

# Semantico Limited

Unaudited Report and Financial Statements

Period Ended

30 November 2016

Company Number 03841410

THURSDAY



\*A68O9DIR\*

A23

15/06/2017

#455

COMPANIES HOUSE

# Semantico Limited

## Company Information

---

<b>Directors</b>	R G Keefe D A Filby
<b>Registered number</b>	03841410
<b>Registered office</b>	Lees House 21/23 Dyke Road Brighton East Sussex BN1 3FE

# Semantico Limited

## Contents

---

	Page
<b>Balance Sheet</b>	1 - 2
<b>Notes to the Financial Statements</b>	3 - 15

**Semantico Limited**  
Registered number:03841410

**Balance Sheet**  
**As at 30 November 2016**

	Note	30 November 2016 £	31 December 2015 £
<b>Fixed assets</b>			
Intangible assets	6	1,452,870	658,698
Tangible assets	7	73,657	107,334
Investments	8	-	6,413
		<u>1,526,527</u>	<u>772,445</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	1,019,962	1,074,501
Cash at bank and in hand		357,365	838,972
		<u>1,377,327</u>	<u>1,913,473</u>
Creditors: amounts falling due within one year	10	(985,252)	(915,913)
<b>Net current assets</b>		<u>392,075</u>	997,560
<b>Total assets less current liabilities</b>		<u>1,918,602</u>	<u>1,770,005</u>
<b>Provisions for liabilities</b>			
Deferred tax	11	(132,054)	(11,004)
Other provisions	12	(50,000)	(50,000)
		<u>(182,054)</u>	<u>(61,004)</u>
<b>Net assets</b>		<u><u>1,736,548</u></u>	<u><u>1,709,001</u></u>

**Semantico Limited**  
Registered number:03841410

**Balance Sheet (continued)**  
As at 30 November 2016

	Note	30 November 2016 £	31 December 2015 £
<b>Capital and reserves</b>			
Called up share capital	13	50,000	50,000
Capital redemption reserve		500	500
Profit and loss account		1,686,048	1,658,501
		<u>1,736,548</u>	<u>1,709,001</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

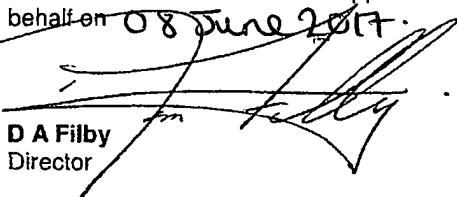
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 statement of income and retained earnings 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 on

08 June 2017.  
  
D A Filby  
Director

The notes on pages 3 to 15 form part of these financial statements.

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

---

### 1. General information

Semantico Limited is a private company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is given on the company information page.

### 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 date of transition to FRS 102 was 1 December 2014. The last set of accounts which were prepared under the previous UK GAAP framework were for the year ended 31 December 2015.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company accounting policies (see note 3).

The Company has taken advantage of the exemption conferred by FRS 102 s.1AC.35 not to disclose transactions with wholly owned members of the same group.

The following principal accounting policies have been applied:

#### 2.2 Consolidation exemption

The company is a parent undertaking of a small group and, as such, is not required by the Companies Act 2006 to prepare Group accounts. Therefore, these financial statements present information about the company as an individual undertaking and not about its group.

#### 2.3 Turnover

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

Turnover is the total amount due to the Company on development contracts and services provided, excluding VAT. Income arising in respect of support and hosting contracts is recognised on a straight line basis over the period of the related contract.

Income arising in respect of development contracts is recognised either based on a percentage completion basis for fixed fee contracts, or based on days worked when contract is charged at a daily rate.

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

---

### 2. Accounting policies (continued)

#### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Product development	-	5 years straight line
---------------------	---	-----------------------

#### 2.5 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as shown below.

Depreciation is provided on the following bases:

Short-term leasehold property	- over the lease term
Office equipment	- 15% reducing balance or over the lease term
Computer equipment	- 25% on cost

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 Statement of Income and Retained Earnings.

#### 2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

---

### 2. Accounting policies (continued)

#### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.8 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.

#### 2.9 Financial instruments

The Company 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 to related parties and investments in non-puttable ordinary shares.

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 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.

Investments in non-puttable ordinary shares is measured at cost less impairment for all other investments.

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 Statement of Income and Retained Earnings.

#### 2.10 Creditors

Short term creditors are measured at the transaction price.

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

---

### 2. Accounting policies (continued)

#### 2.11 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### 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 Statement of Income and Retained Earnings.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within administrative expenses.

#### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

---

### 2. Accounting policies (continued)

#### 2.14 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 Statement of Income and Retained Earnings 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.

#### 2.15 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

#### 2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

---

### 2. Accounting policies (continued)

#### 2.17 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 operates and generates income.

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 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.

#### 2.18 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 of 5 years.

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

---

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine when the criteria for the development phase of software development has been met and costs which can be capitalised as intangible assets, specifically when the project completion is technically feasible and the Directors believe that the project can and will be completed and the product will generate probable future economic benefits.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 7)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Intangible Assets (see note 6)

Intangible fixed assets are amortised over their useful lives. The assessment of useful life takes into account factors such as technical innovation and product life cycles.

- Revenue Recognition on long term contracts (see note 9)

Revenue on fixed price development contracts is recognised on a percentage completion basis, which requires an estimation of total time required to complete the contract based on budget and previous experience of similar contracts. This estimation is re-assessed on a monthly basis.

### 4. Employees

The average monthly number of employees, including directors, during the period was 51 (2015: 53)

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

### 5. Directors' remuneration

	11 Month period ended 30 November 2016 £	12 Month period ended 31 December 2015 £
Directors' emoluments	163,876	208,065
Company contributions to defined contribution pension schemes	10,530	10,835
	<u>174,406</u>	<u>218,900</u>

During the period retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

### 6. Intangible assets

	Product Development £
<b>Cost</b>	
At 1 January 2016	658,698
Additions	914,930
At 30 November 2016	<u>1,573,628</u>
<b>Amortisation</b>	
Charge for the period	120,758
At 30 November 2016	<u>120,758</u>
<b>Net book value</b>	
At 30 November 2016	<u>1,452,870</u>
At 31 December 2015	<u>658,698</u>

## Semantico Limited

### Notes to the Financial Statements For the Period Ended 30 November 2016

#### 7. Tangible fixed assets

	Short-term leasehold property £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2016	74,227	99,149	327,325	500,701
Additions	-	2,150	7,683	9,833
At 30 November 2016	<u>74,227</u>	<u>101,299</u>	<u>335,008</u>	<u>510,534</u>
<b>Depreciation</b>				
At 1 January 2016	50,481	61,670	281,216	393,367
Charge for the period on owned assets	7,260	6,799	29,451	43,510
At 30 November 2016	<u>57,741</u>	<u>68,469</u>	<u>310,667</u>	<u>436,877</u>
<b>Net book value</b>				
At 30 November 2016	<u><u>16,486</u></u>	<u><u>32,830</u></u>	<u><u>24,341</u></u>	<u><u>73,657</u></u>
At 31 December 2015	<u><u>23,746</u></u>	<u><u>37,479</u></u>	<u><u>46,109</u></u>	<u><u>107,334</u></u>

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

### 8. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2016 and 30 November 2016	6,413
<b>Impairment</b>	
Charge for the period	6,413
At 30 November 2016	6,413
<b>Net book value</b>	
At 30 November 2016	-
At 31 December 2015	6,413

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
Semantico Inc.	United States of America	Ordinary	100 %

### 9. Debtors

	30 November 2016 £	31 December 2015 £
Trade debtors	562,382	451,606
Amounts owed by group undertakings	-	274,424
Amounts recoverable on contracts	178,734	16,337
Other debtors	166,751	276,283
Prepayments	112,095	55,851
	<u>1,019,962</u>	<u>1,074,501</u>

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

### 10. Creditors: Amounts falling due within one year

	<b>30 November 2016 £</b>	<b>31 December 2015 £</b>
Trade creditors	338,772	72,270
Other taxation and social security	79,649	103,362
Other creditors	11,008	17,845
Accruals and deferred income	555,823	722,436
	<b>985,252</b>	<b>915,913</b>
	<b>985,252</b>	<b>915,913</b>

### 11. Deferred taxation

	<b>2016 £</b>
At beginning of period	(11,004)
Charged to profit or loss	(121,050)
<b>At end of period</b>	<b>(132,054)</b>
	<b>(132,054)</b>

The provision for deferred taxation is made up as follows:

	<b>30 November 2016 £</b>
Accelerated capital allowances	(133,601)
Short term timing differences	1,547
	<b>(132,054)</b>
	<b>(132,054)</b>

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

### 12. Provisions

	Dilapidations £
At 1 January 2016	50,000
At 30 November 2016	<u>50,000</u>

### 13. Share capital

	30 November 2016 £	31 December 2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
5,000,000 (2015: 5,000,000) Ordinary shares of £0.01 (2015: £0.01) each	<u>50,000</u>	<u>50,000</u>

### 14. Reserves

The Company has the following reserves:

#### Capital redemption reserve

The capital redemption reserve relates to amounts paid for the buyback of the company's own shares.

#### Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

### 15. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £59,309 (2015: £45,878). Contributions totalling £11,008 (2015: £4,270) were payable to the fund at the balance sheet date and are included in other creditors.

# Semantico Limited

## Notes to the Financial Statements For the Period Ended 30 November 2016

---

### 16. Commitments under operating leases

At 30 November 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	30 November 2016 £	31 December 2015 £
Total	<u>239,627</u>	<u>346,093</u>

### 17. Related party transactions

During the period, total dividends of £80,739 (2015: £79,800) were paid to the directors.

The amount owed to R Padley, a director, at the balance sheet date was £nil (2015: £13,575).

### 18. Post balance sheet events

On 23 February 2017, the company's subsidiary, Semantico, Inc., was dissolved. Therefore, the company has impaired its investment and outstanding loan balance to £nil in the current period accounts.

The total charge to comprehensive income for the period as a result is £284,999.

### 19. Controlling party

The ultimate controlling party at 30 November 2016 was R Padley.

On 9 December 2016, the entire share capital of Semantico Limited was acquired by Highwire Press Limited, incorporated in the United Kingdom, which is a 100% subsidiary of Highwire Press Holdings Inc., the ultimate parent, incorporated in the USA.

### 20. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.