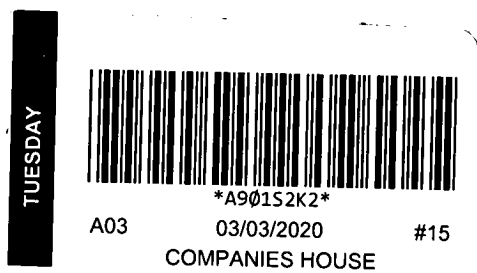


JADU

Consolidated Financial Statements JADU LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2019



JADU LIMITED
REGISTERED NUMBER:04643244

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	4	277	287
Tangible assets	5	106	78
		383	365
Current assets			
Debtors: amounts falling due within one year	7	1,304	1,057
Cash at bank and in hand	8	1,089	687
		2,393	1,744
Creditors: amounts falling due within one year	9	(2,873)	(2,516)
		(480)	(772)
Net current liabilities		(480)	(772)
Total assets less current liabilities		(97)	(407)
Net liabilities		(97)	(407)
Capital and reserves			
Called up share capital	10	-	-
Foreign exchange reserve	11	(153)	(102)
Profit and loss account	11	56	(305)
		(97)	(407)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


P Morgan
 Director

Date: 24th February 2020

The notes on pages 5 to 18 form part of these financial statements.

JADU LIMITED
REGISTERED NUMBER:04643244

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	4	264	273
Tangible assets	5	103	76
		367	349
Current assets			
Debtors: amounts falling due within one year	7	3,061	2,811
Cash at bank and in hand	8	644	304
		3,705	3,115
Creditors: amounts falling due within one year	9	(4,928)	(3,974)
		(1,223)	(859)
Net current liabilities		(1,223)	(859)
Total assets less current liabilities		(856)	(510)
Net liabilities		(856)	(510)
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account brought forward		(510)	(205)
Loss for the year		(346)	(305)
Profit and loss account carried forward		(856)	(510)
		(856)	(510)

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

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 consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


P Morgan

Director

Date: 24th February 2020

The notes on pages 5 to 18 form part of these financial statements.

JADU LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Foreign exchange reserve	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2018	(102)	(305)	(407)
Comprehensive income for the year			
Profit for the year	-	361	361
Retranslation of opening net assets of overseas operations	(51)	-	(51)
Other comprehensive income for the year	(51)	-	(51)
Total comprehensive income for the year	(51)	361	310
At 30 September 2019	(153)	56	(97)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Foreign exchange reserve	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2017	(76)	(134)	(210)
Comprehensive income for the year			
Loss for the year	-	(171)	(171)
Retranslation of opening net assets of overseas operations	(26)	-	(26)
Other comprehensive income for the year	(26)	-	(26)
Total comprehensive income for the year	(26)	(171)	(197)
At 30 September 2018	(102)	(305)	(407)

The notes on pages 5 to 18 form part of these financial statements.

JADU LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Profit and loss account	Total equity
	£000	£000
At 1 October 2018	(510)	(510)
Comprehensive income for the year		
Loss for the year	(346)	(346)
	<u>(346)</u>	<u>(346)</u>
Total comprehensive income for the year		
	<u>(346)</u>	<u>(346)</u>
At 30 September 2019	<u>(856)</u>	<u>(856)</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Profit and loss account	Total equity
	£000	£000
At 1 October 2017	(205)	(205)
Comprehensive income for the year		
Loss for the year	(305)	(305)
	<u>(305)</u>	<u>(305)</u>
Total comprehensive income for the year		
	<u>(305)</u>	<u>(305)</u>
At 30 September 2018	<u>(510)</u>	<u>(510)</u>

The notes on pages 5 to 18 form part of these financial statements.

JADU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

The principal activity of the group is the delivery of enterprise web experience platforms. The group specialises in web content management, forms, portal, customer experience management technology and professional design services to enable digital business transformation. The address of the registered office is Universe House, 1 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.

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 company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

At the year end the group is in both a net current liability and net liability position.

The directors have considered post year trading, group forecasts and projections and likely market developments for the foreseeable future, together with the current liquidity position of the group and available bank facilities.

On the basis of the above the directors have concluded that it is appropriate to continue to prepare the financial statements of the group on the going concern basis.

JADU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Licence fee revenue is recognised in full at the onset of the contract when the customer is invoiced.

Hosting, support revenue and other services are recognised over the period of the contract, revenue is released on a monthly basis to reflect the services provided in that month.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the group's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, currently 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

JADU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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:

Leasehold improvements	- 6.67% straight line
Fixtures, fittings & equipment	- 25% straight line
Computer equipment	- 33% 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 Consolidated Statement of Comprehensive Income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

JADU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.11 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are 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 Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a 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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated 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.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

JADU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.13 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.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at closing rate are recognised in other comprehensive income.

Exchange gains and losses are recognised in the Consolidated Statement of Comprehensive Income.

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

2.15 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

JADU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.16 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, 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.

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 and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Consolidated 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. 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 75 (2018: 71).

JADU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. Intangible assets

Group

	Development £000	Goodwill £000	Total £000
Cost			
At 1 October 2018	398	30	428
Additions	119	-	119
At 30 September 2019	<u>517</u>	<u>30</u>	<u>547</u>
Amortisation			
At 1 October 2018	111	30	141
Charge for the year	129	-	129
At 30 September 2019	<u>240</u>	<u>30</u>	<u>270</u>
Net book value			
At 30 September 2019	<u>277</u>	<u>-</u>	<u>277</u>
At 30 September 2018	<u>287</u>	<u>-</u>	<u>287</u>

JADU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. Intangible assets (continued)

Company

	Development £000	Goodwill £000	Total £000
Cost			
At 1 October 2018	381	30	411
Additions	114	-	114
At 30 September 2019	<u>495</u>	<u>30</u>	<u>525</u>
Amortisation			
At 1 October 2018	108	30	138
Charge for the year	123	-	123
At 30 September 2019	<u>231</u>	<u>30</u>	<u>261</u>
Net book value			
At 30 September 2019	<u>264</u>	<u>-</u>	<u>264</u>
At 30 September 2018	<u>273</u>	<u>-</u>	<u>273</u>

Intangible assets excluding goodwill for both group and company relate to the capitalisation of costs relating to the development of projects expected to produce revenue or savings in future periods.

JADU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5. Tangible fixed assets

Group

	Leasehold improvements £000	Fixtures & fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 October 2018	99	134	296	529
Additions	-	32	46	78
Disposals	-	(3)	(9)	(12)
Transfers between classes	-	1	-	1
At 30 September 2019	<u>99</u>	<u>164</u>	<u>333</u>	<u>596</u>
Depreciation				
At 1 October 2018	53	128	270	451
Charge for the year on owned assets	7	11	32	50
Disposals	-	(3)	(9)	(12)
Transfers between classes	-	1	-	1
At 30 September 2019	<u>60</u>	<u>137</u>	<u>293</u>	<u>490</u>
Net book value				
At 30 September 2019	<u>39</u>	<u>27</u>	<u>40</u>	<u>106</u>
At 30 September 2018	<u>46</u>	<u>6</u>	<u>26</u>	<u>78</u>

JADU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5. Tangible fixed assets (continued)

Company

	Leasehold improvements £000	Fixtures, fittings & equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 October 2018	99	134	289	522
Additions	-	32	43	75
Disposals	-	(3)	(6)	(9)
At 30 September 2019	<u>99</u>	<u>163</u>	<u>326</u>	<u>588</u>
Depreciation				
At 1 October 2018	53	128	264	445
Charge for the year on owned assets	7	11	31	49
Disposals	-	(3)	(6)	(9)
At 30 September 2019	<u>60</u>	<u>136</u>	<u>289</u>	<u>485</u>
Net book value				
At 30 September 2019	<u>39</u>	<u>27</u>	<u>37</u>	<u>103</u>
At 30 September 2018	<u>46</u>	<u>6</u>	<u>24</u>	<u>76</u>

JADU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

6. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Holding
Jadu Software Pty Ltd	Australia	100%
Jadu Inc	USA	100%
Spacecraft Creative Limited	England	100%

The aggregate of the share capital and reserves as at 30 September 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Profit/(Loss) £000
Jadu Software Pty Ltd	51
Jadu Inc	(53)
Spacecraft Creative Limited	729

JADU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7. Debtors

	Group 2019 £000	<i>Group 2018 £000</i>	Company 2019 £000	<i>Company 2018 £000</i>
Trade debtors	925	699	199	104
Amounts owed by group undertakings	-	-	2,677	2,629
Other debtors	24	9	30	9
Prepayments and accrued income	355	349	155	69
	<u>1,304</u>	<u>1,057</u>	<u>3,061</u>	<u>2,811</u>

8. Cash and cash equivalents

	Group 2019 £000	<i>Group 2018 £000</i>	Company 2019 £000	<i>Company 2018 £000</i>
Cash at bank and in hand	1,089	688	644	304

9. Creditors: Amounts falling due within one year

	Group 2019 £000	<i>Group 2018 £000</i>	Company 2019 £000	<i>Company 2018 £000</i>
Trade creditors	208	108	146	95
Amounts owed to group undertakings	-	-	3,742	2,885
Corporation tax	28	-	-	-
Other taxation and social security	269	267	87	99
Other creditors	163	139	150	127
Accruals and deferred income	2,205	2,002	803	768
	<u>2,873</u>	<u>2,516</u>	<u>4,928</u>	<u>3,974</u>

10. Share capital

	2019 £000	<i>2018 £000</i>
Authorised, allotted, called up and fully paid		
100 (2018: 100) ordinary shares of £1.00 each	-	-

JADU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

11. Reserves

Foreign exchange reserve

The foreign exchange reserve represents accumulated foreign exchange differences on retranslation of opening net assets in the year and prior years.

Profit & loss account

The profit and loss account represents accumulated comprehensive income for the year and prior years.

12. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £73,067 (2018: £57,056).

13. Commitments under operating leases

At 30 September 2019 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £000	<i>Group 2018 £000</i>	Company 2019 £000	<i>Company 2018 £000</i>
Not later than 1 year	94	96	94	96
Later than 1 year and not later than 5 years	375	376	375	376
Later than 5 years	94	188	94	188
	563	660	563	660

14. Related party transactions

The company has taken advantage of the exemption under FRS 102, section 33 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group.

Included within other debtors is a directors loan amount of £608 (2018: £924) which is owed by S K Kika.

Other creditors include amounts due of £69,504 (2018: £54,200) to Jadu Global Software Limited, a company controlled by S K Kika.

Other creditors include amounts owed to directors at year end which include £35 to S K Kika and £171 to R E Friend.

15. Controlling party

The company is controlled by S K Kika.

JADU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

16. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2019 was unqualified.

The audit report was signed by Christopher Frostwick (Senior Statutory Auditor) on behalf of Grant Thornton UK LLP.