

Registered number: 09714893

PIXABILITY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



PIXABILITY LTD

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PIXABILITY LTD

COMPANY INFORMATION

Directors	N Lazaros D George
Company secretary	Taylor Wessing Secretaries Limited
Registered number	09714893
Registered office	5 New Street Square London EC4A 3TW
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

PIXABILITY LTD**BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	4	279,003	331,726
Creditors: amounts falling due within one year	5	(229,592)	(298,955)
Net assets		<u>49,411</u>	<u>32,771</u>
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account		48,411	31,771
Total equity		<u>49,411</u>	<u>32,771</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 profit and loss accounts and directors' report have not been filed.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


N Lazaros
 Director

Date: September 29, 2019

The notes on pages 3 to 8 form part of these financial statements.

PIXABILITY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Pixability Ltd is a private company limited by shares incorporated in England and Wales. 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 Section 1A of 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

The financial statements have been prepared on a going concern basis. The directors consider this basis to be appropriate as they have received a letter of support from the company's parent undertaking, Pixability Inc., confirming financial support for a period of at least 12 months from the date of approval of the financial statements. Although Pixability Inc., had a deficiency on reserves as at 31 December 2018, it had secured an additional term loan and has a revolving line of credit with its bankers which will support working capital requirements, based on detailed forecasts, until at least 31 December 2020. The line of credit is renewable annually in February of each year and is dependent on the group achieving certain EBITDA covenants. Since February 2019 these covenants have been met and the group is forecast to continue to meet its EBITDA target for the remaining period to February 2020. The directors of the company have reviewed the cashflow and EBITDA forecasts and based on this review are in agreement that the parent undertaking will remain financially viable for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Revenue is measured at the fair value of the consideration receivable for sales support services provided to the parent company. The fees are recognised over the period for which the service is provided, in line with the contractual arrangements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 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 other debtors and intercompany working capital balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest 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.

Financial liabilities

Basic financial liabilities, including 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Financial instruments (continued)

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.

2.5 Share capital

Ordinary shares are classified as equity.

2.6 Foreign currency translation

Functional and presentation 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 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.

2.9 Current taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2017 - 3).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	268,623	328,501
Other debtors	3,225	3,225
Prepayments and accrued income	1,032	-
Deferred taxation	6,123	-
	<u>279,003</u>	<u>331,726</u>

5. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	27,513	-
Corporation tax	18,211	18,471
Other taxation and social security	114,881	-
Accruals and deferred income	68,987	280,484
	<u>229,592</u>	<u>298,955</u>

6. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

7. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	<u>1,740</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 undertaking

The smallest group for which consolidated financial statements are drawn up is headed by Pixability, Inc. whose registered office is 2nd Floor, 77 North Washington Street, Boston, MA02114.

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 Christopher Shepherd (Senior statutory auditor).