

Registered Company No: 06961274

Crowd Vision Limited

Report and Financial Statements

31 December 2018

COMPANIES HOUSE
BELFAST
30 SEP. 2019
RECEPTION DESK

MONDAY



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30/09/2019
COMPANIES HOUSE

Corporate information

Directors James Kowalishin
Declan Collier
Jason Vassiliades
Darcy Wilson
Scott Litman (Resigned 28 June 2019)
Emmett Mccann (Resigned 28 June 2019)
Fiona Strens (Resigned 12 September 2019)

Auditors Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers HSBC

Solicitors Harrison Clark Rickerbys

Registered office Mercury House
117 Waterloo Road
London
SE1 8UL

Directors' report

Registered No. 06961274

The Directors present their report for the year ended 31 December 2018.

Principal activity

The principle activity of the group and company is the provision of automated people tracking software solutions and analytics.

Directors of the company

The directors who served during the year are shown below:

Fiona Strens – resigned 12 September 2019

James Kowalishin

Declan Collier

Jason Vassiliades

Darcy Wilson

Scott Litman - resigned 28 June 2019

Emmett Mccann - resigned 28 June 2019

Results and dividends

The loss for the year amounted to £4,165,719 (2017 - loss £4,986,854). No dividend has been recommended by the Directors in the current period (2017 - £nil).

Going Concern

The group and the company have incurred losses in year ended and cumulatively to 31 December 2018 as indicated in the group and company financial statements. The directors have considered the financial position and outlook of the group and company, including the forecast cash flows for the group and company for the period of at least 12 months from approval of these financial statements. These forecasts indicate that the group and company have sufficient financial resources available to them over this period, including arising from contracts with a number of customers and funding for ongoing expansion of the group from the company's ultimate parent undertaking Highstar Capital. In addition, Highstar Capital have confirmed their intention to continue to provide financial support to the group and company to enable them to continue operating and to meet their liabilities as they fall due for a period at least 12 months from approval of these financial statements.

On the basis of their assessment of the group and company's financial position and of the enquiries made of the directors of the company's parent undertaking, the company's directors have a reasonable expectation that the group and company will be able 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.

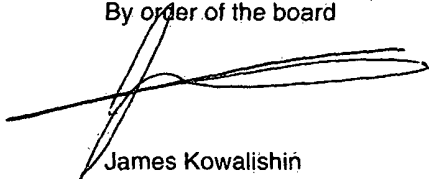
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

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. Also, the directors have not prepared a strategic report as the company is entitled to the special provisions applicable to companies' subject to the small companies' regime within Part 15 of the Companies Act 2006.

By order of the board



James Kowalishin

Director

25 September 2019

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent; and
- ▶ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the 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. They 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROWD VISION LIMITED

Opinion

We have audited the financial statements of Crowd Vision Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Group Income Statement, the Group statement of comprehensive income, the Group and parent company Statement of changes in equity, Group and parent company Statement of financial position, Group statement of cash flows, and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the group's and of the parent company's affairs as at 31 December 2018 and of the group's loss for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

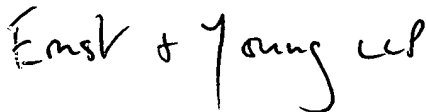
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Christie (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Belfast

30/9/19

Group Income Statement

for the period ended 31 December 2018

		2018	2017
	<i>Notes</i>	£	£
Turnover		1,399,995	729,133
Cost of sales		(1,368,814)	(891,863)
Gross profit/(loss)		31,181	(162,730)
Administrative expenses		(3,400,827)	(3,962,878)
Other operating income	2	126,519	103,900
Group operating loss	3	(3,243,127)	(4,021,708)
Finance costs	11	(230,981)	-
Interest receivable		-	28
Net loss on financial liabilities at fair value through profit and loss account	5	(691,611)	(928,684)
Loss before tax		(4,165,719)	(4,950,364)
Tax charge		-	(36,490)
Loss for the financial year		(4,165,719)	(4,986,854)

The results above are from continuing operations.

Group statement of comprehensive income

for the year ended 31 December 2018

		2018	2017
	<i>Notes</i>	£	£
Loss for the financial year		(4,165,719)	(4,986,854)
Exchange difference on retranslation of foreign operations		9,114	(7,574)
Total comprehensive loss for the year		(4,156,605)	(4,994,428)

Group and parent company Statement of changes in equity

for the period ended 31 December 2018.

Group

	<i>Called up share capital</i>	<i>Preferred shares</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total shareholders ' deficit</i>
	£	£	£	£	£
As at 31 December 2017	636	-	4,013,735	(9,916,418)	(5,902,047)
Loss in the period	-	-	-	(4,156,605)	(4,156,605)
New shares issued	58	394	8,396,471	-	8,396,923
Total at 31 December 2018	694	394	12,410,206	(14,073,023)	(1,661,729)

Parent

	<i>Called up share capital</i>	<i>Preferred shares</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total shareholders ' deficit</i>
	£	£	£	£	£
As at 31 December 2017	636	-	4,013,735	(10,048,081)	(6,033,710)
Loss in the period	-	-	-	(4,224,595)	(4,224,595)
New shares issued	58	394	8,396,471	-	8,396,923
Total at 31 December 2018	694	394	12,410,206	(14,272,676)	(1,861,382)

Group and parent company Statement of financial position

As at 31 December 2018

	Notes	Group		Parent	
		2018 £	2017 £	2018 £	2017 £
Fixed assets					
Tangible assets	7	356,941	348,404	229,268	338,879
Investments	8	-	-	7	593
		<u>356,941</u>	<u>348,404</u>	<u>229,275</u>	<u>339,472</u>
Current assets					
Debtors: due within 1 year	9	439,677	738,842	439,669	737,569
Debtors: due after 1 year	9	158,283	-	158,283	-
Cash at bank and in hand		810,705	127,090	777,439	111,627
		<u>1,408,665</u>	<u>865,932</u>	<u>1,375,391</u>	<u>849,196</u>
Creditors: amounts falling due within one year	10	<u>(870,401)</u>	<u>(7,017,997)</u>	<u>(909,113)</u>	<u>(7,123,992)</u>
Net current assets/(liabilities)		<u>379,981</u>	<u>(6,152,065)</u>	<u>307,994</u>	<u>(6,274,796)</u>
Total assets less current liabilities		<u>895,205</u>	<u>(5,803,661)</u>	<u>695,552</u>	<u>(5,935,324)</u>
Creditors: amounts falling due after one year	11	<u>(2,556,934)</u>	<u>(98,386)</u>	<u>(2,556,934)</u>	<u>(98,386)</u>
Net liabilities		<u>(1,661,729)</u>	<u>(5,902,047)</u>	<u>(1,861,382)</u>	<u>(6,033,710)</u>
Capital and reserves					
Called up share capital	13	694	636	636	636
Preferred shares		394	-	394	-
Share premium account		12,410,206	4,013,735	11,684,387	4,013,735
Profit and loss account		<u>(14,073,023)</u>	<u>(10,274,990)</u>	<u>(14,272,676)</u>	<u>(10,406,653)</u>
Shareholders' surplus / (deficit)		<u>(1,661,729)</u>	<u>(5,902,047)</u>	<u>(1,861,382)</u>	<u>(6,033,710)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

The financial statements were approved by the board of directors on 20th September 2019 and were signed on its behalf by:



James Kowalishin

Director

25 September 2019

Notes to the Financial Statements

1. Accounting policies

Statement of compliance

Crowd Vision Limited is a limited liability company incorporated in England. The Registered Office is Mercury House, 117 Waterloo Road, London SE8 1UL. The Group's financial statements have been prepared in accordance with the small companies regime of the Companies Act 2006 and the small entities provisions of FRS 102 Section 1A.

Basis of preparation

The financial statements of Crowd Vision Limited were authorised for issue by the Board of Directors on 20th September 2019. The financial statements are prepared under the historical cost convention unless otherwise specified and presented in Sterling which is the functional currency of the company and rounded to nearest pound sterling.

Going concern

The group and the company have incurred losses in year ended and cumulatively to 31 December 2018 as indicated in these financial statements. The directors have considered the financial position and outlook of the group and company, including the forecast cash flows for the group and company for the period of at least 12 months from approval of these financial statements. These forecasts indicate that the group and company have sufficient financial resources available to them over this period, including arising from contracts with a number of customers and funding for ongoing expansion of the group from the company's ultimate parent undertaking Highstar Capital. In addition, Highstar Capital have confirmed their intention to continue to provide financial support to the group and company to enable them to continue operating and to meet their liabilities as they fall due for a period at least 12 months from approval of these financial statements.

On the basis of their assessment of the group and company's financial position and of the enquiries made of the directors of the company's parent undertaking, the company's directors have a reasonable expectation that the group and company will be able 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.

Basis of consolidation

The group financial statements consolidate the financial statements of Crowd Vision Limited and all its subsidiary undertakings drawn up to 31 December each period. No profit and loss account is presented for Crowd Vision Limited as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the directors' opinions, there are no significant judgements, estimates and assumptions made about the recognition of assets, liabilities, incomes, expenses and in the application of accounting policies within the group and company financial statements.

Revenue

Revenue from services rendered are recognised based on the percentage of completion method if the outcome of the transaction can be estimated reliably. The outcome of certain projects can only be reliably estimated when services are considered delivered being when clients sign compliance/acceptance reports.

Revenue from license fees earned are recognised on the accruals basis, typically straight-line over the term of the license. Certain licenses granted are non-cancellable and have no continuing performance obligations, these licenses are recognised at the point of delivery.

Revenue is measured at the fair value of the consideration receivable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The carrying values of tangible fixed assets are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets, over their estimated useful lives in equal annual instalments over the following periods:

IT equipment	-	3 years
Fixtures and fittings	-	3 years

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses..

Impairment of non-financial assets

Where there are indications of impairment of assets, the group performs impairment tests based on fair value less costs to sell or a value in use calculation.

Share-based payments

The cost of equity-settled transactions is measured by looking at fair value of the equity instruments granted and is recognised as an expense over the vesting period.

Foreign currencies

The financial statements of each group entity are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the consolidated financial statements the results and financial position of each group entity are translated into Sterling, which is the presentational currency for the consolidated financial statements. For the purposes of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the statement of financial position date. Income and expenses are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

In preparing the financial statements of the parent company, transactions in currencies other than the entity's functional currency are recognized at the rate of exchange prevailing on the date of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value are denominated in foreign currencies and translated at the rates prevailing when the fair value was determined.

Exchange differences are recognised in the income statement in the period in which they arise.

Research and development

Expenditure on research and development is written off as incurred.

Investments

The Company recognises its investments in subsidiaries at cost being the fair value of consideration paid, less provision for impairment where appropriate.

Leasing

Rentals payable under operating leases are charged in the income statement on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

Pensions

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The current tax payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement, because it excludes items of income or expenditure that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Groups liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- (ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Group's own equity instruments.

When shares are issued, any component that creates a financial liability of the company or group is presented as a liability in the balance sheet; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The

corresponding dividends relating to the liability component are charged as interest expense in the income statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

The group and company's preferred shares have been accounted for as such a hybrid instrument.

2. Other operating income

	<i>2018</i>	<i>2017</i>
	£	£
Research and development tax credit	97,230	103,900
Grant	24,000	-
Travel disbursement	5,289	-
	<u>126,519</u>	<u>103,900</u>

3. Group operating loss

This is stated after charging:

	<i>2018</i>	<i>2017</i>
	£	£
Research and development costs	1,000,513	935,706
Depreciation of owned assets	200,782	133,896
Foreign exchange differences	(120,320)	37,876
Operating lease rentals – land and buildings	204,535	251,580
Auditors' remuneration	26,500	30,000

Auditors' remuneration of £26,500 related fully to the audit of the financial statements. No other services were provided by the auditors.

4. Staff costs

(a) Staff costs

	<i>2018</i>	<i>2017</i>
	£	£
Wages and salaries	1,974,127	1,901,304
Social security costs	200,782	195,477
Pension costs	110,661	40,703
	<u>2,285,570</u>	<u>2,137,484</u>

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

	2018	2017
Research and development	7	8
Administration	25	21
	<u>32</u>	<u>29</u>

(b) *Directors' remuneration*

Included in wages and salaries is a total expense of Directors' remuneration £137,970 (2017 - £131,400). Five Directors are employees/consultants of Highstar Capital and are paid by Highstar Capital. The amount of their remuneration that relates to services as directors of the company is negligible.

5. Net loss on financial liabilities at fair value through profit and loss account

	2018	2017
	£	£
Net loss on convertible loan at fair value through profit and loss account.	691,611	928,684

The convertible loan was issued with an interest rate of 8%. The terms of the loan stated that a 25% premium was due on conversion of the loan if certain conditions were met. This led to the loan being recognised as other financial instrument as per section 12 of FRS 102 requiring it to be carried at fair value through profit and loss account.

During the year the loan was repaid at the amount of its fair value at that time using the proceeds received on receipt of the issue of preferred shares as disclosed in note 13.

6. Loss attributable to the parent company

The loss dealt with in the financial statements of the parent company is £4,224,595 (2017 - £5,079,711).

7. Tangible assets

Group

	<i>IT Equipment</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 2018	545,472	6,092	551,564
Additions	210,141	-	210,141
	<hr/>	<hr/>	<hr/>
At 31 December 2018	755,613	6,092	761,705
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 January 2018	197,892	5,268	203,160
Charge in the period	201,090	513	201,603
	<hr/>	<hr/>	<hr/>
At 31 December 2018	398,982	5,781	404,763
	<hr/>	<hr/>	<hr/>
Net book amount:			
At 31 December 2018	<u>356,631</u>	<u>311</u>	<u>356,942</u>

Company

	<i>IT Equipment</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 2018	531,132	6,092	537,224
Additions	64,895	-	64,895
	<hr/>	<hr/>	<hr/>
At 31 December 2018	596,027	6,092	602,119
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 January 2018	193,077	5,268	198,345
Charge in the period	173,993	513	174,506
	<hr/>	<hr/>	<hr/>
At 31 December 2018	367,070	5,781	372,851
	<hr/>	<hr/>	<hr/>
Net book amount:			
At 31 December 2018	<u>228,957</u>	<u>311</u>	<u>229,268</u>

8. Investment: Parent company

<i>Investment</i>	<i>Subsidiary undertaking</i>	<i>Total</i>
	£	£
At 1 st January 2018	593	593
Write-off on winding up of Australian subsidiary	<u>(586)</u>	<u>(586)</u>
At 31 st December 2018	<u>7</u>	<u>7</u>

Investments are made up of 100% shareholding in Crowd Vision USA Co incorporated in USA. This company was established as a service company to assist Crowd Vision's sales and marketing activities. Investment in Crowd Vision USA represents 10 ordinary shares at 1 USD per share.

A second subsidiary, Crowd Vision Asia Pacific Pty Ltd, incorporated in Australia, was deregistered and wound up during 2018.

9. Debtors

Debtors: due within 1 year:

<i>Group:</i>	2018	2017
	£	£
Trade debtors	178,176	410,282
Accrued revenue	47,315	5,603
Sundry debtors	149	542
Research and Development tax credit	97,250	185,304
Prepayments	88,667	84,670
VAT receivable	<u>28,120</u>	<u>52,441</u>
	<u>439,677</u>	<u>738,842</u>

<i>Company:</i>	2018	2017
	£	£
Trade debtors	178,176	410,282
Accrued revenue	47,315	5,603
Sundry debtors	141	-
Research and Development tax credit	97,250	185,304
Prepayments	88,667	84,670
VAT receivable	<u>28,120</u>	<u>51,710</u>
	<u>439,669</u>	<u>737,569</u>

Debtors: due after 1 year:

The debtor due after 1 year of £158,280 (2017 - £nil) relates to a prepaid expense which will be amortised to the profit & loss account after one year.

10. Creditors: amounts falling due within one year

Group:	2018	2017
	£	£
Trade creditors	194,207	370,899
Other taxation & social security	54,290	95,355
Accruals	131,176	177,283
Other creditors	16,685	29,600
Convertible loan held at fair value through profit & loss account	-	5,936,317
Deferred income	474,040	408,543
	<u>870,400</u>	<u>7,017,997</u>

Company:	2018	2017
	£	£
Trade creditors	171,790	257,022
Amounts payable to subsidiaries	86,842	292,994
Other taxation & social security	54,290	56,573
Accruals	111,956	164,112
Other creditors	10,192	8,431
Convertible loan	-	5,936,317
Deferred income	474,041	408,543
	<u>909,111</u>	<u>7,123,992</u>

11. Creditors: Amounts falling due after more than one year

Group and Company:	2018	2017
	£	£
Preferred share dividend financial liability	2,408,438	-
Other creditors	148,496	-
Deferred income – non-current	-	98,386
	<u>2,556,934</u>	<u>98,386</u>

The 39,433 preferred shares that were issued during 2018 are entitled to a 5% cumulative preferential dividend in certain circumstances described in the Articles of Association that are not considered under the control of the company and hence the present value of this dividend right into perpetuity is considered as a financial liability. The liability was retranslated at year-end with the resulting finance cost charged to the profit & loss account.

12. Commitments under leases

At 31 December 2018 the Company and Group had annual commitments under non-cancellable operating leases as set out below.

	2018	2017
	£	£
Operating leases which expire:		
Within one year.	<u>69,375</u>	<u>60,000</u>
	<u>69,375</u>	<u>60,000</u>

13. Allotted and issued shares**Group and Company:**

	2018	2017
	£	£
Called-up Share Capital:		
At 1 January 2018	636	628
Ordinary shares issued during the year	58	-
A & B shares awarded to employees	-	8
At 31 December 2018	<u>694</u>	<u>636</u>
Preferred Shares:		
At 1 January 2018	-	-
Shares issued during the year	394	-
At 31 December 2018	<u>394</u>	<u>-</u>

During the year, 5,844 new ordinary shares and 39,433 preferred shares were issued at a price of \$311.33 per share. In respect of the preferred shares the issue proceeds of £9,177,212, were allocated between preferred shares £394, share premium £6,999,361 and preferred share dividend financial liability £2,177,457 (see note 11).

The company's share capital comprises the following classes:

- Ordinary Shares – voting rights conferred by the Articles of Association
- Preferred Shares – voting rights conferred by the Articles of Association, have rights to cumulative preferential dividend in certain scenarios
- A Shares – no voting rights, distributions under a future exit subject to hurdle values defined in the Articles
- A1 Shares – no voting rights, distributions under a future exit subject to hurdle values defined in the Articles
- B Shares – no voting rights, distributions under a future exit subject to hurdle values defined in the Articles
- B1 Shares – no voting rights, distributions under a future exit subject to hurdle values defined in the Articles

14. Share based payments

In prior years the company issued share options under an Employee incentive plan (EIP) that vest based upon growth in the company's value in certain circumstances. The fair value of these awards has been assessed as negligible and no charge has been recognised in the current year.

15. Events after the Balance Sheet date

There were no significant events post balance sheet date

16. Related party transactions

The company is exempt from disclosure of related party transactions entered into with Crowd Vision USA and Crowd Vision Asia Pacific as these are wholly owned and the transactions have been concluded under normal market conditions. There were no other related party transactions.

17. Ultimate parent undertaking and controlling party

The Company is a portfolio company of Highstar Capital GP IV, LP which was incorporated in 2009. The immediate controlling party is Highstar/ASUR CV Holdings, LP.