

**Cube Content Governance Global Limited**

**Unaudited annual report and financial statements**

For the year ended 31 March 2021

Registered number: 07886383



## **Company Information**

<b>Directors</b>	B Richmond C Ross B Sage R West
<b>Registered number</b>	07886383
<b>Registered office</b>	130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC 12A North Street Guildford Surrey GU1 4AF

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**Strategic report**

For the year ended 31 March 2021

Cube Content Governance Global Limited ('CCGG') primary purpose is to provide research and development services for regulatory automation technology and licensing for ongoing sales distribution.

The directors are pleased to report on continuing progress made by the company during the year particularly with respect to the ground breaking developments that have been achieved, which stem from further increasing spend on product R&D and increased licensing of the companies regulatory automation technology. Specific advances that have been made include:

- The development of novel parallel processing and classification algorithms for classifying linguistically complex regulatory documents and insights. Key to the innovation is supporting rapid parallel re-classification for continual regulatory and concept updates.
- Advancing Machine Learning (ML) stacks with enrichment services and post-processing for extracting rules and creating linkages with specific paragraphs in regulatory text.
- Creating fluid customer-models to allow a highly subjective dynamic subscription basis.
- Rapid structure and scale models for unparalleled industry coverage and depth.

Given the nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the company.

This report was approved by the board on 15 July 2022 and signed on its behalf.

*Ben Richmond*

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**B Richmond**  
Director

**Directors' report**

For the year ended 31 March 2021

The directors present their report and the financial statements of Cube Content Governance Global Limited ('the company') for the year ended 31 March 2021.

**Directors**

The directors who served during the year were:

- S Pool (resigned 30 April 2021)
- B Richmond
- C Ross
- B Sage
- R West

**Results and dividends**

The loss for the year, after taxation, amounted to £3,249,155 (2020 - loss £3,349,716).

There were no dividends for the year ended 31 March 2021.

**Matters set out in Strategic report**

In accordance with s414C(11) of the Companies Act, the company has chosen to set out in the Strategic report information required by Sch 7.6 and 7.7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

This report was approved by the board on 15 July 2022 and signed on its behalf.

*Ben Richmond*

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**B Richmond**  
Director

**Statement of comprehensive income**

For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	2,712,904	1,592,624
<b>Gross profit</b>		<b>2,712,904</b>	<b>1,592,624</b>
Administrative expenses		(7,483,376)	(6,400,835)
<b>Operating loss</b>	5	<b>(4,770,472)</b>	<b>(4,808,211)</b>
Interest payable and expenses	7	6,635	(14,687)
<b>Loss before tax</b>		<b>(4,763,837)</b>	<b>(4,822,898)</b>
Tax on loss	8	1,514,682	1,473,182
<b>Loss for the financial year</b>		<b>(3,249,155)</b>	<b>(3,349,716)</b>

There was no other comprehensive income for 2021 (2020:£NIL).

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

## Statement of financial position

As at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	9	120,597	-
Investments	11	20,000	20,000
		<u>140,597</u>	<u>20,000</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	1,436,013	1,580,077
Cash at bank and in hand	13	885,927	860,271
		<u>2,321,940</u>	<u>2,440,348</u>
Creditors: amounts falling due within one year	14	(15,449,060)	(12,197,716)
<b>Net current liabilities</b>		<u>(13,127,120)</u>	<u>(9,757,368)</u>
<b>Total assets less current liabilities</b>		<u>(12,986,523)</u>	<u>(9,737,368)</u>
<b>Net liabilities</b>		<u>(12,986,523)</u>	<u>(9,737,368)</u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account	16	(12,986,623)	(9,737,468)
		<u>(12,986,523)</u>	<u>(9,737,368)</u>

The directors considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 July 2022.

*Ben Richmond*

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**B Richmond**  
 Director

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

**Statement of changes in equity**

For the year ended 31 March 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2020	100	(9,737,468)	(9,737,368)
Loss for the year	-	(3,249,155)	(3,249,155)
<b>At 31 March 2021</b>	<b>100</b>	<b>(12,986,623)</b>	<b>(12,986,523)</b>

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

## Statement of changes in equity

For the year ended 31 March 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019 (as previously stated)	100	(6,125,796)	(6,125,696)
Prior year adjustment	-	(261,956)	(261,956)
At 1 April 2019 (as restated)	<u>100</u>	<u>(6,387,752)</u>	<u>(6,387,652)</u>
Loss for the year	-	(3,349,716)	(3,349,716)
<b>At 31 March 2020</b>	<u><u>100</u></u>	<u><u>(9,737,468)</u></u>	<u><u>(9,737,368)</u></u>

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

## Notes to the financial statements

For the year ended 31 March 2021

### 1. General information

The company is a private company limited by shares and incorporated in England and Wales. The registered office is 130 Wood Street, London, EC2V 6DL and the principal place of business is One Riverside Court, Douglas Drive, Goldalming, Surrey, GU7 1JX. The company registration number is 07886383.

### 2. Accounting policies

#### Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the companies Act 2006.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.1 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48 (a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Content Group (TCG) Limited as at 31 March 2021 and these financial statements may be obtained from Companies House.

#### 2.2 Exemption from preparing consolidated financial statements

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of The Content Group (TCG) Limited which prepares publicly available consolidated financial statements that incorporate the results of the Company. Copies of the group financial statements are available from Companies House.

#### 2.3 Going concern

The company has sufficient liquid resources to continue as a going concern for the foreseeable future and the directors believe the company will be able to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Accounting policies (continued)

#### 2.4 Revenue

Cube Content Governance Global Limited receive licensing income from the subsidiary Cube Content Governance Limited for the use of the CUBE Digital Regulation Platform.

##### *Rendering of services*

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	-	10 years
Computer software	-	3.5 years

#### 2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Other fixed assets	-	33% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## **Notes to the financial statements**

For the year ended 31 March 2021

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

#### **2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

#### **2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment.

#### **2.9 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

#### **2.10 Creditors**

Short term creditors are measured at the transaction price.

#### **2.11 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

#### **2.12 Finance costs**

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

#### **2.13 Borrowing costs**

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Accounting policies (continued)

#### 2.14 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

#### 2.15 Research and development

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred. Development costs are also charged to the profit and loss account in the year of expenditure.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors do not consider that there were any significant areas of estimation uncertainty or application of judgement.

### 4. Turnover

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

### 5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Exchange differences	<u>(22,979)</u>	<u>(27,266)</u>

### 6. Employees

The average monthly number of employees during the year was 0 (2020 - 0).

### 7. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	<u>(6,635)</u>	<u>14,687</u>
	<u>(6,635)</u>	<u>14,687</u>

## Notes to the financial statements

For the year ended 31 March 2021

### 8. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	(1,514,682)	(1,580,097)
Adjustments in respect of previous periods	-	106,929
	<u>(1,514,682)</u>	<u>(1,473,168)</u>
<b>Total current tax</b>	<u>(1,514,682)</u>	<u>(1,473,168)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(16)
Effect of tax change on opening balance	-	2
<b>Total deferred tax</b>	<u>-</u>	<u>(14)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(1,514,682)</u>	<u>(1,473,182)</u>

#### Factors affecting tax credit for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(4,763,837)</u>	<u>(4,822,898)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(905,129)	(916,351)
<b>Effects of:</b>		
Fixed asset differences	-	(10,121)
Additional deduction for R&D expenditure	(1,335,684)	(1,170,267)
Surrender of tax losses for R&D tax credit refund	470,073	490,375
Adjustments to tax charge in respect of previous periods	-	106,929
Effects of deferred tax not recognised	-	26,253
Group relief	256,058	-
<b>Total tax charge/(credit) for the year</b>	<u>(1,514,682)</u>	<u>(1,473,182)</u>

**Notes to the financial statements**

For the year ended 31 March 2021

**8. Taxation (continued)**

**Factors that may affect future tax charges**

The company has an unrecognised deferred tax asset of £324,517 (31 March 2020: £290,355) in respect of unutilised losses.

On 3 March 2021, the government announced its intention to increase the corporation tax rate from 1 April 2023. This rate will taper from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000. This has been substantively enacted in June 2021 when the bill passed the House of Commons.

The unrecognised deferred tax asset has been calculated at 19%, being the rate substantially enacted at 31 March 2021.

**9. Intangible assets**

	Trademarks £	Computer software £	Total £
<b>Cost</b>			
Additions	7,275	144,306	151,581
At 31 March 2021	<u>7,275</u>	<u>144,306</u>	<u>151,581</u>
<b>Amortisation</b>			
Charge for the year on owned assets	61	30,923	30,984
At 31 March 2021	<u>61</u>	<u>30,923</u>	<u>30,984</u>
<b>Net book value</b>			
At 31 March 2021	<u>7,214</u>	<u>113,383</u>	<u>120,597</u>
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>

## Notes to the financial statements

For the year ended 31 March 2021

### 10. Tangible fixed assets

	Other fixed assets £
At 1 April 2020	84,023
Disposals	(84,023)
At 31 March 2021	<u>-</u>
At 1 April 2020	84,023
Disposals	(84,023)
At 31 March 2021	<u>-</u>
<b>Net book value</b>	
At 31 March 2021	<u><u>-</u></u>
At 31 March 2020	<u><u>-</u></u>

### 11. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2020	20,000
At 31 March 2021	<u><u>20,000</u></u>

## Notes to the financial statements

For the year ended 31 March 2021

### 11. Fixed asset investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Cube Content Governance Ltd	130 Wood Street, London, EC2V 6DL	Primary group trading company	Ordinary	100%
Cube Content Governance Inc	Level 6, 468 St Kilda Road, Melbourne, Victoria 3004, Australia	Sales and product specialisation	Ordinary	100%
Cube Content Governance Pty	1375 Broadway, 15th Floor, New York, NY 10018, USA	Product development and product support	Ordinary	100%

### 12. Debtors

	2021 £	2020 £
Other debtors	1,410,047	1,580,077
Prepayments and accrued income	25,966	-
	<u>1,436,013</u>	<u>1,580,077</u>

### 13. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	885,927	860,271
Less: bank overdrafts	(480,561)	(331,361)
	<u>405,366</u>	<u>528,910</u>

## Notes to the financial statements

For the year ended 31 March 2021

### 14. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	480,561	331,361
Trade creditors	327,415	510,922
Amounts owed to group undertakings	14,641,084	11,248,504
Corporation tax	-	106,929
	<u>15,449,060</u>	<u>12,197,716</u>

### 15. Share capital

	2021	2020
	£	£
<b>Allotted, called up and fully paid</b>		
10,000 (2020 - 10,000) Ordinary shares of £0.01 each	<u>100</u>	<u>100</u>

### 16. Reserves

#### Profit and loss account

Includes all current and prior year retained profits and losses.

#### Share capital

Represents the nominal value of shares that have been issued.

### 17. Contingent liabilities

There were no contingent liabilities at 31 March 2021 or 31 March 2020.

### 18. Capital commitments

The company had no capital commitments at 31 March 2021 or 31 March 2020.

### 19. Related party transactions

The company has taken advantage of the exemption in Section 33.1A of FRS 102 and has not disclosed transactions with wholly owned members of the group under The Content Group (TCG) Limited.

The Content Group (TCG) Limited is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are prepared. The registered office is 130 Wood Street, London, EC2V 6DL.

**Notes to the financial statements**

For the year ended 31 March 2021

**20. Controlling party**

Ben Richmond is the ultimate controlling party of the company by virtue of his majority shareholding.