

Semantico Limited

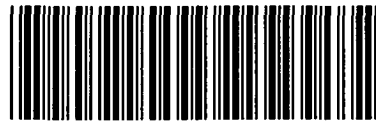
Directors' Report and Financial Statements

Period Ended

31 December 2017

Company Number 03841410

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Semantico Limited

Company Information

Director	D A Filby
Registered number	03841410
Registered office	Lees House 21/23 Dyke Road Brighton East Sussex BN1 3FE
Independent auditor	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

Semantico Limited

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Semantico Limited

Directors' Report For the Period Ended 31 December 2017

The directors present their report together with the audited financial statements for the period ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Directors

The directors who served during the period were:

R Padley (resigned 9 December 2016)
D McNally (resigned 9 December 2016)
D A Filby (appointed 9 December 2016)
R G Keefe (resigned 21 February 2018)

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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Directors' Report (continued) For the Period Ended 31 December 2017

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 December 2018 and signed on its behalf.



D A Filby
Director

Semantico Limited

Independent Auditors' Report to the Members of Semantico Limited

Opinion

We have audited the financial statements of Semantico Limited for the year ended 31 December 2017 which comprise the statement of income and retained earnings, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Semantico Limited

Independent Auditors' Report to the Members of Semantico Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report and director's report.

We have nothing to report in respect of the following matters in relation to which 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors report and from the requirement to prepare a strategic report.

Semantico Limited

Independent Auditors' Report to the Members of Semantico Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine if necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

James Fearan (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

21/12/18

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Semantico Limited

Statement of Income and Retained Earnings For the Period Ended 31 December 2017

	Note	13 month period ended 31 December 2017 £	11 month period ended 30 November 2016 (restated) £
Turnover		3,017,543	3,086,056
Cost of sales		(1,385,278)	(1,302,520)
Gross loss		1,632,265	1,783,536
Administrative expenses		(2,542,009)	(2,208,373)
Operating loss		(909,744)	(424,837)
Write off balances with subsidiary		-	(284,999)
Interest receivable and similar income		16	50
Loss before tax		(909,728)	(709,786)
Tax on loss	7	4,130	151,624
Loss after tax		(905,598)	(558,162)
Retained earnings at the beginning of the period		361,102	999,803
Loss for the period		(905,598)	(558,162)
Dividends declared and paid	8	-	(80,539)
Retained earnings at the end of the period		(544,496)	361,102

The notes on pages 8 to 22 form part of these financial statements.


Semantico Limited

Balance Sheet As at 31 December 2017

	Note	31 December 2017 £	31 December 2017 £	30 November 2016 (restated) £	30 November 2016 (restated) £
Fixed assets					
Tangible assets	9		50,910		73,657
Current assets					
Debtors: amounts falling due within one year	11	468,623		1,019,962	
Cash at bank and in hand		205,546		357,365	
		<u>674,169</u>		<u>1,377,327</u>	
Creditors: amounts falling due within one year	12	(1,219,075)		(985,252)	
Net current (liabilities)/assets			(544,906)		392,075
Total assets less current liabilities			(493,996)		465,732
Provisions for liabilities					
Deferred tax	13	-		(4,130)	
Other provisions	14	-		(50,000)	
				<u>-</u>	<u>(54,130)</u>
Net (liabilities)/assets			(493,996)		411,602
Capital and reserves					
Called up share capital	15		50,000		50,000
Capital redemption reserve	16		500		500
Profit and loss account	16		(544,496)		361,102
Total equity			(493,996)		411,602

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 were approved and authorised for issue by the board and were signed on its behalf on

 20 December 2017.
D A Filby
Director

The notes on pages 8 to 22 form part of these financial statements.

Semantico Limited

Notes to the Financial Statements For the Period Ended 31 December 2017

1. General information

Semantico Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page. The principal activity of the company is the provision of e-publishing solutions and technical support and maintenance.

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 preparation of financial statements in compliance with Section 1A of 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.

As set out on page 6 the Company incurred an operating loss in the 13 month period of £905,598 (11 months ending 30 November 2016 - £558,162) and has net current liabilities per page 7 of £544,906 (30 November 2016- net current assets of £392,075), including funding from fellow group undertakings of £348,907 (30 November 2016 - £nil). The Company is dependent upon the continued support of its ultimate parent company and has received a letter of confirmation confirming the intention to continue to provide this support for a period of 12 months from the date of signing these financial statements. The directors have assessed the ability of the parent undertaking to provide this support and are satisfied that it will be able to do so, and it is on this basis that the accounts have been prepared on the going concern basis.

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.

Turnover 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 31 December 2017

2. Accounting policies (continued)

2.4 Intangible Aseets - change in accounting policy

To align with the accounting policy of the company's new parent (see note 20), the company has changed their accounting policy with regards to the capitalisation of product development costs.

Under the previous accounting policy, intangible assets were recognised from the development phrase of a project if and when certain capitalisation criteria were met, and were amortised on a straight line basis over five years, with the amortisation charge posted to administrative expenses.

All development costs are expensed under the new accounting policy.

Per FRS102, a change in accounting policy must be applied retrospectively.

As a result, prior period figures have been restated in these financial statements to expense product development costs previously capitalised and amortised under old policy. The impact on the prior year balance sheet is disclosed in the table below.

The reduction in the profit and loss of £666,248 for the period ending 30 November 2016 impacts administrative expenses, which have been restated from £1,414,201 to £2,208,373 and the tax credit which has been restated from £23,700 to £151,624 in these financial statements.

	30 November	Adjustment	Restated
	2016		November
	£	£	2016
			£
Intangible assets - Product development	1,452,870	(1,452,870)	-
Deferred tax Liability	(132,054)	127,924	(4,130)
Retained earnings as at 1 January 2016	1,658,501	(658,698)	999,803
Profit/ (loss) for the year	108,086	(666,248)	(558,162)
Retained earnings as at 30 November 2016	1,686,048	(1,324,946)	361,102

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.

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Notes to the Financial Statements For the Period Ended 31 December 2017

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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 and 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 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.

2.7 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.

2.8 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.

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.

Semantico Limited

Notes to the Financial Statements For the Period Ended 31 December 2017

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 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.

2.11 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.

2.12 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 2016 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 31 December 2017

2. Accounting policies (continued)

2.13 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.

2.14 Interest income

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

2.15 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 31 December 2017

2. Accounting policies (continued)

2.16 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.

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:

In preparing these financial statements, the members have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

- Revenue recognition on long term contracts

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 reassessed on a monthly basis.

- Tangible fixed assets (see note 9)

Tangible fixed assets, other than investment properties, 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 a 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.

Semantico Limited

Notes to the Financial Statements For the Period Ended 31 December 2017

4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	13 month period ended 31 December 2017 £	11 month period ended 30 November 2016 £
Fees payable to the company's auditor	24,000	-

5. Employees

The average monthly number of employees, including directors, during the period was 39 (2016 - 51).

6. Directors' remuneration

	13 month period ended 31 December 2017 £	11 month period ended 30 November 2016 £
Directors' emoluments	-	163,876
Company contributions to defined contribution pension schemes	-	10,530
	<u>-</u>	<u>174,406</u>

Directors are now remunerated via other group companies.

During the period retirement benefits were accruing to nil directors (2016 - 3) in respect of defined contribution pension schemes.

Semantico Limited

Notes to the Financial Statements For the Period Ended 31 December 2017

7. Taxation

	13 month period ended 31 December 2017 £	11 month period ended 30 November 2016 £
Corporation tax		
Current tax on losses for the year	-	(144,750)
Total current tax	<u>-</u>	<u>(144,750)</u>
Deferred tax		
Origination and reversal of timing differences	(4,130)	(33,748)
Changes to tax rates	-	(23,304)
Adjustment in respect of prior period	-	50,178
Total deferred tax	<u>(4,130)</u>	<u>(6,874)</u>
Taxation on loss on ordinary activities	<u><u>(4,130)</u></u>	<u><u>(151,624)</u></u>

Semantico Limited

Notes to the Financial Statements For the Period Ended 31 December 2017

7. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.31% (2016 - 20.00%). The differences are explained below:

	13 month period ended 31 December 2017 £	11 month period ended 30 November 2016 £
Loss on ordinary activities before tax	<u>(909,728)</u>	<u>(709,786)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.31% (2016 - 20.00%)	(175,625)	(141,957)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,207	67,862
Additional deduction for R&D expenditure	-	(74,024)
Surrender of tax losses for R&D tax credit refund	-	54,905
Adjustments to tax charge in respect of prior periods - deferred tax	-	50,178
Change in tax rate	-	(23,304)
Deferred Tax not recognised	170,288	(85,284)
Total tax charge for the period	<u><u>(4,130)</u></u>	<u><u>(151,624)</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The company has unutilised tax losses carried forward of £1,096,369 (2016 - £nil), for which an asset has not been recognised as there is insufficient evidence of its recoverability.

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Notes to the Financial Statements For the Period Ended 31 December 2017

8. Dividends

	13 month period ended 31 December 2017 £	11 month period ended 30 November 2016 £
Ordinary		
Dividends paid	-	80,539

9. Tangible fixed assets

	Short-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 December 2016	74,227	101,299	335,008	510,534
Additions	-	9,163	-	9,163
At 31 December 2017	<u>74,227</u>	<u>110,462</u>	<u>335,008</u>	<u>519,697</u>
Depreciation				
At 1 December 2016	57,741	68,469	310,667	436,877
Charge for the period on owned assets	8,386	7,410	16,114	31,910
At 31 December 2017	<u>66,127</u>	<u>75,879</u>	<u>326,781</u>	<u>468,787</u>
Net book value				
At 31 December 2017	<u>8,100</u>	<u>34,583</u>	<u>8,227</u>	<u>50,910</u>
At 30 November 2016	<u>16,486</u>	<u>32,830</u>	<u>24,341</u>	<u>73,657</u>

Semantico Limited

Notes to the Financial Statements For the Period Ended 31 December 2017

10. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 December 2016	6,413
Disposals	(6,413)
At 31 December 2017	-
At 1 December 2016	6,413
Impairment on disposals	(6,413)
At 31 December 2017 and 30 November 2016	-
At 31 December 2017	-
At 30 November 2016	-

On 23 February 2017 the company's wholly owned subsidiary, Semantico Inc., an entity incorporated in the USA was dissolved.

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Notes to the Financial Statements For the Period Ended 31 December 2017

11. Debtors

	31 December 2017 £	30 November 2016 £
Trade debtors	368,263	562,382
Other debtors	31,989	166,751
Prepayments	68,371	112,095
Amounts recoverable on contracts	-	178,734
	<u>468,623</u>	<u>1,019,962</u>

12. Creditors: Amounts falling due within one year

	31 December 2017 £	30 November 2016 £
Trade creditors	155,296	338,772
Amounts owed to group undertakings	348,907	-
Other taxation and social security	97,653	79,649
Other creditors	8,610	11,008
Accruals and deferred income	608,609	555,823
	<u>1,219,075</u>	<u>985,252</u>

13. Deferred taxation

	2017 £
At beginning of period	4,130
Charged to profit or loss	(4,130)
At end of period	<u>-</u>
There is currently a difference between the b/fwd and c/fwd amounts - please review your trial balance	<u>-</u>

Semantico Limited

Notes to the Financial Statements For the Period Ended 31 December 2017

13. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	31 December 2017 £	30 November 2016 £
Accelerated capital allowances	-	5,677
Short term timing differences	-	(1,547)
	<u>-</u>	<u>4,130</u>

14. Provisions

	Dilapidation s £
At 1 December 2016	50,000
Utilised in period	(50,000)
At 31 December 2017	<u>-</u>

15. Share capital

	31 December 2017 £	30 November 2016 £
Allotted, called up and fully paid		
5,000,000 ordinary shares of £0.01 each	<u>50,000</u>	<u>50,000</u>

Semantico Limited

Notes to the Financial Statements For the Period Ended 31 December 2017

16. Reserves

The company has the following reserves:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

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.

17. Pension commitments

The company operates a defined contribution 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 £50,569 (2016 - £59,309). Contributions totaling £7,348 (2016 - £11,008) were payable to the fund at the balance sheet date and are included in other creditors.

18. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2017 £	30 November 2016 £
Total	<u>113,775</u>	<u>239,627</u>

In February 2018, a new 10 year lease was signed for the Semantico offices by Highwire Press Limited on behalf of the company, replacing the above commitment.

The new rent per annum is £85,775.

19. Related party transactions

During the period, total dividends of £Nil (2016 - £80,739) were paid to the directors.

The company has taken advantage of the exemption available under Section 33.1A of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Semantico Limited

Notes to the Financial Statements For the Period Ended 31 December 2017

20. Controlling party

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.

Subsequent to this change in control, the company's year end was changed to 31 December to align with Highwire group's year end.

Therefore the current period is 13 months with the prior period being 11 months, and thus the figures are not entirely comparable.