

# Supponor Limited

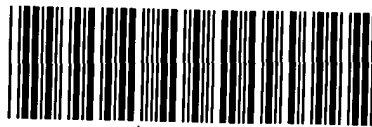
Financial Statements

Year Ended

30 June 2019

Company Number 07517715

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**Supponsor Limited**  
Registered number:07517715

**Statement of Financial Position**  
As at 30 June 2019

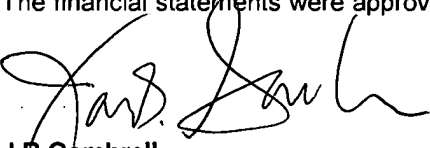
	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Intangible assets	6		-		7,657
Tangible assets	7		619,983		122,770
			619,983		130,427
<b>Current assets</b>					
Stocks	8	33,840		33,840	
Debtors: amounts falling due within one year	9	977,131		66,340	
Cash at bank and in hand		73,097		11,362	
		1,084,068		111,542	
Creditors: amounts falling due within one year	10	(28,068,030)		(24,721,897)	
<b>Net current liabilities</b>			(26,983,962)		(24,610,355)
Creditors: amounts falling due after more than one year			(111,951)		-
<b>Net liabilities</b>			(26,475,930)		(24,479,928)
<b>Capital and reserves</b>					
Called up share capital	13		200		200
Other reserves			613,861		547,958
Profit and loss account			(27,089,991)		(25,028,086)
<b>Total equity</b>			(26,475,930)		(24,479,928)

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.

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

  
**J B Gambrell**  
Director

16 April 2020

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

## Supponor Limited

### Statement of Changes in Equity For the Year Ended 30 June 2019

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2018	200	547,958	(25,028,086)	(24,479,928)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(2,061,905)	(2,061,905)
<b>Total comprehensive income for the year</b>	-	-	(2,061,905)	(2,061,905)
Capital contribution for share options	-	65,903	-	65,903
<b>At 30 June 2019</b>	<b>200</b>	<b>613,861</b>	<b>(27,089,991)</b>	<b>(26,475,930)</b>

### Statement of Changes in Equity For the Year Ended 30 June 2018

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2017	200	371,007	(22,439,788)	(22,068,581)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(2,588,298)	(2,588,298)
<b>Total comprehensive income for the year</b>	-	-	(2,588,298)	(2,588,298)
Capital contribution for share options	-	176,951	-	176,951
<b>Total transactions with owners</b>	-	176,951	-	176,951
<b>At 30 June 2018</b>	<b>200</b>	<b>547,958</b>	<b>(25,028,086)</b>	<b>(24,479,928)</b>

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

# Supponor Limited

## Notes to the Financial Statements For the Year Ended 30 June 2019

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### 1. General information

Supponor Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is 1 Lyric Square, Office 9.04, London, England, W6 0NB.

### 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 Section 1A of 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 presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

#### 2.2 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will have sufficient working capital facilities to enable it to continue in business for the foreseeable future. In reaching this conclusion the directors have considered the financial forecasts of the company and the availability of support from the ultimate parent company for any future funds required by the company and have confirmed that amounts due to them totalling £26,636,603 (2018 - £23,635,675) will not be called upon for a period of at least 12 months from approval of these financial statements unless the company has the facility within its cash flow to do so.

Since the financial year end the ultimate parent company has secured significant additional investment. The group's current forecasts indicate that following this recent investment, coupled with ongoing commercial negotiations, that no further immediate funding is required, although the group may look to secure further investment to accelerate its growth plans. However, as is the nature of financial forecasts there is a degree of uncertainty in their delivery which may lead to the group requiring additional investment to support its operations. Based on this there is a material uncertainty that the ultimate parent company will be able to continue to support the company. The recent advent of the COVID-19 virus outbreak has had a significant impact on the sporting calendar with many leagues and events suspended or cancelled. There is the opportunity, in the medium term, to play matches and hold events behind closed doors with them being screened to the public but, in the short term, it does mean that there is far more uncertainty over the group's ability to achieve its forecasts.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have concluded that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that there is sufficient strength of interest from customers and potential investors in the business. For these reasons, and the group's long history of successfully raising significant amounts of capital over the years, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The financial statements do not reflect the adjustments that would be required if the company ceased to operate as a going concern.

# Supporor Limited

## Notes to the Financial Statements For the Year Ended 30 June 2019

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### 2. Accounting policies (continued)

#### 2.3 Revenue

The company principally obtains its revenues through the provision of its technology solutions under licence to rights holders, broadcasters, agencies and brands. In addition revenues are also generated from services supporting the company's technology solutions.

Revenue obtained under licence agreements is recognised on a straight line basis over the term of the licence. Revenue generated through support services is recognised when they are invoices to the customer. All revenue is stated exclusive of Value Added Tax.

#### 2.4 Foreign currency translation

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position dates. Any differences are taken to the statement of comprehensive income.

#### 2.5 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.

#### 2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

Over the last 4 years the group has expensed software development costs, including costs to research and develop software products or the software component of products to be deployed, as technological and commercial feasibility is typically reached shortly before the release of such products. The Board considers this to have been the most appropriate approach over the last 4 years whilst it has been developing its software for deployment. However, the Board continues to review the policy to assess whether the capitalisation of costs in the future is appropriate.

# Supponor Limited

## Notes to the Financial Statements For the Year Ended 30 June 2019

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### 2. Accounting policies (continued)

#### 2.7 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:

Software development costs	-	4 years
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#### 2.8 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.

The estimated useful lives range as follows

Motor vehicles	- 3 years
Fixtures and fittings	- 4 years
Digital Billboard equipment	- 4 years

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 the statement of comprehensive income.

#### 2.9 Stocks

Stocks are stated at the lower of cost and net realisable value.

#### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

# Supponor Limited

## Notes to the Financial Statements For the Year Ended 30 June 2019

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### 2. Accounting policies (continued)

#### 2.12 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

#### 2.13 Creditors

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

#### 2.14 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

#### 2.15 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.

#### 2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

#### 2.17 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

# Supponor Limited

## Notes to the Financial Statements For the Year Ended 30 June 2019

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### 2. Accounting policies (continued)

#### 2.18 Taxation

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.

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

In preparing these financial statements, the director has made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- As more fully explained in note 2.2 the preparation of these financial statements on a going concern basis is a judgement by the directors.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 7)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### 4. Employees

The average monthly number of employees, including directors, during the year was 10 (2018 - 11).

# Supponor Limited

## Notes to the Financial Statements For the Year Ended 30 June 2019

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### 5. Taxation

There was an R & D claim for the year of £265,560 (2018 - £Nil).

#### Factors that may affect future tax charges

The company has tax losses of £30.8m (2018 - £28.8m) available to carry forward and utilise against future profits. No deferred tax asset has been recognised in respect of these losses as timing of their use is uncertain.

### 6. Intangible assets

	Software development projects £
<b>Cost</b>	
At 1 July 2018	330,158
At 30 June 2019	<u>330,158</u>
<b>Amortisation</b>	
At 1 July 2018	322,501
Charge for the year	7,657
At 30 June 2019	<u>330,158</u>
<b>Net book value</b>	
At 30 June 2019	<u><u>-</u></u>
At 30 June 2018	<u><u>7,657</u></u>

# Supponsor Limited

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 7. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Digital billboard equipment £	Total £
<b>Cost</b>				
At 1 July 2018	-	9,042	847,794	856,836
Additions	198,445	-	470,868	669,313
Disposals	-	(9,042)	-	(9,042)
At 30 June 2019	<u>198,445</u>	<u>-</u>	<u>1,318,662</u>	<u>1,517,107</u>
<b>Depreciation</b>				
At 1 July 2018	-	9,042	725,024	734,066
Charge for the year	-	-	133,513	133,513
Charge for the year on financed assets	38,587	-	-	38,587
Disposals	-	(9,042)	-	(9,042)
At 30 June 2019	<u>38,587</u>	<u>-</u>	<u>858,537</u>	<u>897,124</u>
<b>Net book value</b>				
At 30 June 2019	<u>159,858</u>	<u>-</u>	<u>460,125</u>	<u>619,983</u>
At 30 June 2018	<u>-</u>	<u>-</u>	<u>122,770</u>	<u>122,770</u>

The net book value of assets under finance leases is £159,858 (2018 - £Nil).

### 8. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>33,840</u>	<u>33,840</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

# Supponor Limited

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 9. Debtors: amounts falling due within one year

	2019 £	2018 £
Trade debtors	704,478	34,008
Other debtors	166,741	29,600
Prepayments and accrued income	105,912	2,732
	<u>977,131</u>	<u>66,340</u>

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

	2019 £	2018 £
Trade creditors	707,099	350,048
Amounts owed to group undertakings	26,636,603	23,635,675
Other taxation and social security	69,341	91,876
Obligations under finance lease and hire purchase contracts	58,485	-
Other creditors	210,284	393,639
Accruals and deferred income	386,218	250,659
	<u>28,068,030</u>	<u>24,721,897</u>

Amounts owed to group undertakings are interest free and repayable on demand. No security has been provided on this amount.

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

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	111,951	-
	<u>111,951</u>	<u>-</u>

Finance leases are secured on the assets to which they relate.

# Supponor Limited

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	58,485	-
Between 1-5 years	111,951	-
	<u>170,436</u>	<u>-</u>

### 13. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>

### 14. 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 £53,208 (2018 - £31,615). Contributions totalling £Nil (2018 - £2,205) were payable to the fund at the reporting date and are included in creditors.

### 15. Related party transactions

The company is a wholly owned subsidiary of Supponor Holding Limited and has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with group members due to consolidated accounts being publicly available.

### 16. Ultimate parent undertaking and controlling party

At the statement of financial position date the company's immediate parent is Supponor Oy, incorporated in Finland. The ultimate parent company was Supponor Holding Limited whose registered office is 1 Lyric Square, Office 9.04, London, England, W6 0NB. The smallest and largest group in which these accounts are consolidated is Supponor Holding Limited. In the opinion of the directors there is no ultimate controlling party.

# Supponor Limited

## Notes to the Financial Statements For the Year Ended 30 June 2019

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### 17. Auditor's information

The auditor's report on the financial statements for the year ended 30 June 2019 was unqualified.

In their report, the auditor emphasised the following matter without qualifying their report:

#### **Material uncertainty related to going concern**

We draw attention to note 2.2 to the financial statements, which indicates the directors' considerations regarding the going concern of the company. As stated in note 2.2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on *16 April 2020* by Paul Putnam (Senior Statutory Auditor) on behalf of BDO LLP.