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REGISTERED NUMBER: 06770610 (England and Wales)

**GROUP STRATEGIC REPORT, DIRECTORS' REPORT AND
AUDITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
FOR
JRNI LIMITED
PREVIOUSLY KNOWN AS BOOKINGBUG LIMITED**

THURSDAY



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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 MARCH 2019**

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JRNI LIMITED – FORMERLY BOOKINGBUG LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019**

DIRECTORS:

Mr G Shoosmith
Mr P J Crawford
Mr G Bockenstette
Mr A G Fernando
Mr B Mulvey
Mr A A Ohlsson
Mr P Daffern

REGISTERED OFFICE:

150 Wharfedale Road
Winnersh Triangle
Berkshire
RG41 5RB

REGISTERED NUMBER:

06770610 (England and Wales)

SENIOR STATUTORY AUDITOR: Mark Jordan

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their strategic report of the company and the group for the year ended 31 March 2019.

REVIEW OF BUSINESS

JRNI's goal is to become a leading provider of SaaS to large enterprises in the Customer Engagement marketplace. We will achieve this leadership position by continuing to (a) increase and enhance the services that we provide, (b) expand the number of industries that we serve and (c) expand the distribution channels that we use to reach clients.

In the short term our priorities are to continue expanding our business in North America and to enhance the features and scalability of our technology platform. We hired a new CEO, John Federman, in March this year and he will be leading our expansion from the Boston office. We also expect to add further senior management during the coming year, both in the USA and Europe.

Like many SaaS businesses, the majority of our revenue (approximately 80%) comes from subscriptions to our Booking Service. Typically, these subscriptions are for terms of at least one year, paid in advance. The balance of our revenue comes from professional services, such as implementations.

The business has grown steadily over the past five years, increasing revenue in every year. In line with our plan for the year, our revenue increased by 29.5% and the size and scope of our contracts continues to expand. Our rate of growth was lower than in prior years and we expect this trend to continue as the business grows. Our offices in Boston and Sydney continue to grow and performed in line with our plans.

The Loss for the year after tax was £5.3m and Net Liabilities are £3.1m

We expect our growth to continue in the coming years as the Customer Engagement marketplace continue to expand and the organisations that we serve try to better understand and engage their customers.

Our ongoing success is dependent on a continuing programme of technology innovation and we continue to invest heavily in R&D. We used £4.5m of cash in Operating Activities in the year, compared to £6.0m in the prior year, and we plan to raise additional funding from our investors in the summer of 2019. The current shareholders continue to be strong supported of the business. See the Going Concern paragraph in the directors' report for further information in relation to the performance and position of the Group.

We made no political donations.

FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES

The directors have identified the financial risk management objectives as minimising any threats to the continued financial wellbeing and stability of the group. The directors seek to minimise financial risk through the maintenance of a system of internal controls, sourcing products and services at the most competitive prices and maintaining close relationships with customers and suppliers.

The directors are responsible for the group's system of internal controls and for evaluating its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Key elements of the group's system of internal controls include management accounts including comparison with prior periods and ad-hoc reports produced for the directors when deemed necessary by senior management. Reliance is placed on senior management to ensure effective control.

PRINCIPAL RISKS AND UNCERTAINTIES

The group operates in a highly competitive market and is subject to currency fluctuations.

Liquidity risk

The group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the group has sufficient liquid resources to meet the operating needs of its business

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Interest rate risk

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

Foreign currency risk

The group's principal foreign currency exposures arise from trading operations with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in Sterling. This hedging activity involves the use of foreign exchange forward contracts.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful where necessary.

ON BEHALF OF THE BOARD:



.....
Mr G Shoosmith - Director

Date: 10 December 2019

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their report with the audited financial statements of the company and the group for the year ended 31 March 2019.

CHANGE OF NAME

The group passed a special resolution on 29 May 2019 changing its name from Bookingbug Limited to JRNI Limited.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of the provision of online booking systems.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

Mr G Shoosmith
Mr P J Crawford
Mr G Bockenstette
Mr A G Fernando
Mr B Mulvey
Mr A A Ohlsson

Other changes in directors holding office are as follows:

Mr P Daffern - appointed 13 September 2018

GOING CONCERN

The Group manages its day-to-day working capital requirements through its operations, as well as through reliance on its debt facilities. The Group's growth ambitions anticipate future equity funding from shareholders. The directors have considered the ability of the Group to meet its liabilities as they fall due for the period of at least 12 months from the date of signing these financial statements, in particular the ability of the Group to maintain compliance with its financial covenants. The directors are aware of lower levels of covenant headroom at several points throughout the forecast period, particularly in the cash consumption covenant, and are confident that there are contingency plans in place should the performance of the business fail to meet current projections. These contingency plans include the ability, and will, to manage its discretionary cost base. The directors may also seek additional finance from shareholders to fund its working capital requirements.

Having assessed the principle risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

ON BEHALF OF THE BOARD:


.....
Mr G Shoosmith - Director

Date: 10 December 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JRNI LIMITED – FORMERLY BOOKINGBUG LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, JRNI Limited (Formerly Bookingbug Limited)'s group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2019 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Group strategic report, directors' report and audited consolidated financial statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 March 2019; the consolidated statement of comprehensive income, the consolidated cash flow statement, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the consolidated financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern – Group

In forming our opinion on the group financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the group's ability to continue as a going concern. The group is reliant on bank loans to meet its liabilities as they fall due. The group has three financial covenants related to its debt facilities, namely cash consumption, revenue growth and a limitation on cash held in non-UK domiciled bank accounts, which are measured and reported on monthly. The directors have modelled the expected covenant position over the forecast period which show that under their base case assumptions they expect to pass the covenants. However, the headroom available, in particular on the cash consumption covenant, at several points throughout the forecast period is tight. The group has a number of options available to it, which include the ability, and will, to manage its discretionary cost base, as well as the historical ability to obtain additional finance from its shareholders and to obtain covenant breach waivers from its financiers. In the event that a financial covenant is breached and if that breach is not waived, the debt finance will immediately become repayable on demand, which may result in the group being unable to meet its liabilities as they fall due unless alternative financing arrangements are obtained.

These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The group financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JRNI LIMITED – FORMERLY BOOKINGBUG LIMITED

Material uncertainty related to going concern – Company

In forming our opinion on the company financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company is reliant on bank loans to meet its liabilities as they fall due. The company has three financial covenants related to its debt facilities, namely cash consumption, revenue growth and a limitation on cash held in non-UK domiciled bank accounts, which are measured and reported on monthly. The directors have modelled the expected covenant position over the forecast period which show that under their base case assumptions they expect to pass the covenants. However, the headroom available, in particular on the cash consumption covenant, at several points throughout the forecast period is tight. The company has a number of options available to it, which include the ability, and will, to manage its discretionary cost base, as well as the historical ability to obtain additional finance from its shareholders and to obtain covenant breach waivers from its financiers. In the event that a financial covenant is breached and if that breach is not waived, the debt finance will immediately become repayable on demand, which may result in the company being unable to meet its liabilities as they fall due unless alternative financing arrangements are obtained.

These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The company financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Group Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JRNI LIMITED – FORMERLY BOOKINGBUG LIMITED

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Group Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Group Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JRNI LIMITED – FORMERLY BOOKINGBUG LIMITED**

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our
- audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Jordan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Date: 10 December 2019

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
TURNOVER	3	8,975,369	6,929,088
Cost of sales		<u>(4,277,272)</u>	<u>(3,731,483)</u>
GROSS PROFIT		4,698,097	3,197,605
Administrative expenses		(10,863,872)	(9,309,188)
Other operating income		1,164,501	-
OPERATING LOSS	5	<u>(5,001,274)</u>	<u>(6,111,583)</u>
Interest receivable and similar income		10,850	7,711
Interest payable and similar expenses	6	<u>(224,671)</u>	<u>(208,674)</u>
LOSS BEFORE TAXATION		(5,215,095)	(6,312,546)
Tax on loss	7	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(5,215,095)</u>	<u>(6,312,546)</u>
OTHER COMPREHENSIVE (LOSS) / INCOME			
FX difference arising on consolidation		(43,824)	23,769
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(43,824)</u>	<u>23,769</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u><u>(5,258,919)</u></u>	<u><u>(6,288,777)</u></u>
Loss attributable to: Owners of the parent		<u><u>(5,215,095)</u></u>	<u><u>(6,312,546)</u></u>
Total comprehensive loss attributable to: Owners of the parent		<u><u>(5,258,919)</u></u>	<u><u>(6,288,777)</u></u>

The notes form part of these financial statements

JRNI LIMITED – FORMERLY BOOKINGBUG LIMITED (REGISTERED NUMBER: 06770610)

CONSOLIDATED BALANCE SHEET
As at 31 MARCH 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	11	<u>246,773</u>	<u>299,887</u>
		<u>246,773</u>	<u>299,887</u>
CURRENT ASSETS			
Debtors	13	2,620,617	2,896,091
Cash at bank and in hand	14	<u>2,284,599</u>	<u>5,120,611</u>
		4,905,216	8,016,702
CREDITORS			
Amounts falling due within one year	15	<u>(5,614,092)</u>	<u>(6,412,735)</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>(708,876)</u>	<u>1,603,967</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(462,103)	1,903,854
CREDITORS			
Amounts falling due after more than one year	16	<u>(2,654,506)</u>	<u>-</u>
NET (LIABILITIES) / ASSETS		<u>(3,116,609)</u>	<u>1,903,854</u>
CAPITAL AND RESERVES			
Called up share capital	21	289	288
Share premium account	22	14,919,688	14,904,314
Foreign exchange reserve	22	(20,055)	23,769
Share based Compensation Reserve	22	223,080	-
Accumulated losses	22	<u>(18,239,612)</u>	<u>(13,024,517)</u>
		<u>(3,116,609)</u>	<u>1,903,854</u>

The financial statements on pages 10 to 31 were approved and authorised for issue by the Board of Directors on 10 December 2019 and were signed on its behalf by:



.....
Mr G Shoosmith - Director

The notes form part of these financial statements

JRNI LIMITED – FORMERLY BOOKINGBUG LIMITED (REGISTERED NUMBER: 06770610)

COMPANY BALANCE SHEET
As at 31 MARCH 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	11	13,558	29,058
Investments	12	<u>65</u>	<u>65</u>
		<u>13,623</u>	<u>29,123</u>
CURRENT ASSETS			
Debtors	13	8,881,291	6,130,295
Cash at bank and in hand	14	<u>1,866,262</u>	<u>4,350,466</u>
		10,747,553	10,480,761
CREDITORS			
Amounts falling due within one year	15	<u>(3,611,113)</u>	<u>(4,310,407)</u>
NET CURRENT ASSETS			
		<u>7,136,440</u>	<u>6,170,354</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		7,150,063	6,199,477
CREDITORS			
Amounts falling due after more than one year	16	<u>(2,654,506)</u>	<u>-</u>
NET ASSETS			
		<u>4,495,557</u>	<u>6,199,477</u>
CAPITAL AND RESERVES			
Called up share capital	21	289	288
Share premium account	22	14,919,688	14,904,314
Share based Compensation Reserve	22	223,080	-
Accumulated losses	22	<u>(10,647,500)</u>	<u>(8,705,125)</u>
		<u>4,495,557</u>	<u>6,199,477</u>
Company's loss for the financial year		<u>(1,942,376)</u>	<u>(3,826,512)</u>

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the company is not presented as part of these financial statements. The company's total comprehensive loss is £1,942,376 (2018: £3,826,512).

The financial statements on pages 10 to 31 were approved and authorised for issue by the Board of Directors on 10 December 2019 and were signed on its behalf by:



Mr G Shoosmith - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Accumulated losses £	Share premium £
Balance at 1 April 2017	213	(6,711,971)	5,384,464
Changes in equity			
Issue of share capital	75	-	9,519,850
Total comprehensive loss	-	(6,312,546)	-
Balance at 31 March 2018	<u>288</u>	<u>(13,024,517)</u>	<u>14,904,314</u>
Changes in equity			
Issue of share capital	2	-	15,374
Total comprehensive loss	-	(5,215,095)	-
Balance at 31 March 2019	<u>290</u>	<u>(18,239,612)</u>	<u>14,919,688</u>
	Foreign exchange reserve £	Share based compensation reserve £	Total equity £
Balance at 1 April 2017	-	-	(1,327,294)
Changes in equity			
Issue of share capital	-	-	9,519,925
Total comprehensive loss	23,769	-	(6,288,777)
Balance at 31 March 2018	<u>23,769</u>	<u>-</u>	<u>1,903,854</u>
Changes in equity			
Issue of share capital	-	-	15,376
Total comprehensive loss	(43,824)	223,080	(5,035,839)
Balance at 31 March 2019	<u>(20,055)</u>	<u>223,080</u>	<u>(3,116,609)</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Accumulated losses £	Share premium £	Share based compensation reserve £	Total equity £
Balance at 1 April 2017	213	(4,878,613)	5,384,464	-	506,064
Changes in equity					
Issue of share capital	75	-	9,519,850	-	9,519,925
Total comprehensive loss	-	(3,826,512)	-	-	(3,826,512)
Balance at 31 March 2018	<u>288</u>	<u>(8,705,125)</u>	<u>14,904,314</u>	<u>-</u>	<u>6,199,477</u>
Changes in equity					
Issue of share capital	2	-	15,374	-	15,376
Total comprehensive loss	-	(1,942,376)	-	223,080	(1,719,296)
Balance at 31 March 2019	<u>290</u>	<u>(10,647,501)</u>	<u>14,919,688</u>	<u>223,080</u>	<u>4,495,557</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	9	(4,475,565)	(5,782,823)
Interest paid		(224,671)	(208,674)
Share based payments		223,080	-
Interest received		10,850	7,711
Net cash outflow from operating activities		<u>(4,466,306)</u>	<u>(5,983,786)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(21,724)</u>	<u>(293,409)</u>
Net cash outflow from investing activities		<u>(21,724)</u>	<u>(293,409)</u>
Cash flows from financing activities			
New Loan Certificates in year		2,100,000	604,436
Loan repayments in year		(463,358)	(353,296)
Share issue		15,376	9,519,926
Net cash inflow from financing activities		<u>1,652,018</u>	<u>9,771,066</u>
(Decrease) / increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	10	5,120,611	1,626,740
Cash and cash equivalents at end of year	10	<u>2,284,599</u>	<u>5,120,611</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. STATEMENT OF COMPLIANCE

JRNI Limited is a private company, limited by shares, registered in England and Wales. The company's registered office address and registered number can be found on the Company Information page.

The company's and the group's financial statements have been prepared in compliance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as it applies to the financial statements of the company and the group as well as The Companies Act 2006 for the year ended 31 March 2019.

These financial statements are presented in Sterling (£), the company's and the group's functional currency, rounded to the closest £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention. These accounting policies have been consistently applied.

Going concern

The Group and Company manages its day-to-day working capital requirements through its operations, as well as through reliance on its debt facilities. The Group and Company's growth ambitions anticipate possible future equity funding from shareholders. The directors have considered the ability of the Group and Company to meet its liabilities as they fall due for the period of at least 12 months from the date of signing these financial statements, in particular the ability of the Group and Company to maintain compliance with its financial covenants. The directors are aware of lower levels of covenant headroom at several points throughout the forecast period, particularly in the cash consumption covenant, and are confident that there are contingency plans in place should the performance of the business fail to meet current projections. These contingency plans include the ability, and will, to manage its discretionary cost base. The directors may also seek additional finance from shareholders to fund its working capital requirements.

Having assessed the principle risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements.

Financial Reporting Standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 7 Statement of Cash Flows.

Basis of consolidation

The financial statements consolidate the financial statements of JRNI Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results in the future may differ from estimates upon which financial information has been prepared. These underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if these are also affected. The estimates and assumptions that affect the current year or have a significant risk of causing a material adjustment within the next financial year are discussed below.

Fixed assets - where possible indications of impairment exist, fixed asset carrying values are assessed by reference to the realisable amount and the value in use of the individual assets concerned.

Depreciation - the estimated consumption of the economic benefit of fixed assets is based upon the expected useful economic life of an asset, less any anticipated residual values.

Trade debt recovery - the requirement for provisions for bad or doubtful debts is based upon a line by line review of trade debtors considering anticipated recovery.

Accruals - accrued costs are based upon the actual post year end cost, or the best estimate thereof, of obligations at the year-end invoice.

Taxation - taxation is provided for based upon reasonable estimates, using applicable rates applied to the expected taxable profit.

Deferred taxation - the amount of any deferred tax assets to be recognised is based upon the expectation and timing of future taxable profits.

Revenue recognition - revenue is accrued and deferred based upon the right to consideration having been earned as detailed in the revenue recognition accounting policy below.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the provision of online booking systems and related items and services supplied, net of sales taxes, sales returns and trade discounts. Revenue is generated from implementation, subscription and royalty sales.

For implementation sales to our customers, revenue is recognised when the implementation process is complete & confirmed by the customers. For subscription sales, turnover is recognised in line with the signed subscription agreement on a monthly basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES - continued

Financial instruments (Note 20)

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments 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 financial 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 outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 profit or loss.

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 the 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 reporting date.

Leasehold improvements

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

3. TURNOVER

The turnover and loss before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2019 £	2018 £
Rendering of services	<u>8,975,369</u>	<u>6,929,088</u>
	<u>8,975,369</u>	<u>6,929,088</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

3. **TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	2019	2018
	£	£
United Kingdom	4,347,610	4,682,409
Europe	703,955	590,553
United States of America	3,175,691	820,250
South America	22,454	13,275
Australia	435,116	108,538
Russia	-	58,540
Canada	54,584	530,396
Middle East	30,188	9,900
New Zealand	205,771	115,227
	<u>8,975,369</u>	<u>6,929,088</u>

4. **EMPLOYEES AND DIRECTORS**

Group:

	2019	2018
	£	£
Wages and salaries	5,701,053	4,495,789
Social security costs	641,239	522,882
Other pension costs	196,998	125,400
	<u>6,539,290</u>	<u>5,144,071</u>

Company:

	2019	2018
	£	£
Wages and salaries	4,060,313	3,448,486
Social security costs	541,175	449,733
Other pension costs	73,944	35,845
	<u>4,675,432</u>	<u>3,934,064</u>

The average number of employees during the year was as follows:

Group:

	2019	2018
Administration	10	9
Sales and marketing	27	19
Customer success	39	32
Development	50	55
	<u>126</u>	<u>115</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

4. EMPLOYEES AND DIRECTORS (CONTINUED)

Company:

	2019	2018
Administration	8	7
Sales and marketing	11	9
Customer success	23	20
Development	<u>51</u>	<u>54</u>
	<u>93</u>	<u>90</u>

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Directors remuneration	322,429	527,053	322,429	527,053
Directors pension contributions to money purchase schemes	<u>1,613</u>	<u>1,043</u>	<u>1,613</u>	<u>1,043</u>

The number of directors to whom retirement benefits were accruing was as follows:

	Group		Company	
	2019	2018	2019	2018
Money purchase schemes	<u>2</u>	<u>4</u>	<u>2</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Emoluments etc	<u>210,587</u>	<u>204,766</u>	<u>210,587</u>	<u>204,766</u>

5. OPERATING LOSS

The operating loss is stated after charging:

	2019	2018
	£	£
Other operating leases	649,711	621,186
Depreciation - owned assets	74,839	25,295
Loss on disposal of fixed assets	-	1,331
Foreign exchange differences	<u>15,788</u>	<u>13,164</u>

Auditors' remuneration for the audit of group financial statements amounted to £45,000 (2018: £38,000).

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Interest payable	<u>224,671</u>	<u>208,674</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

7. TAX ON LOSS

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	-	-
Tax on loss	-	-

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Loss before tax	<u>(5,215,095)</u>	<u>(6,312,546)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(991,022)	(1,199,384)
Effects of:		
Expenses not deductible for tax purposes	103,737	11,867
Other Income	(221,255)	-
Capital allowances in excess of depreciation	(9,695)	-
Tax losses carried forward	1,118,235	1,187,517
Total tax	-	-

Tax effects relating to effects of other comprehensive income

	2019		
	Gross £	Tax £	Net £
FX difference arising on consolidation	<u>(43,824)</u>	-	<u>(43,824)</u>
		2018	
	Gross £	Tax £	Net £
FX difference arising on consolidation	<u>23,769</u>	-	<u>23,769</u>

Factors affecting future tax charges

The group had £11,638,221 (2018: £9,333,323) of accumulated tax losses at the year end.

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

8. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The company's total comprehensive loss is £1,942,376 (2018: £3,826,512)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

9. RECONCILIATION OF LOSS BEFORE TAX ON LOSS TO CASH GENERATED FROM OPERATIONS

	2019 £	2018 £
Loss before taxation	(5,215,095)	(6,312,546)
Depreciation charges	74,864	54,880
Loss on disposal of fixed assets	-	1,331
Foreign exchange	(43,903)	(23,769)
Finance costs	224,671	208,674
Finance income	<u>(10,850)</u>	<u>(7,711)</u>
	(4,970,313)	(6,061,135)
Decrease/(increase) in trade and other debtors	275,474	(1,214,950)
Increase in trade and other creditors	<u>219,274</u>	<u>1,493,262</u>
Cash generated from operations	<u>(4,475,565)</u>	<u>(5,782,823)</u>

10. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2019

	31.3.19 £	1.4.18 £
Cash and cash equivalents	<u>2,284,599</u>	<u>5,120,611</u>

Year ended 31 March 2018

	31.3.18 £	1.4.17 £
Cash and cash equivalents	<u>5,120,611</u>	<u>1,626,740</u>

11. TANGIBLE ASSETS

Group

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2018	304,995	46,875	351,870
Additions	<u>21,725</u>	<u>-</u>	<u>21,725</u>
At 31 March 2019	<u>326,720</u>	<u>46,875</u>	<u>373,595</u>
ACCUMULATED DEPRECIATION			
At 1 April 2018	19,963	32,020	51,983
Charge for year	<u>71,024</u>	<u>3,815</u>	<u>74,839</u>
At 31 March 2019	<u>90,987</u>	<u>35,835</u>	<u>126,822</u>
NET BOOK VALUE			
At 31 March 2019	<u>235,733</u>	<u>11,040</u>	<u>246,773</u>
At 31 March 2018	<u>285,032</u>	<u>14,855</u>	<u>299,887</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

11. TANGIBLE ASSETS - continued

Company	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2018 and 31 March 2019	<u>20,625</u>	<u>46,875</u>	<u>67,500</u>
ACCUMULATED DEPRECIATION			
At 1 April 2018	6,422	32,020	38,442
Charge for year	<u>11,685</u>	<u>3,815</u>	<u>15,500</u>
At 31 March 2019	<u>18,107</u>	<u>35,835</u>	<u>53,942</u>
NET BOOK VALUE			
At 31 March 2019	<u>2,518</u>	<u>11,040</u>	<u>13,558</u>
At 31 March 2018	<u>14,203</u>	<u>14,855</u>	<u>29,058</u>

12. INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 April 2018 and 31 March 2019	<u>65</u>
NET BOOK VALUE	
At 31 March 2019	<u>65</u>
At 31 March 2018	<u>65</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

12. INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

JRNI Inc

Registered office: 16th Floor, 50 Milk Street, Boston, MA 02109, United States of America

Nature of business: Software

Class of shares:	% holding	2019 £	2018 £
Ordinary	100.00		
Aggregate capital and reserves		3,839,325	1,637,995
Loss for the year		<u>(2,796,475)</u>	<u>(2,171,917)</u>

Country of incorporation: United States

JRNI PTY Ltd

Registered office: 201 Sussex Street, Sydney, NSW 2000, Australia

Nature of business: Software

Class of shares:	% holding	2019 £	2018 £
Ordinary	100.00		
Aggregate capital and reserves		500,063	171,529
Loss for the year		<u>(476,240)</u>	<u>(314,117)</u>

Country of incorporation: Australia

13. DEBTORS

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	1,898,837	1,947,845	1,481,641	1,117,757
Amounts owed by group undertakings	-	-	6,776,413	4,119,078
Prepayments and accrued income	<u>275,670</u>	<u>170,188</u>	<u>197,475</u>	<u>124,308</u>
	<u>2,174,507</u>	<u>2,118,033</u>	<u>8,455,529</u>	<u>5,361,143</u>
Amounts falling due after more than one year:				
Other debtors	<u>446,110</u>	<u>778,058</u>	<u>425,762</u>	<u>769,152</u>
Aggregate amounts	<u>2,620,617</u>	<u>2,896,091</u>	<u>8,881,291</u>	<u>6,130,295</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

14. CASH AT BANK AND IN HAND

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash at bank and in hand	2,175,173	5,018,951	1,866,262	4,350,466
Restricted cash	<u>109,426</u>	<u>101,660</u>	-	-
	<u>2,284,599</u>	<u>5,120,611</u>	<u>1,866,262</u>	<u>4,350,466</u>

Restricted cash consists of cash held in a separate account in lieu of a rental deposit.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 14)	609,257	1,634,936	609,257	1,634,936
Trade creditors	592,375	329,246	578,854	292,316
Other taxation and social security	199,297	183,926	199,142	177,758
VAT	169,424	129,248	159,968	125,669
Other creditors	12,564	2,052	12,452	(100)
Accruals and deferred income	<u>4,031,175</u>	<u>4,133,327</u>	<u>2,051,440</u>	<u>2,079,828</u>
	<u>5,614,092</u>	<u>6,412,735</u>	<u>3,611,113</u>	<u>4,310,407</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 17)	<u>2,654,506</u>	-	<u>2,654,506</u>	-

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	-	-	53
Bank loans	<u>609,257</u>	<u>1,634,936</u>	<u>609,257</u>	<u>1,634,883</u>
	<u>609,257</u>	<u>1,634,936</u>	<u>609,257</u>	<u>1,634,936</u>
Amounts falling due between one and two years:				
Bank loans - 1-3 years	<u>2,654,506</u>	-	<u>2,654,506</u>	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

17. **LOANS - continued**

The Company holds a Loan facility of which £3,263,763 was outstanding at 31 March 2019 (2018: £1,634,883). The company made two drawdowns during the year, 15 November 2018 for £1,100,000 and 5 February 2019 for £1,000,000, in accordance with the loan agreement signed on 15 November 2018. The repayment terms of the loan are fixed and final repayment will be made by 28 January 2021. Interest is payable at 7.25% per annum above 3-month LIBOR.

The Company shall have procured that the Lender receives or continues to hold the following security in the Approved Form and, together with all other security from time to time held by the Lender, as continuing security for all moneys, obligations and liabilities certain or contingent nor or subsequently due, owing or incurred to the Lender:

- a) a first and only debenture, comprising fixed and floating charged over all the property, assets and undertaking (including uncalled capital) from time to time of the Company including, without limitation, fixed charges over certain patents of the Company;
- b) a security agreement to be granted by the Company in favour of the Lender in relation to the entire issued stock of JRNI Inc;
- c) a share mortgage to be granted by the Company in favour of the Lender in relation to the entire issued share capital of JRNI Pty Ltd;
- d) a US law security agreement to be granted by JRNI Inc. in favour of the Lender in relation to all of its property, assets and undertaking (including a deposit account control agreement over its Lender accounts; and
- e) a cross guarantee to be granted by the Company and JRNI Inc. in favour of the Lender in relation to their liabilities of the Lender.

The Group's loan agreement is subject to covenant clauses, whereby the Group is required to meet certain key financial covenants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	709,541	727,268
Between one and five years	2,089,213	706,524
In more than five years	458,096	-
	<u>2,661,388</u>	<u>1,433,792</u>

Company

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	481,199	609,070
Between one and five years	1,465,907	76,134
In more than five years	458,096	-
	<u>1,797,971</u>	<u>685,204</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	<u>3,263,763</u>	<u>1,634,936</u>	<u>3,263,763</u>	<u>1,634,883</u>

Clydesdale Bank PLC holds fixed and floating charges dating 28 February 2017 covering all the property or undertaking of the company. All outstanding charges contain a negative pledge.

20. FINANCIAL INSTRUMENTS

The group's financial instruments may be analysed as follows:

	2019	2018
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>4,629,546</u>	<u>7,846,514</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>4,537,365</u>	<u>2,745,529</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

20. FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, bank loans and unsecured loan notes.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk and foreign exchange risk is included in the Strategic report.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
16,736,110	Ordinary	£0.00001	167	176
4,333,000	Series B Preferred	£0.00001	43	43
6,715,760	Series C Preferred	£0.00001	67	58
1,098,671	A Ordinary	£0.00001	11	10
97,676	Deferred shares	£0.00001	1	-
			<u>289</u>	<u>288</u>

Authorisation of shares

Share capital was authorised for issue by the board of directors on the following dates:

Date of issue	Class of shares	Number of shares	Nominal value
28 November 2018	A Ordinary	55,000	0.00001
12 December 2018	A Ordinary	750	0.00001
19 February 2019	A Ordinary	51,125	0.00001

Prescribed particulars for Ordinary shares, Series B Preferred shares, Series C Preferred shares and A Ordinary shares

The shares have attached to them full voting rights and dividend rights; they do not confer any rights of redemption. Full details of the capital contribution rights attached to the shares are available on public record.

Deferred shares hold no right to vote and no right to income.

22. RESERVES

Group

	Accumulated losses £	Share premium £	Foreign exchange reserve £	Share based compensation reserve £	Totals £
At 1 April 2018	(13,024,517)	14,904,314	23,769	-	1,903,566
Deficit for the year	(5,215,095)	-	-	-	(5,215,095)
FX difference in year	-	-	(43,824)	-	(43,824)
Cash share issue	-	15,374	-	-	15,374
Share option charge	-	-	-	223,080	223,080
At 31 March 2019	<u>(18,239,612)</u>	<u>14,919,688</u>	<u>(20,055)</u>	<u>223,080</u>	<u>(3,116,899)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

22. RESERVES (CONTINUED)

Company	Accumulated losses £	Share premium £	Share based compensation reserve £	Totals £
At 1 April 2018	(8,705,125)	14,904,314	-	6,199,189
Deficit for the year	(1,942,376)			(1,942,376)
Cash share issue	-	15,374	-	15,374
Share option charge	-	-	223,080	223,080
At 31 March 2019	<u>(10,647,501)</u>	<u>14,919,688</u>	<u>223,080</u>	<u>4,495,267</u>

Share capital

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

Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Accumulated losses

Accumulated losses reserve represents cumulative profits and losses, net of dividends paid and adjustments.

Other reserves

Other reserves represent the value of share-based payments.

23. SHARE OPTIONS

Management have issued the following share options to employees and directors under an Enterprise Management Incentive Scheme which was set up in accordance with HMRC legislation. The share options contracts may only be exercised in connection with a change in control, an asset sale or an admission to the stock exchange to the extent that the share options have become vested shares. In addition, an employee may exercise their options on cessation of employment if it is due to, injury, disability or ill-health, redundancy or a group company ceasing to be under the control of the company, the time after cessation that an employee will have to exercise these options is at the absolute discretion of the board of directors.

	2019		2018	
	No.000	Weighted average exercise price £	No.000	Weighted average exercise price £
Outstanding at 1 April	6,348	0.17	1,425	0.08
Granted	1,174	0.20	5,629	0.19
Forfeited	604	0.20	65	0.20
Exercised	107	0.14	640	0.08
Outstanding at 31 March	<u>6,811</u>	<u>0.18</u>	<u>6,349</u>	<u>0.17</u>
Exercisable at 31 March	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

23. SHARE OPTIONS (CONTINUED)

The Group is unable to directly measure the fair value of employee services received. Instead the fair value of share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes.

The total charge for the year was £223,080 (2018: nil).

24. RELATED PARTY TRANSACTIONS

The following advances and credits to a director subsisted during the years ended 31 March 2019 and 31 March 2018:

	2019 £	2018 £
G Shoosmith		
Balance outstanding at start of year	607,693	-
Amounts advanced	-	607,693
Amounts repaid	(607,693)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>607,693</u>

The loan bears interest at 3% per annum, bears no security and has no fixed payment terms.

A flat owned by Glenn Shoosmith is rented by the company for £20,000. There are no other related party transactions or balances.

25. Post Balance Sheet Date Events

The Group's loan agreement is subject to covenant clauses, whereby the Group is required to meet certain key financial covenants. The Group did not adhere to the cash consumption covenant at several reporting dates in the period after year end, as required in the contract for a loan facility of £5,000,000, of which the Group had drawn an amount of £3,263,763 at 31 March 2019.

The Group is required to ensure that the aggregate of cash of the Group (including the Facility Headroom, if applicable, as per the Group's monthly management accounts) shall not be less than 6 times the Average Cash Consumption for the 6 month period ending at the end of each testing date, which is monthly. The Group had cash headroom of less than 6 times in April 2019, May 2019, June 2019, July 2019, August 2019, September 2019 and October 2019.

The Group entered into a revised finance agreement on 15 November 2019 whereby the financial covenant to revenue growth was amended. The bank did not request early payment of the loan as a result of these breaches and has issued a breach waiver for all past breaches as at 6 December 2019. Further information relating to future compliance with debt covenants is included in the Going Concern section of the Directors' report.