

Registered number: 08650801

PERCOLATE INDUSTRIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



PERCOLATE INDUSTRIES LIMITED

CONTENTS

	Page
Company information	1
Balance sheet	2
Notes to the financial statements	3 - 10

PERCOLATE INDUSTRIES LIMITED

COMPANY INFORMATION

Directors	J Mccauley J Winter E R Wooton III
Registered number	08650801
Registered office	5 New Street Square London EC4A 3TW
Independent auditor	Blick Rothenberg Audit LLP 16 Great Queen Street Covent Garden London WC2B 5AH

PERCOLATE INDUSTRIES LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	-	1,805
		<u>-</u>	<u>1,805</u>
Current assets			
Debtors: amounts falling due within one year	5	902,483	863,961
Cash at bank and in hand		150,696	182,735
		<u>1,053,179</u>	<u>1,046,696</u>
Creditors: amounts falling due within one year	6	(105,994)	(183,313)
Net current assets		<u>947,185</u>	<u>863,383</u>
Total assets less current liabilities		<u>947,185</u>	<u>865,188</u>
Net assets		<u>947,185</u>	<u>865,188</u>
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account		946,185	864,188
Total equity		<u>947,185</u>	<u>865,188</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved, authorised for issue and signed by the sole director.

DocuSigned by:

 1EBE9E8EDD4B4A6...
J Winter
 Director

Date: 6/22/2022

The notes on pages 3 to 10 form part of these financial statements.

PERCOLATE INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Percolate Industries Limited is a private company limited by shares incorporated in England and Wales. The address of its principal place of business is Henry Wood House, 2 Riding House Street, London, W1W 7FA. The address of its registered office is 5 New Street Square, London, EC4A 3TW.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

In the year ended 31 December 2019, Percolate Industries Inc was acquired by Seismic Software Holdings, Inc ("Seismic"). The directors intend to restructure the Seismic group and close down Percolate Industries Limited, as this company is no longer required. Consequently, the accounts have been prepared on a basis other than going concern.

2.3 Revenue

Revenue from contracts to provide sales and marketing services to the parent company is recognised in the period in which the services are provided. Revenue is recognised to the extent that it is probable that the company will receive the consideration due under the contract and the amount of revenue can be measured reliably. Revenue is measured as the fair value of the consideration received or receivable, excluding value added tax.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 33% straight line
Leasehold improvements	- 50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

PERCOLATE INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes 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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

PERCOLATE INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

2.6 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

PERCOLATE INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Share capital

Ordinary shares are classified as equity.

2.8 Foreign currency translation

Functional and presentational currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with fair value of goods and services received.

The company has applied the exemption contained in Section 35 of FRS 102 and has elected to apply the requirements of Section 26 Share-based payment to equity settled share based payment arrangements that were granted prior to 1 January 2016.

PERCOLATE INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Operating leases

Rentals income from operating leases is credited to the profit and loss account on a straight line basis over the term of the relevant lease.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3. Employees

The average monthly number of employees, including directors, during the year was 10 (2019 - 15).

PERCOLATE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Tangible fixed assets

	Short-term leasehold property £	Other fixed assets £	Total £
Cost			
At 1 January 2020	18,234	39,793	58,027
At 31 December 2020	18,234	39,793	58,027
Depreciation			
At 1 January 2020	18,234	37,988	56,222
Charge for the year on owned assets	-	1,805	1,805
At 31 December 2020	18,234	39,793	58,027
Net book value			
At 31 December 2020	-	-	-
At 31 December 2019	-	1,805	1,805

PERCOLATE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	881,749	818,889
Other debtors	19,526	40,176
Prepayments and accrued income	1,208	4,896
	<u>902,483</u>	<u>863,961</u>

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,563	10,326
Corporation tax	59,283	44,270
Other taxation and social security	6,811	15,326
Other creditors	8,792	5,833
Accruals and deferred income	27,545	107,558
	<u>105,994</u>	<u>183,313</u>

7. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,000 (2019 - 1,000) ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

8. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

9. Parent and ultimate controlling undertaking

The smallest group for which consolidated financial statements are drawn up is headed by Seismic Software Holdings, Inc., a company incorporated in the United States of America, whose registered office is 12390 El Camino Real, San Diego, CA 92130. Seismic Software Holdings Inc.

PERCOLATE INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Auditor's information

The auditor's report on the company's full financial statements was unqualified. Those financial statements were audited by Blick Rothenberg Audit LLP and the auditor's report thereon was signed by Andrew Sanford (senior statutory auditor).

Emphasis of matter financial statements prepared on a basis other than going concern

We draw attention to Note 2.2 to the financial statements which explains that the directors intend to close down the company and therefore do not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2.2. Our opinion is not modified in respect of this matter.

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