

OXFORD ANALYTICA LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

Company Registration Number: 01196703

OXFORD ANALYTICA LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

CONTENTS	PAGES
Company information	1
Balance sheet	2 to 3
Notes to the financial statements	4 to 12

OXFORD ANALYTICA LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS

D R Young

K M MacRitchie

B A McInnes

G Stroup

appointed 23 March 2016

resigned 3 March 2017

C Westcott

appointed 23 March 2016

D K Young

appointed 23 March 2016

J C Young

appointed 23 March 2016

G D Hutchings

resigned 23 March 2016

S K Young

resigned 23 March 2016

SECRETARY

M Parrag

appointed 14 December 2016

J D Price

resigned 14 December 2016

REGISTERED OFFICE

5 Alfred Street

Oxford

OX1 4EH

COMPANY REGISTRATION NUMBER

01196703 England and Wales

OXFORD ANALYTICA LIMITED**BALANCE SHEET****AS AT 31 December 2016**

	Notes	2016	2015
		£	£
FIXED ASSETS			
Tangible assets	7	524,219	539,095
CURRENT ASSETS			
Debtors	8	1,403,119	925,688
Cash at bank and in hand		820,585	30,398
		<u>2,223,704</u>	<u>956,086</u>
CREDITORS: Amounts falling due within one year	9	4,524,532	3,067,363
		<u>(2,300,828)</u>	<u>(2,111,277)</u>
NET CURRENT (LIABILITIES)			
		<u>(1,776,609)</u>	<u>(1,572,182)</u>
CURRENT LIABILITIES LESS TOTAL ASSETS			
CREDITORS: Amounts falling due after more than one year	10	257,896	282,835
		<u>(2,034,505)</u>	<u>(1,855,017)</u>
NET (LIABILITIES)			
CAPITAL AND RESERVES			
Called up share capital		100	100
Distributable profit and loss account		(2,163,517)	(1,984,029)
Capital contribution reserve		128,912	128,912
		<u>(2,034,505)</u>	<u>(1,855,017)</u>
SHAREHOLDERS' (DEFICIT)			

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A - small entities.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

As permitted by S444 (5A) of the Companies Act 2006 the directors have not delivered to the Registrar a copy of the company's Profit and Loss Account and Directors Report Profit and Loss Account or Directors Report.

Signed on behalf of the board of directors

D R Young

Director

Date approved by the board: 21 September 2017

OXFORD ANALYTICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 GENERAL INFORMATION

Oxford Analytica Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is:

5 Alfred Street
Oxford
OX1 4EH

The financial statements are presented in Sterling, which is the functional currency of the company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 Section 1A smaller entities 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Going concern

The nature of the company's business is that there are significant deferred revenues, having a direct impact on the net current liabilities and net liabilities position of the company. Included in accruals and deferred income is £1,797,638 (2015 - £1,695,741) of deferred revenue related to Daily Brief subscriptions paid in advance by clients which are non-refundable in any event other than the discontinuance of the company. Excluding the deferred revenue referred to above, the company is in a net current liability position of £503,190 (2015 - £415,536) and a net liability position of £236,867 (2015 - £159,276).

The company also owes its bank £267,246 and fellow group companies £1,810,266 which could be required for repayment without notice. The company is therefore dependent upon the continued support of the bank and its fellow group companies. The directors do not consider the support of the bank or its fellow group companies likely to be withdrawn.

The directors are aware of the financial position of the company and have carefully considered the prospects for the business for the foreseeable future by preparing budgets and ensuring that financial support from other parts of the group is available. The directors are satisfied that it is appropriate to prepare the accounts on a going concern basis and are confident of the future success of the business.

If the going concern basis was not appropriate, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for additional liabilities that might arise and to reclassify fixed assets as current assets.

Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, stated net of trade discounts and value added tax.

The company recognises revenue when the amount of revenue can be measured reliably and when it is probable that future economic benefits will flow to the entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Subscription income (Daily Brief and Global Risk Monitor (GRM))

Turnover from subscription income is recognised on a straight line basis over the length of the subscription. Deferred income represents the element of the subscription income relating to future accounting periods.

Advisory income

In the case of advisory engagements, turnover reflects the contract activity during the year and represents the proportion of total contract value which costs incurred to date bear to total expected contract costs.

Conference income

Turnover from conferences primarily represents income generated by the Global Horizons Conference held annually at Oxford University and is recognised once the conference has taken place.

Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation has been provided at the following rates so as to write off the cost or valuation of assets less residual value of the assets over their estimated useful lives.

Freehold property	Straight line basis at 2% per annum
Fixtures and fittings	Straight line basis at 20% per annum
Computer equipment	Straight line basis at 20% per annum
Website development	Straight line basis at 33% per annum

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in profit and loss account, and included in administrative expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Financial Instruments

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

Financial assets are measured at cost and amortised cost and are assessed at the end of each reporting period for objective evidence of impairment. Where objective evidence of impairment is found, an impairment loss is recognised in profit and loss.

The impairment for financial assets measured at amortised cost, 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.

The impairment loss for financial assets measured at cost 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.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amount and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like goodwill and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets (which is the higher of value in use and the fair value less cost to sell) is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset, or group of related assets, is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset, or group of related assets, in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

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

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and subsequently at amortised cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Leases

Leases are classified as finance leases when they transfer substantially all the risks and rewards of ownership of the leased assets to the company. Other leases that do not transfer substantially all the risks and rewards of ownership of the leased assets to the company are classified as operating leases.

Assets held under finance leases are recognised in accordance with the company's policy for tangible fixed assets. The corresponding obligations to lessors under finance leases are treated in the balance sheet as a liability. The assets and liabilities under finance leases are recognised at amounts equal to the fair value of the assets, or if lower, the present value of minimum lease payments, determined at the inception of the lease.

Minimum lease payments are apportioned between finance charges and the reduction in the outstanding liabilities using the effective interest method. The finance charge is allocated to each period during the lease so as to produce a constant rate of interest on the remaining balance of the liabilities. Finance charges are recognised in the profit or loss.

Payments applicable to operating leases are charged against profit on a straight line basis over the lease term.

Taxation

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods based on current tax rates and laws. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. 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 taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Deferred tax relating to land and investment properties that is measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset.

Current and deferred tax assets and liabilities are not discounted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

Foreign currencies

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange prevailing at that date. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

Provisions

A provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use is recognised. The provision is measured at the salary cost payable for the period of absence.

Pensions

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account

in respect of pension costs and other post-retirement benefits is the amount payable in the year. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments in the balance sheet.

The company also contributes to some employees' personal pension plans and the pension charge includes the amounts payable by the company to the funds.

Employee benefits

Short term employee benefits are recognised as an expense in the period in which they are incurred.

Barter transactions

The company has continued to enter into barter transactions during the period in which Daily Brief services and conference sponsorship are provided in return for sales and marketing related services (including advertising and membership fees)

Barter transactions are recorded as turnover at an amount equal to the estimated fair value of the services received or of the publication provided, depending on which is more clearly evident. A corresponding amount is recorded as a cost of sales when the services received are consumed. The lower of the estimated fair value of the services received or the estimated fair value of the subscription/sponsorship was £114,933 (2015 - £130,975).

3 TRANSITION TO FRS 102

This is the first year in which the financial statements have been prepared under FRS 102. Note 14 gives an explanation of the effects of the transition.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors have made key assumptions in the determination of provisions included in the financial statements.

5 EMPLOYEES

The average number of persons employed by the company (including directors) during the year was:

	2016	2015
Average number of employees	45	

6 DIRECTORS' REMUNERATION

	2016	2015
Remuneration paid to the directors during the year was:	143,361	137,5

7 TANGIBLE ASSETS

Freehold property	Fixtures and fittings	Computer equipment	Website development	Total
£	£	£	£	£

Cost					
At 1 January 2016	532,203	19,731	148,104	160,427	860,4
Additions	-	28,209	46,535	-	74,7
Disposals	-	(2,655)	(64,051)	-	(66,70
At 31 December 2016	<u>532,203</u>	<u>45,285</u>	<u>130,588</u>	<u>160,427</u>	<u>868,5</u>
Accumulated depreciation					
At 1 January 2016	170,304	9,036	97,467	44,563	321,3
Charge for year	10,644	5,837	19,437	53,476	89,3
Disposals	-	(2,655)	(63,825)	-	(66,48
At 31 December 2016	<u>180,948</u>	<u>12,218</u>	<u>53,079</u>	<u>98,039</u>	<u>344,2</u>
Net book value					
At 1 January 2016	<u>361,899</u>	<u>10,695</u>	<u>50,637</u>	<u>115,864</u>	<u>539,0</u>
At 31 December 2016	<u>351,255</u>	<u>33,067</u>	<u>77,509</u>	<u>62,388</u>	<u>524,2</u>

The company has agreed a charge over the freehold property with a carrying value of £351,255, as security for the bank loan.

7 TANGIBLE ASSETS (continued...)

Included in the above are assets held under finance leases and hire purchase contracts as follows:

	Freehold property	Fixtures and fittings	Computer equipment	Website development	Total
	£	£	£	£	£
Depreciation charge for year	-	2,413	6,258	-	8,6
Net book value					
At 1 January 2016	-	-	28,681	-	28,6
At 31 December 2016	-	21,716	22,423	-	44,1

The assets held under finance leases are secured against the assets to which they relate.

8 DEBTORS

	2016	2015
	£	£
Trade debtors	1,116,656	664,5

Prepayments and accrued income	170,352	144,7
Other debtors	116,111	116,3
	<hr/>	<hr/>
	1,403,119	925,6
	<hr/> <hr/>	<hr/> <hr/>

9 CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	26,557	197,1
Trade creditors	158,233	109,8
Other taxation and social security	91,466	74,5
Amounts owed to group undertakings	1,810,266	581,7
Hire purchase contracts and finance leases	18,545	10,4
Accruals and deferred income	2,414,025	2,087,7
Other creditors	5,440	5,8
	<hr/>	<hr/>
	4,524,532	3,067,3
	<hr/> <hr/>	<hr/> <hr/>

10 CREDITORS: Amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	240,689	267,1
Hire purchase contracts and finance leases	17,207	15,6
	<hr/>	<hr/>
	257,896	282,8
	<hr/> <hr/>	<hr/> <hr/>

Included in the amounts falling due after more than one year are the following amounts which are due in more than five years:

	2016	2015
	£	£
Bank loans and overdrafts	122,359	212,8
	<hr/> <hr/>	<hr/> <hr/>

The company has a bank loan with Barclays Bank PLC which is secured on the freehold property of the company up to a maximum of £300,000. The rate of interest applicable to the loan is 2.5% above the Bank of England base rate and the loan is to be repaid over a total period of 10 years.

The hire purchase contracts and finance leases are secured on the assets concerned.

11 CONTINGENCIES AND COMMITMENTS

	Not provided	
Deferred Tax Assets	2016	2015
	£	£
Decelerated capital allowances	12,444	21,8
Losses	330,024	297,3
	<hr/>	<hr/>

Balance carried forward	342,468	319,2
Other Commitments		
Amounts falling due under operating leases for land and buildings:	2016	2015
	£	£
In less than one year	-	52,7

12 RELATED PARTY TRANSACTIONS

The company has claimed exemptions from reporting disclosure of related party transactions with the following wholly owned entities:

Oxford Analytica Inc. - Group company

The Oxford Analytica International Group Inc - Parent company

During the year, the following transactions with related parties took place:

HR Source Limited	HR Source Limited, a company which was	2016	2015
Connected company	jointly controlled by G Stroup who is also a	£	£
	director of Oxford Analytica Limited, charged		
	management services totalling:	(170,196)	

13 PARENT COMPANY

The company is a subsidiary undertaking of The Oxford Analytica International Group Inc incorporated in the state of Delaware, USA. The ultimate controlling party is The Dominus Foundation LLC by virtue of its majority shareholding in The Oxford Analytica International Group Inc.

14 RECONCILIATIONS ON ADOPTION OF FRS 102

These financial statements for the year ended 31 December 2016 are the first financial statements that comply with FRS 102. The date of transition to FRS 102 is 1 January 2015.

Profit and loss for the year ended 31 December 2015	£
Loss for the year under former UK GAAP	(602,51)
Loss for the year under FRS 102	(602,51)
Balance sheet at 31 December 2015	£
Equity under former UK GAAP	(1,855,01)
Equity under FRS 102	(1,855,01)

Balance sheet at 1 January 2015

Equity under former UK GAAP

£

(1,252,49

Equity under FRS 102

(1,252,49

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.