

Company Registration No. 09359462 (England and Wales)

PICSONEYE SEGMENTATION INNOVATIONS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PAGES FOR FILING WITH REGISTRAR

PICSONEYE SEGMENTATION INNOVATIONS LIMITED

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PICSONEYE SEGMENTATION INNOVATIONS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Non-current assets					
Property, plant and equipment	3		8,668		17,575
Investments	4		212		-
			<u>8,880</u>		<u>17,575</u>
Current assets					
Trade and other receivables	5	13,296		399,041	
Cash and cash equivalents		542,553		1,162,290	
		<u>555,849</u>		<u>1,561,331</u>	
Current liabilities					
	6	(204,222)		(203,207)	
			<u>351,627</u>		<u>1,358,124</u>
Net current assets					
			<u>360,507</u>		<u>1,375,699</u>
Total assets less current liabilities					
			<u><u>360,507</u></u>		<u><u>1,375,699</u></u>
Equity					
Called up share capital	7		34,570		34,396
Share premium account			8,520,711		8,520,711
Capital redemption reserve			4,255		4,255
Other reserves			1,035,829		-
Retained earnings			(9,234,858)		(7,183,663)
			<u>360,507</u>		<u>1,375,699</u>
Total equity					
			<u><u>360,507</u></u>		<u><u>1,375,699</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

PICSONEYE SEGMENTATION INNOVATIONS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2019

The financial statements were approved by the board of directors and authorised for issue on 27 May 2020 and are signed on its behalf by:

Mr. Ofri Ben-Porat
Director

Company Registration No. 09359462

PICSONEYE SEGMENTATION INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Picsoneye Segmentation Innovations Limited is a private company limited by shares incorporated in England and Wales. The registered office is 12 The Polygon, Flat 1, London, United Kingdom, SW4 0JG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Prior period error

During the audit of the subsidiary's accounts for the year ended 31 December 2018, a difference of £52,466 in the intercompany accounts was identified. The directors agreed that the difference should be borne by the parent company. The effect of this was to increase 'amounts owed to group undertakings' to £105,487 from £53,021. The adjustment of £52,466 was also debited to 'other gains and losses' in the income statement, increasing the loss for the year ended 31 December 2018 to £3,454,034 from £3,401,568, as previously reported.

1.3 Going concern

The company is developing a machine learning training platform. Notwithstanding that the company made a loss of £2,051,195 for the year ended 31 December 2019, it has been funded by investment in the form of share capital, with another round of investment currently ongoing. At the balance sheet date, the company had net assets of £360,507. At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors have adopted the going concern basis in preparing the financial statements.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years straight line
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

PICSONEYE SEGMENTATION INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies **(Continued)**

1.5 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PICSONEYE SEGMENTATION INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Other reserves

Other reserves comprise capital subscriptions for shares received in advance of share issues, where the company has no obligation to repay the funds to the investors.

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.11 Research and development

All research and development expenditure is recognised as an expense in the period in which it is incurred.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2018 - 9).

PICSONEYE SEGMENTATION INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3	Property, plant and equipment	Plant and machinery etc
		£
	Cost	
	At 1 January 2019	32,625
	Additions	1,196
		<hr/>
	At 31 December 2019	33,821
		<hr/>
	Depreciation and impairment	
	At 1 January 2019	15,050
	Depreciation charged in the year	10,103
		<hr/>
	At 31 December 2019	25,153
		<hr/>
	Carrying amount	
	At 31 December 2019	8,668
		<hr/> <hr/>
	At 31 December 2018	17,575
		<hr/> <hr/>

PICSONEYE SEGMENTATION INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Fixed asset investments

The company has a wholly owned subsidiary undertaking, which is carried in the accounts at cost less impairment, being £212.

5 Trade and other receivables

	2019	2018
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	3,212	330,257
Other receivables	10,084	68,784
	<u>13,296</u>	<u>399,041</u>

6 Current liabilities

	2019	2018
	£	£
Trade payables	842	-
Amounts owed to group undertakings	166,912	105,487
Taxation and social security	7,375	9,457
Other payables	29,093	88,263
	<u>204,222</u>	<u>203,207</u>

7 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
237,189 (2018: 235,231) Ordinary shares of 8.8998p each	21,109	20,935
149,422 Seed shares of 8.8998p each	13,298	13,298
162,532 Series A shares of 0.1p each	163	163
	<u>34,570</u>	<u>34,396</u>

PICSONEYE SEGMENTATION INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Events after the reporting date

The World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic on 11 March 2020. The pandemic, and the measures to control its human impact, have resulted in disruptions to economic activity and business operations worldwide. This could potentially have an impact on the activities of the Company and its subsidiary depending on factors such as the duration and continued spread of the outbreak, the level of restrictions and advisories from the British and Israeli governments and the effects on the economy overall. The outcome of all these factors is highly uncertain and whilst they are not expected to have any adverse financial implications for the company due to new funding of £2.3m received from investors in March 2020, it may have an impact on the timescale for the development, deployment and market penetration of the Company's machine learning training platform and the future plans for the business.

9 Directors' transactions

During the year, the Company advanced £5,001 (2018: £448) to Mr. Ofri Ben Porat and Mr. Ofri Ben Porat made repayments to the Company totalling £1,201. The outstanding balance as at 31 December 2019 was £9,108 (2018: £5,308).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.