

Registered number: 05514098

SCL GROUP LIMITED

UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



SCL GROUP LIMITED
REGISTERED NUMBER: 05514098

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

| | Note | 2016 £ | As restated 2015 £ |
|--|------|-----------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 5 | - | 2,173 |
| Investments | 6 | 150,600 | - |
| | | <u>150,600</u> | <u>2,173</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 7 | 151,319 | 324,975 |
| Cash at bank and in hand | 8 | 643 | 110,060 |
| | | <u>151,962</u> | <u>435,035</u> |
| Creditors: amounts falling due within one year | 9 | (13,417) | (652,630) |
| Net current assets/(liabilities) | | <u>138,545</u> | <u>(217,595)</u> |
| Total assets less current liabilities | | <u>289,145</u> | <u>(215,422)</u> |
| Net assets/(liabilities) | | <u><u>289,145</u></u> | <u><u>(215,422)</u></u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 6,635 | 6,635 |
| Share premium account | | 2,843,238 | 2,843,238 |
| Capital redemption reserve | | 2,878 | 2,878 |
| Profit and loss account | | (2,563,606) | (3,068,173) |
| | | <u>289,145</u> | <u>(215,422)</u> |

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of 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 have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

SCL GROUP LIMITED
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STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

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



21/9/17

J D Wheatland
Director

The notes on pages 3 to 12 form part of these financial statements.

SCL GROUP LIMITED

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

1. General information

SCL Group Limited is a private company limited by shares and registered in England & Wales. The address of its registered office is 2nd Floor, 1 Westferry Circus, Canary Wharf, London, E14 4HD.

2. Accounting policies

2.1 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 Section 1A of 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 judgment in applying the Company's accounting policies (see note 3).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

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.

2.3 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

SCL GROUP LIMITED

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

2. Accounting policies (continued)

2.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.5 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.

Depreciation is provided on the following basis:

| | |
|-----------------------|------------------------|
| Fixtures and fittings | - 20% straight line |
| Computer equipment | - 33% straight line |
| Other fixed assets | - 25% reducing balance |

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

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

2. Accounting policies (continued)

2.7 Associates

Investments in associates are measured at cost less accumulated impairment.

2.8 Debtors

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

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, 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.

2.11 Creditors

Short term creditors are measured at the transaction price.

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

2. Accounting policies (continued)

2.12 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

3. Judgments in applying accounting policies 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 reporting 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.

Accruals

The company makes an estimate of accruals at the year end based on invoices received after the period end, work undertaken which has not been invoiced based on quotations or estimates of amounts that maybe due for payment.

4. Employees

The average monthly number of employees, including directors, during the year was 5 (2015 - 6).

5. Tangible fixed assets

| | Fixtures and fittings £ | Computer equipment £ | Other fixed assets £ | Total £ |
|--------------------------|-------------------------------|----------------------------|----------------------------|------------|
| Cost or valuation | | | | |
| At 1 January 2016 | 2,769 | 88,946 | 10,328 | 102,043 |
| Transfers intra group | (2,769) | (88,946) | (10,328) | (102,043) |
| At 31 December 2016 | - | - | - | - |
| Depreciation | | | | |
| At 1 January 2016 | 2,769 | 87,606 | 9,495 | 99,870 |
| Transfers intra group | (2,769) | (87,606) | (9,495) | (99,870) |
| At 31 December 2016 | - | - | - | - |
| Net book value | | | | |
| At 31 December 2016 | - | - | - | - |
| At 31 December 2015 | - | 1,340 | 833 | 2,173 |

The fixed assets were transferred to SCL Insight Limited on sale of the company's trade to SCL Insight Limited.

SCL GROUP LIMITED

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

6. Fixed asset investments

| | Investments in subsidiary companies £ | Investments in associates £ | Total £ |
|--|--|-----------------------------------|------------|
| <i>Cost or valuation</i> | | | |
| At 1 January 2016 (as previously stated) | 300 | - | 300 |
| Prior Year Adjustment | (200) | 200 | - |
| At 1 January 2016 (as restated) | 100 | 200 | 300 |
| Additions | 600 | 150,000 | 150,600 |
| At 31 December 2016 | 700 | 150,200 | 150,900 |
| <i>Impairment</i> | | | |
| At 1 January 2016 (as previously stated) | 300 | - | 300 |
| Prior Year Adjustment | (200) | 200 | - |
| At 1 January 2016 (as restated) | 100 | 200 | 300 |
| At 31 December 2016 | 100 | 200 | 300 |
| <i>Net book value</i> | | | |
| At 31 December 2016 | 600 | 150,000 | 150,600 |
| At 31 December 2015 (as restated) | - | - | - |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Country of incorporation | Class of shares | Holding | Principal activity |
|---|-----------------------------|--------------------|---------|-----------------------|
| Strategic Communication Laboratories S.R.L. | Romania | Ordinary | 100 % | Dormant |
| SCL Insight Limited | UK | Ordinary | 100 % | Consultancy |

SCL GROUP LIMITED

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

6. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|---|--|--------------------|
| Strategic Communication Laboratories S.R.L. | - | - |
| SCL Insight Limited | 86,044 | 85,444 |
| | <u>86,044</u> | <u>85,444</u> |

Associates

| Name | Country of incorporation | Class of shares | Holding | Principal activity |
|-----------------------|-----------------------------|-----------------|---------|--------------------|
| SCL Strategic Limited | United Kingdom | Ordinary | 40% | Dormant |
| SCL Analytics Limited | United Kingdom | Ordinary | 30% | Data analytics |

7. Debtors

| | 2016 £ | As restated 2015 £ |
|--|----------------|--------------------------|
| Trade debtors | - | 160,634 |
| Amounts owed by group undertakings | 53,329 | - |
| Amounts owed by joint ventures and associated undertakings | 97,990 | - |
| Other debtors | - | 10,354 |
| Prepayments and accrued income | - | 151,984 |
| Deferred taxation | - | 2,003 |
| | <u>151,319</u> | <u>324,975</u> |

8. Cash and cash equivalents

| | 2016 £ | 2015 £ |
|--------------------------|--------------|----------------|
| Cash at bank and in hand | 643 | 110,060 |
| Less: bank overdrafts | (782) | - |
| | <u>(139)</u> | <u>110,060</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Creditors: Amounts falling due within one year

| | 2016 | As restated 2015 |
|------------------------------------|--------|---------------------|
| | £ | £ |
| Bank overdrafts | 782 | - |
| Trade creditors | 444 | 104,732 |
| Amounts owed to group undertakings | 200 | 200 |
| Other taxation and social security | 11,991 | 3,632 |
| Other creditors | - | 184,097 |
| Accruals and deferred income | - | 359,969 |
| | 13,417 | 652,630 |
| | 13,417 | 652,630 |

10. Financial instruments

| | 2016 | 2015 |
|---|------|---------|
| | £ | £ |
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 643 | 110,060 |
| | 643 | 110,060 |
| | 643 | 110,060 |
| Financial liabilities | | |
| Other financial liabilities measured at fair value through profit or loss | 782 | - |
| | 782 | - |
| | 782 | - |

Financial assets measured at fair value through profit or loss comprise bank balances.

Other financial liabilities measured at fair value through profit or loss comprise bank overdrafts.

11. Deferred taxation

| | 2016 | 2015 |
|-------------------------------|---------|-------|
| | £ | £ |
| At 1 January 2016 | 2,003 | 2,379 |
| Charged to the profit or loss | (2,003) | (376) |
| At 31 December 2016 | - | 2,003 |
| | - | 2,003 |

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Deferred taxation (continued)

The deferred tax asset is made up as follows:

| | 2016 £ | 2015 £ |
|--------------------------------|-----------|--------------|
| Accelerated capital allowances | - | 2,003 |
| | <u>-</u> | <u>2,003</u> |

12. Share capital

| | 2016 £ | 2015 £ |
|--|--------------|--------------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 66,348 (2015 - 66,350) Ordinary shares of £0.10 each | 6,635 | 6,635 |
| | <u>6,635</u> | <u>6,635</u> |

13. Related party transactions

At the reporting date the company owed £nil (2015: £156,250) to N Oakes and £nil (2015: 4,400) to A Oakes, directors of the company.

On 30 November 2016, the company transferred its trade to SCL Insight Limited, a subsidiary company for a consideration of £ 134,843. At the reporting date, £53,329 was due from SCL Insight Limited.

During the year dividends were receivable from SCL Analytics Limited totalling £97,990. At the reporting date £97,990 was due from SCL Analytics Limited.

During the year, the company received income of £26,278 from SCL Elections Limited, a subsidiary of SCL Analytics Limited.

14. Controlling party

There is no one individual ultimate controlling party.

15. Prior year adjustment

The accounts have been restated to incorporate the impact of a change in income accrued and deferred as at 31 December 2015 following an analysis of ongoing projects. The change has resulted in profits available for distribution at 31 December 2015 decreasing by £459,616.

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| | 2015 £ |
|---|----------------|
| Summary of the prior year accounting impact | |
| Decrease in accrued income | 215,852 |
| Increase in deferred income | 243,764 |
| | <u>459,616</u> |

16. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £339 (2015: £nil). Contributions totalling £nil (2015: £nil) were payable to the fund at the reporting date.

17. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.