Charge for year	<u>4,187</u>	<u>5,318</u>	<u>11,965</u>	<u>21,470</u>
At 31 December 2017	<u>9,323</u>	<u>30,399</u>	<u>65,712</u>	<u>105,434</u>
<b>NET BOOK VALUE</b>				
At 31 December 2017	<u>52,261</u>	<u>19,399</u>	<u>33,211</u>	<u>104,871</u>
At 31 December 2016	<u>49,567</u>	<u>16,147</u>	<u>31,096</u>	<u>96,810</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Interest in associate £	Totals £
<b>COST</b>			
At 1 January 2017 and 31 December 2017	<u>1</u>	<u>49</u>	<u>50</u>
<b>NET BOOK VALUE</b>			
At 31 December 2017	<u>1</u>	<u>49</u>	<u>50</u>
At 31 December 2016	<u>1</u>	<u>49</u>	<u>50</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	301,308	140,726
Amounts owed by group undertakings	43,361	45,756
Other debtors	709,316	661,257
Accrued income	4,745	5,918
Prepayments	<u>480,051</u>	<u>493,311</u>
	<u>1,538,781</u>	<u>1,346,968</u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Secured convertible bonds	1,000,000	-
Loan notes	500,000	-
Trade creditors	672,909	482,144
Amounts owed to associates	72,734	36,625
Social security and other taxes	46,445	63,695
VAT	56,592	39,342
Other creditors	7,633	5,184
Deferred income	899,900	711,204
Accrued expenses	300,029	248,972
	<u>3,556,242</u>	<u>1,587,166</u>

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017	2016
	£	£
Secured convertible bonds	-	1,000,000
Loan notes	-	1,000,000
Preference shares - 2-5 years	200,000	300,000
Preference shares - over 5 years	-	100,000
	<u>200,000</u>	<u>2,400,000</u>

Amounts falling due in more than five years:

Repayable by instalments		
Preference shares - over 5 years	<u>-</u>	<u>100,000</u>

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	2017	2016
	£	£
Secured convertible bonds	1,000,000	1,000,000
Loan notes	500,000	1,000,000
	<u>1,500,000</u>	<u>2,000,000</u>

The loan notes and secured bonds are secured by a charge over the assets of the company.

11. **OTHER FINANCIAL COMMITMENTS**

The total amount of commitments, guarantees and contingencies is £3,850,028 (2016: £3,300,024).

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**12. POST BALANCE SHEET EVENTS**

The secured convertible bonds of £1,000,000 due at 31 December 2017 were fully redeemed in February 2018.

Secured convertible bonds of £1,000,000 were issued in January 2018 and a further £1,087,000 in February 2018. These bonds are redeemable in two years and bear interest at 10% p.a.

£500,000 was raised in August 2018 under an advanced subscription agreement for shares to be issued at the next funding round.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.