

COMPANY REGISTRATION NUMBER: 09502309

**SessionCam Limited**  
**Financial Statements**  
**Information for Filing with the Registrar**  
**31 March 2020**



# SessionCam Limited

## Statement of financial position

31 March 2020

	Note	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Intangible assets	7		133,880		160,658
Tangible assets	8		<u>21,261</u>		<u>18,709</u>
			155,141		179,367
<b>Current assets</b>					
Debtors	9	1,790,222		3,090,009	
Cash at bank and in hand		<u>508,305</u>		<u>157,524</u>	
		2,298,527		3,247,533	
<b>Creditors: Amounts falling due within one year</b>	11	<u>(5,197,086)</u>		<u>(4,896,769)</u>	
<b>Net current liabilities</b>			<u>(2,898,559)</u>		<u>(1,649,236)</u>
<b>Total assets less current liabilities</b>			<u>(2,743,418)</u>		<u>(1,469,869)</u>
<b>Creditors: Amounts falling due after more than one year</b>	12		<u>(878,287)</u>		<u>(856,201)</u>
<b>Net liabilities</b>			<u>(3,621,705)</u>		<u>(2,326,070)</u>
<b>Capital and reserves</b>					
Called up share capital			1,037		1,037
Profit and loss account			<u>(3,622,742)</u>		<u>(2,327,107)</u>
<b>Shareholders deficit</b>			<u>(3,621,705)</u>		<u>(2,326,070)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 17 September 2020, and are signed on behalf of the board by:



K R Goodings  
Director

Company registration number: 09502309

The notes on pages 3 to 13 form part of these financial statements.

# SessionCam Limited

## Notes to the financial statements

Year ended 31 March 2020

---

### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is St Vedast House, 5-7 St Vedast Street, Norwich, NR1 1BT.

### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

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 FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

#### Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the fact that it had net current liabilities and net liabilities at the year end.

The company is funded by a bank overdraft facility of £450,000, in addition to which two of the directors have provided directors loans totalling £830,000. The bank overdraft facility is due for renewal in May 2021 and the directors do not anticipate any issues in terms of the facility being renewed at that date. The directors have prepared profit and cash flow forecasts for a period covering at least twelve months from the date of signing the financial statements. The company's forecasts and projections, taking account of reasonably possible changes in business performance which includes the impact of COVID-19, indicate that the company will be able to operate within its existing facilities for the foreseeable future, being a period of at least twelve months from the signing of the financial statements. In respect of COVID-19, as disclosed in note 17, the pandemic has had limited impact on the operations and financial performance of the company to date and the directors are confident that this will remain the case going forward.

As a consequence, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# SessionCam Limited

## Notes to the financial statements *(continued)*

### Year ended 31 March 2020

---

#### 3. Accounting policies *(continued)*

##### 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:

##### 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.

##### Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value 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 Statement of comprehensive income over its useful economic life of ten years.

##### Other 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.

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 Intellectual Property intangible assets is being amortised over a period of ten years.

# SessionCam Limited

## Notes to the financial statements *(continued)*

Year ended 31 March 2020

---

### 3. Accounting policies *(continued)*

#### 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.

The estimated useful lives range as follows:

Fixtures, fittings and equipment - 3 years

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.

#### Development costs

Research and development expenditure is written off in the year in which it is incurred.

#### 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.

#### 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.

# SessionCam Limited

## Notes to the financial statements *(continued)*

### Year ended 31 March 2020

---

#### 3. Accounting policies *(continued)*

##### 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 from banks and other third parties, and loans from 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 payables or receivables, 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 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, which is an approximation of the amount that the Company 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 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.

# SessionCam Limited

## Notes to the financial statements *(continued)*

Year ended 31 March 2020

---

### 3. Accounting policies *(continued)*

#### 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.

#### 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.

#### Finance costs

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

#### Operating leases: The company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income 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.

#### 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 comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

# SessionCam Limited

## Notes to the financial statements *(continued)*

### Year ended 31 March 2020

---

#### 3. Accounting policies *(continued)*

##### Current and deferred taxation

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.

##### Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

# SessionCam Limited

## Notes to the financial statements (continued)

Year ended 31 March 2020

### 4. Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	12,500	14,315

### 5. Employee numbers

The average number of employees during the year was 91 (2019: 84).

### 6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020 £	2019 £
Remuneration	556,605	547,825
Company contributions to defined contribution pension plans	5,263	3,756
	<u>561,868</u>	<u>551,581</u>

The highest paid director received remuneration of £131,999 (2019: £131,378) and contributions to defined contribution pension schemes of £1,316 (2019: £939).

### 7. Tax on loss

#### Major components of tax income

	2020 £	2019 £
<b>Current tax:</b>		
UK current tax income	(215,057)	(283,542)
Adjustments in respect of prior periods	(5,544)	(620,630)
Total current tax	<u>(220,601)</u>	<u>(904,172)</u>
<b>Tax on loss</b>	<u>(220,601)</u>	<u>(904,172)</u>

#### Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

The differences are explained below:-

	2020 £	2019 £
Loss on ordinary activities before taxation	(2,175,070)	(945,556)
Loss on ordinary activities by rate of tax	(413,263)	(179,656)
Adjustment to tax charge in respect of prior periods	(5,544)	(620,630)
Effect of expenses not deductible for tax purposes	131,767	79,260
Effect of capital allowances and depreciation	(303)	-
Unused tax losses	281,799	-
Tax impact of qualifying R&D claim	(215,057)	(183,146)
Tax on loss	<u>(220,601)</u>	<u>(904,172)</u>

# SessionCam Limited

## Notes to the financial statements *(continued)*

### Year ended 31 March 2020

#### 8. Intangible assets

	Goodwill £	Intellectual property £	Total £
<b>Cost</b>			
At 1 April 2019 and 31 March 2020	87,767	180,000	267,767
<b>Amortisation</b>			
At 1 April 2019	35,109	72,000	107,109
Charge for the year	8,778	18,000	26,778
<b>At 31 March 2020</b>	<u>43,887</u>	<u>90,000</u>	<u>133,887</u>
<b>Carrying amount</b>			
At 31 March 2020	43,880	90,000	133,880
At 31 March 2019	<u>52,658</u>	<u>108,000</u>	<u>160,658</u>

#### 9. Tangible assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 April 2019	124,812
Additions	13,725
<b>At 31 March 2020</b>	<u>138,537</u>
<b>Depreciation</b>	
At 1 April 2019	106,103
Charge for the year	11,173
<b>At 31 March 2020</b>	<u>117,276</u>
<b>Carrying amount</b>	
At 31 March 2020	21,261
At 31 March 2019	<u>18,709</u>

#### 10. Debtors

	2020 £	2019 £
Trade debtors	1,529,484	2,083,947
Corporation tax repayable	215,057	999,257
Prepayments and accrued income	40,794	5,293
Called up share capital not paid	-	5
Other debtors	4,887	1,507
	<u>1,790,222</u>	<u>3,090,009</u>

#### 11. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>508,305</u>	<u>157,524</u>

# SessionCam Limited

## Notes to the financial statements *(continued)*

### Year ended 31 March 2020

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

	2020	2019
	£	£
Trade creditors	358,566	277,137
Social security and other taxes	133,309	255,385
Accruals and deferred income	4,522,933	4,216,313
Other loans	130,000	130,000
Other creditors (note 19)	52,278	17,934
	<u>5,197,086</u>	<u>4,896,769</u>

#### 13. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Other creditors (note 19)	<u>878,287</u>	<u>856,201</u>

#### 14. Deferred taxation

At 31 March 2020 the company had carried forward tax losses of £187,000 (2019: £NIL). The resulting deferred tax asset of £32,000 (2019: £NIL) has not been recognised due to uncertainty over its future recoverability.

#### 15. Share-based payments

During the prior year the company issued 17,970 share options over its ordinary shares of £0.005 each. The shares options vest over three years with one third of the shares vesting on the first anniversary of the commencement date and the remainder in equal instalments monthly over the next two years such that the option shall be fully vested on the third anniversary of the commencement date. The options are not exercisable until they have vested and must be exercised within ten years of the grant date. The exercise price of the share options is £0.005 per share.

The share options have been accounted for as equity settled transactions and have been valued using the Black Scholes Model. The expense recognised in profit or loss for the period was £658,834 (2019: £378,055).

The number of share options outstanding at the year end and the weighted average exercise price of those options is shown below. During the prior year 1,040 share options were exercised upon an employee retiring from the company. During the year 316 (2018: NIL) options were cancelled due to employees leaving the scheme.

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

	2020		2019	
	No.	WAEP	No.	WAEP
Outstanding at 1 April 2019	16,930	0.50	51	100.00
Granted during the year	–	–	17,970	0.50
Forfeited during the year	(316)	0.50	(51)	(100.00)
Exercised during the year	–	–	(1,040)	(0.50)
Outstanding at 31 March 2020	<u>16,614</u>	<u>0.50</u>	<u>16,930</u>	<u>0.50</u>

# SessionCam Limited

## Notes to the financial statements *(continued)*

### Year ended 31 March 2020

---

#### 15. Share-based payments *(continued)*

The total expense recognised in profit or loss for the year is as follows:

	2020	2019
	£	£
Equity-settled share-based payments	<u>658,834</u>	<u>378,055</u>

#### 16. Share capital

	2020	2019
	£	£
<b>Allotted, called up and fully paid</b>		
207,440 (2019: 207,440) ordinary shares of £0.005 each (2019 - £0.005 each)	<u>1,037</u>	<u>1,037</u>

#### 17. Covid-19

During the early part of 2020 the COVID-19 pandemic was confirmed and in February this began to have a significant impact on UK and international business activity. In the week commencing 23 March 2020 the UK situation had escalated to the point where the government instituted a 'lockdown' of all non-essential movement and meetings.

Whilst the company has seen some limited disruption from COVID-19 which affected the early part of its new financial year, the impact has been manageable and, given the nature of the services being provided, the business model has demonstrated resilience. Throughout the course of the COVID-19 pandemic the company has been able to continue to provide its full range of services to clients with our employees working from home. The main impact of the pandemic to date has been clients in certain industries (primarily tourism and leisure) pausing the service or delaying contract renewals, however the financial impact of this has been limited due to the diversity of our client base. To mitigate against the financial impact of the pandemic the company has made limited use of the government job retention scheme.

#### 18. Summary audit opinion

The auditors report for the year ended 31 March 2020 was unqualified with no emphasis of matter.

The audit report was signed on 18 September 2020 by Stephen Eagling BSc ACA (Senior statutory auditor) on behalf of Lovewell Blake UK LLP.

## SessionCam Limited

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2020

---

##### 19. Related party transactions

Internet Geeks Limited is a company related by common directors and shareholders. At 31 March 2020 there was an outstanding loan balance of £130,000 (2019: £130,000) owed to Internet Geeks Limited. During the year interest of £3,634 (2019: £2,992) was accrued on this loan. At 31 March 2020, the total interest accrued in respect of this loan was £30,994 (2019: £27,360). The loan is secured against the SessionCam product. Interest is payable on the loan at 1.5% above LIBOR.

Patrick Smith (director) has loaned the company £490,000 (2019: £490,000). During the year interest of £14,013 (2019: £11,276) was accrued in respect of this loan. The loan, together with the interest accrued, is not repayable prior to the fourth anniversary of the inception date. Interest is payable on the loan at 1.5% above LIBOR. During the year Patrick Smith also provided a further short term loan of £250,000. This was fully repaid during the year. No interest was charged in respect of this loan.

Kevin Goodings (director) has loaned the company £340,000 (2019: £340,000). During the year interest of £8,073 (2019: £7,824) was accrued in respect of this loan. The loan, together with the interest accrued, is not repayable prior to the fourth anniversary of the inception date. Interest is payable on the loan at 1.5% above LIBOR.

##### 20. Controlling party

The ultimate controlling party is Kevin Goodings.