

Company Registration No. 07982374 (England and Wales)

MEDALLIA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE THIRTEEN MONTHS TO 31 JANUARY 2016

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MEDALLIA LIMITED

COMPANY INFORMATION

Directors	A K Grebene Mr M Green Mr C C Allen
Secretary	Olswang Cosec Limited
Company number	07982374
Registered office	90 High Holborn London United Kingdom WC1V 6XX
Auditors	Jeffreys Henry LLP Finsgate 5 - 7 Cranwood Street London EC1V 9EE

MEDALLIA LIMITED

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MEDALLIA LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 JANUARY 2016

The directors present their annual report and financial statements for the period ended 31 January 2016.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

A K Grebene
Mr M Green
Mr C C Allen

Auditors

In accordance with the company's articles, a resolution proposing that Jeffreys Henry LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

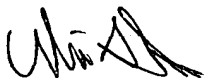
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



A K Grebene

Director

10 October 2016

MEDALLIA LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEDALLIA LIMITED

We have audited the financial statements of Medallia Limited for the period ended 31 January 2016 set out on pages 4 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

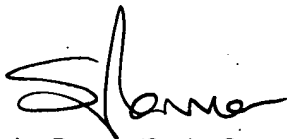
MEDALLIA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MEDALLIA LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.



**Sanjay Parmar (Senior Statutory Auditor)
for and on behalf of Jeffreys Henry LLP**

10 October 2016

**Chartered Accountants
Statutory Auditor**

Finsgate
5 - 7 Cranwood Street
London
EC1V 9EE

MEDALLIA LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 JANUARY 2016

	Notes	13 months ended 31 January 2016 £	31 December 2014 £
Turnover		16,353,333	8,008,257
Administrative expenses		(15,647,864)	(7,427,790)
Profit before taxation		705,469	580,467
Taxation		(151,142)	(161,857)
Profit for the financial period		554,327	418,610
Total comprehensive income for the period		554,327	418,610

MEDALLIA LIMITED

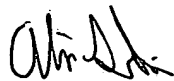
BALANCE SHEET

AS AT 31 JANUARY 2016

	Notes	2016 £	£	2014 £	£
Fixed assets					
Tangible assets	4		1,141,925		446,579
Current assets					
Debtors	5	1,330,283		1,062,585	
Cash at bank and in hand		1,801,252		327,691	
		3,131,535		1,390,276	
Creditors: amounts falling due within one year	6	(2,975,066)		(1,128,415)	
Net current assets			156,469		261,861
Total assets less current liabilities			1,298,394		708,440
Provisions for liabilities	7		(111,485)		(75,858)
Net assets			1,186,909		632,582
Capital and reserves					
Called up share capital	8		1		1
Profit and loss reserves			1,186,908		632,581
Total equity			1,186,909		632,582

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

The financial statements were approved by the board of directors and authorised for issue on 10 October 2016 and are signed on its behalf by:



AK Grebene
Director

Company Registration No. 07982374

MEDALLIA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JANUARY 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		1	213,971	213,972
<hr/>				
Period ended 31 December 2014:				
Profit and total comprehensive income for the period		-	418,610	418,610
<hr/>				
Balance at 31 December 2014		1	632,581	632,582
<hr/>				
Period ended 31 January 2016:				
Profit and total comprehensive income for the period		-	554,327	554,327
<hr/>				
Balance at 31 January 2016		1	1,186,908	1,186,909
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MEDALLIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2016

1 Accounting policies

Company information

Medallia Limited is a company limited by shares incorporated in England and Wales. The registered office is 90 High Holborn, London, United Kingdom, WC1V 6XX.

1.1 Accounting convention

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

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

These financial statements for the period ended 31 January 2016 are the first financial statements of Medallia Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover represents amounts receivable for services net of VAT.

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

1.3 Tangible fixed assets

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

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

Land and buildings Leasehold	over the term of the lease
Fixtures, fittings & equipment	33.3% straight line
Computer equipment	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

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

MEDALLIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JANUARY 2016

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

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

1.6 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

If there is a 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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

MEDALLIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JANUARY 2016

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

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

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

MEDALLIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JANUARY 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

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

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

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

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Operating profit

	2016	2014
	£	£
Operating profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	12,000	12,737

MEDALLIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JANUARY 2016

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2016 Number	2014 Number
Total	82	49

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2015	68,059	669,345	737,404
Additions	86,791	1,123,949	1,210,740
At 31 January 2016	154,850	1,793,294	1,948,144
Depreciation and impairment			
At 1 January 2015	68,059	222,766	290,825
Depreciation charged in the period	35,893	479,501	515,394
At 31 January 2016	103,952	702,267	806,219
Carrying amount			
At 31 January 2016	50,898	1,091,027	1,141,925
At 31 December 2014	-	446,579	446,579

5 Debtors

	2016 £	2014 £
Amounts falling due within one year:		
Amounts due from group undertakings	-	806,693
Other debtors	1,330,283	255,892
	1,330,283	1,062,585

MEDALLIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JANUARY 2016

6 Creditors: amounts falling due within one year

	2016 £	2014 £
Trade creditors	652,988	150,505
Amounts due to group undertakings	693,430	-
Corporation tax	114,393	132,253
Other taxation and social security	276,557	161,383
Other creditors	1,237,698	684,274
	<u>2,975,066</u>	<u>1,128,415</u>

7 Provisions for liabilities

	2016 £	2014 £
Deferred tax liabilities	111,485	75,858
	<u>111,485</u>	<u>75,858</u>

8 Called up share capital

	2016 £	2014 £
Ordinary share capital Issued and fully paid 1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

9 Financial commitments, guarantees and contingent liabilities

The Company has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

MEDALLIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2016

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2014 £
Within one year	397,854	148,928
Between two and five years	132,618	530,472
	<u>530,472</u>	<u>679,400</u>

11 Related party transactions

No guarantees have been given or received.

12 Parent company

The parent company is Medallia Inc., a company incorporated in the United States of America. Medallia Inc. prepares group financial statements which may be obtained from 395 Page Mill Road, Suite 100, Palo Alto, CA 94306.

MEDALLIA LIMITED
MANAGEMENT INFORMATION
FOR THE PERIOD ENDED 31 JANUARY 2016

MEDALLIA LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 JANUARY 2016

	13 Months ended 31 January 2016	31 December 2014
	£	£
Turnover		
Sales of goods	16,353,333	8,008,257
 Administrative expenses	 (15,647,864)	 (7,427,790)
 Operating profit	 <u>705,469</u>	 <u>580,467</u>

MEDALLIA LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE PERIOD ENDED 31 JANUARY 2016

	13 Months ended 31 January 2016 £	31 December 2014 £
Administrative expenses		
Wages and salaries	6,775,034	3,691,013
Social security costs	916,944	554,563
Staff commissions payable	1,516,748	699,130
Staff recruitment costs	337,320	229,870
Staff training	25,118	9,308
Rent re operating leases	831,700	309,523
Property repairs and maintenance	247,512	103,349
Premises insurance	4,495	-
Computer running costs	790	126
Travelling expenses	1,326,933	836,727
Professional subscriptions	19,225	13,763
Legal and professional fees	159,677	127,460
Consultancy fees	1,909,752	107,389
Accountancy	104,216	59,865
Audit fees	12,000	12,737
Bank charges	3,499	3,003
Printing and stationery	33,152	3,405
Advertising	55,722	6,124
Telecommunications	461,329	91,150
Subsistence and staff entertaining	207,655	148,938
Sundry expenses	179,845	226,676
Depreciation	515,394	188,359
Profit or loss on foreign exchange	-	861
Other taxes	3,804	4,451
	<hr/> 15,647,864 <hr/>	<hr/> 7,427,790 <hr/>
