

Registered number: 03271609

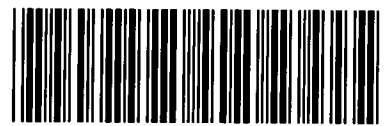
CONCRETE MEDIA LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

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CONCRETE MEDIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2017

The directors present their report and the financial statements for the year ended 31 October 2017.

2017 was an important year for Concrete, with R&D purely focused on the development of our new retail "Store Operating System" platform. This is a clean sheet design, taking onboard everything we have learned about the retail industry and how to deliver value to retail brands who recognise the importance of stores as part of their omni-channel strategy.

As well as a new platform, we also invested in overhauling our engineering talent, bringing in the best recruits on the market, creating a technology leadership that could act as a nucleus to a scaling function that would continue growing through 2018 and beyond. This, of course, took time and had associated productivity and financial costs associated with it, but I am pleased to say the commitment and investment has paid off, with the new software platform now being live with clients for testing.

The starting point for our Store Operating System was to launch our Hierarchical Store Task Management solution. Concrete already had an existing task management solution, and the data from the platform showed it carried the heaviest customer traffic of all features in the platform. Broader market research corroborated a growing focus on store based operational performance in the retail market. Whilst retail is experiencing store portfolio shrinkage, retail brands are also realising that they cannot do without stores, and the stores they plan to keep need greater investment to drive their performance, for both customer engagement / satisfaction, and revenue.

As the central tenet to our product strategy, Concrete's Store Operating System is therefore a modular offering that offers retail brands of all sizes and trading formats, from wholesale through franchise to wholly owned, both domestically and internationally, a new platform that can drive revenue through improved brand and operational compliance. To achieve this, the design and build of our new platform includes foundational components that will allow us to rapidly build out new features based on these components, reducing technical debt and time to market.

Commercial performance in 2017 was also important. Our Sales and Account Management team also delivered an exemplary year, over-performing on budget, selling our established retail platform to 10 new retail brands, along with a host of account expansions with existing retail clients. This is testimony to the inherent value of Concrete's IP in the retail sector, and the knowledge our commercial team have in this space. Although we also lost two clients, at year end, Concrete had 45 customers. One of those losses was directly attributable to the fact that Concrete failed to deliver a new software platform in 2016; an event required the rebuilding of the engineering team covered earlier in this report. The other account loss was a decision to release a client that represented "boot strap" revenue.

Despite the cost and delay in the launch of the new platform, the increase in the number of clients was one of the strongest in Concrete's history.

Other important work was also carried out within our infrastructure team, taking our existing software services and preparing them for deployment on Amazon Web Services, along with preparation work for the new platform in conjunction with our engineering team. This was done very efficiently, hitting all the milestones we set out to achieve.

The sum of the parts for FY2017 was a year end with a strong cash position, a healthy balance sheet, and the foundations for a brand new software platform that will see service for years to come. Hitting, and/or overachieving on all targets is a great achievement and testimony to the calibre of team and quality of customers we are now proud to have at Concrete.

CONCRETE MEDIA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2017**

Directors

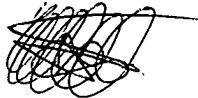
The directors who served during the year were:

Tristan Barnaby Craggs
Andrzej Rafael Michalski
David Alexis Rivier (resigned 11 July 2018)
Tristan Matthew Rogers
Bryan Guy Wilsher

Small companies note

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 *26 July 2018* and signed on its behalf.



Tristan Matthew Rogers
Director

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	3	984,154	791,971
Tangible assets	4	222,751	191,091
Investments	5	59,235	59,235
		<u>1,266,140</u>	<u>1,042,297</u>
Current assets			
Debtors: amounts falling due within one year	6	1,015,882	863,276
Cash at bank and in hand	7	568,964	507,465
		<u>1,584,846</u>	<u>1,370,741</u>
Creditors: amounts falling due within one year	8	(1,699,284)	(1,748,356)
Net current liabilities		<u>(114,438)</u>	<u>(377,615)</u>
Total assets less current liabilities		<u>1,151,702</u>	<u>664,682</u>
Provisions for liabilities			
Deferred tax	9	(186,152)	(113,978)
		<u>(186,152)</u>	<u>(113,978)</u>
Net assets		<u><u>965,550</u></u>	<u><u>550,704</u></u>
Capital and reserves			
Called up share capital	10	18,449	11,227
Share premium account		4,140	4,140
Capital redemption reserve		19	19
EBT reserve	11	(193,953)	-
Profit and loss account		1,136,895	535,318
		<u>965,550</u>	<u>550,704</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 year 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.

CONCRETE MEDIA LIMITED
REGISTERED NUMBER: 03271609

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2017

The Company has opted not to file the 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 on



Tristan Matthew Rogers
Director

26 July 2018

The notes on pages 7 to 16 form part of these financial statements.

CONCRETE MEDIA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Called up share capital	Share premium account	Capital redemption reserve	EBT reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 November 2016	11,227	4,140	19	-	535,318	550,704
Comprehensive income for the year						
Profit for the year	-	-	-	-	601,577	601,577
EBT movement	-	-	-	(193,953)	-	(193,953)
Total comprehensive income for the year	-	-	-	(193,953)	601,577	407,624
Shares issued during the year	7,222	-	-	-	-	7,222
At 31 October 2017	18,449	4,140	19	(193,953)	1,136,895	965,550

The notes on pages 7 to 16 form part of these financial statements.

CONCRETE MEDIA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 November 2015	10,786	4,140	-	625,432	640,358
Loss for the year	-	-	-	(65,544)	(65,544)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,544)</u>	<u>(65,544)</u>
Purchase of own shares	-	-	-	(24,551)	(24,551)
Shares issued during the year	441	-	-	-	441
Transfer between Capital redemption reserve and P/L account	-	-	19	(19)	-
At 31 October 2016	<u>11,227</u>	<u>4,140</u>	<u>19</u>	<u>535,318</u>	<u>550,704</u>

The notes on pages 7 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

1. Accounting policies

1.1 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:

1.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

1. Accounting policies (continued)

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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 Company 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; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

1. Accounting policies (continued)

1.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 reporting 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 Statement of Financial Position 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 reporting date.

1.5 Intangible assets and amortisation

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.

1.6 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

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:

Motor vehicles	- 25% per annum straight line basis
Fixtures and fittings	- 25% - 50% per annum straight line basis
Other fixed assets	- 20% - 25% per annum straight line basis

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 Comprehensive Income.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 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.

1.9 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.

1.10 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.

1.11 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

CONCRETE MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

1. Accounting policies (continued)

1.12 Employee benefit trust

In accordance with FRS 102 the investment in the shares of Concrete Media Limited, held through the employee benefit trust, is shown as a deduction to shareholders funds.

1.13 Financial instruments

The Company only enters into basic financial instrument 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, loans to related parties and investments in non-puttable ordinary shares.

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 Comprehensive Income.

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 Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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. Employees

The average monthly number of employees, including directors, during the year was 36 (2016 - 47).

CONCRETE MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

3. Intangible assets

	Development £
Cost	
At 1 November 2016	791,971
Additions	1,339,193
At 31 October 2017	<u>2,131,164</u>
Amortisation	
Impairment charge	1,147,010
At 31 October 2017	<u>1,147,010</u>
Net book value	
At 31 October 2017	<u>984,154</u>
At 31 October 2016	<u>791,971</u>

CONCRETE MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

4. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation				
At 1 November 2016	85,530	407,327	36,853	529,710
Additions	106,124	47,300	32,522	185,946
Disposals	(85,530)	(143,056)	(36,853)	(265,439)
At 31 October 2017	106,124	311,571	32,522	450,217
Depreciation				
At 1 November 2016	39,432	273,476	25,711	338,619
Charge for the year on owned assets	16,532	86,504	12,841	115,877
Disposals	(47,120)	(143,057)	(36,853)	(227,030)
At 31 October 2017	8,844	216,923	1,699	227,466
Net book value				
At 31 October 2017	97,280	94,648	30,823	222,751
At 31 October 2016	46,098	133,851	11,142	191,091

CONCRETE MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2016	59,235
At 31 October 2017	<u>59,235</u>
Net book value	
At 31 October 2017	<u>59,235</u>
At 31 October 2016	<u>59,235</u>

Fixed asset investments represent 100% ownership of ConcretePlatform Inc., a company incorporated in the United States of America. As at 31 October 2017 ConcretePlatform Inc. had net assets of \$294k.

6. Debtors

	2017 £	2016 £
Trade debtors	511,567	265,343
Other debtors	461,208	564,858
Prepayments and accrued income	43,107	33,075
	<u>1,015,882</u>	<u>863,276</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	568,964	507,465
	<u>568,964</u>	<u>507,465</u>

CONCRETE MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	217,457	260,281
Bills of exchange	-	153,668
Other taxation and social security	99,499	106,185
Obligations under finance lease and hire purchase contracts	82,761	105,079
Other creditors	1,299,567	1,123,143
	<u>1,699,284</u>	<u>1,748,356</u>

9. Deferred taxation

	2017 £	2016 £
At beginning of year	(113,978)	(29,958)
Charged to profit or loss	(72,174)	(84,020)
At end of year	<u>(186,152)</u>	<u>(113,978)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(26,614)	(17,845)
Deferred tax on intangible assets	(159,538)	(96,133)
	<u>(186,152)</u>	<u>(113,978)</u>

10. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
112,270,000 Ordinary A Shares shares of £0.0001 each	11,227	11,227
72,222,000 Ordinary B Shares shares of £0.0001 each	7,222	-
	<u>18,449</u>	<u>11,227</u>

CONCRETE MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

10. Share capital (continued)

During the year the company issued 72,222,000 ordinary B shares of £0.0001 each, for a consideration of £7,222.

11. EBT Reserve

The company contributes to an employee benefit trust for the benefit of members of the company. The principal asset of the trust as at 31 October 2017 was 3,122,000 ordinary shares in Concrete Media Limited acquired at a cost of £193,953.

12. Related party transactions

During the year the company incurred expenditure of £19,625 (2016: £72,000) with Ideation Limited, a company controlled by B Wilsher, a director. £1,500 was due as at 31 October 2017 (2016: £7,200).

13. 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.