

# Signal Media Limited

Annual Report and Financial Statements

For the year ended 31 March 2023

Company Registration No. 08468207 (England and Wales)

# Signal Media Limited

## Company Information

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<b>Directors</b>	D Benigson S Menashy M Martinez A Norman A R Zappala L Clayton P Granat	(Appointed 25 January 2023) (Appointed 28 June 2023)
<b>Secretary</b>	D Benigson	
<b>Company number</b>	08468207	
<b>Registered office</b>	1st Floor Sackville House 143-149 Fenchurch Street London England EC3M 6BN	
<b>Auditor</b>	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL	
<b>Business address</b>	Floor 1 The Bower 207 Old Street London EC1V 9NR	

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# Signal Media Limited

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# Signal Media Limited

## Strategic Report

For the year ended 31 March 2023

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The directors present the strategic report for the year ended 31 March 2023.

### **Fair review of the business**

I am pleased to provide you with this report on our financial year ended March 31, 2023 and Signal's business activity to date. During the year we continued to take strides towards realising our vision of building a category defining External Intelligence platform using AI to transform the world's data into insights that help decision makers get ahead of risk and opportunities and make confident decisions in their jobs.

As we review the year there are many achievements to reflect on. We brought to market key product developments, delivered solid commercial performance, made key senior appointments and completed our first acquisition. As the world emerged from pandemic restrictions, we were able to capitalise on opportunities in front of us and we've remained robust as we embark on the next stage of our journey.

Whilst the business continues to enjoy strong growth and strategic expansion we are cognisant of the weakened external economic environment. In response to the changed economic conditions we have focused our investments to ensure we continue to deliver against our goals while simultaneously improving business efficiency.

A key area of growth for Signal is in our enterprise customers; with this segment growing by 19% and customers with >\$100k in ARR increasing by 38% YoY.

In order to support sustainable growth and to maintain a healthy financial position, we raised a venture debt finance facility from Hercules Capital of USD 30 million dollars from which we will draw down as necessary.

### **Strategic Investments and performance update**

Our commitment to product development remains strong and we have substantially expanded our product and engineering organisation to maintain our product leadership and invest in innovation as an area of continued differentiation. This is particularly exciting given the momentum in AI development across the world.

We've worked with some great brands and are excited by the innovative and strategic ways in which our clients are using our product. Our recent customer survey showed that more and more clients are getting strategic value from our platform with 42% of survey respondents saying they use Signal AI to make strategic decisions most of the time or always.

We intend to delight our customers with our platform usability and our industry leading customer support with peer to peer review site, G2 Crowd, awarding Signal AI as the Overall Leader in Enterprise as well as Easiest to do business with, Easiest Set Up, Easiest Admin in Enterprise - and more.

We continue towards our mission of building the world's leading External Intelligence platform. The Signal AI Platform now ingests unstructured content from over 5M sources in over 200 markets and 100 languages, at scale and in near real-time. Our AIQ engine automatically applies proprietary concept extraction, sentiment analysis, anomaly detection, ranking and more to transform an overwhelming amount of unstructured information into structured data and insights.

Most notable in our content diversification efforts was the addition of Twitter content meaning that our customers can now gain deeper insights about the interplay between published media and social media sources and gain a 360 view of an organisation's perception.

We continued to develop our dashboards offering, giving our clients a new suite of data visualisations, advanced filtering capabilities, new metrics and shareable dashboards. During the year, we also saw the launch of our suite of APIs which enable direct integration of our analytics into our customers' own systems. All product developments that make our analytics stronger, more insightful and easier to share than ever before.

# Signal Media Limited

## Strategic Report (Continued)

For the year ended 31 March 2023

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Signal completed its first acquisition by combining forces with reputation management company, Kelp. The combination of Signal AI's unique external intelligence data and Kelp's industry leading reputation insights has allowed us to deliver a game changing solution for Reputation Management - empowering organisations to quantify the aggregate impact of their communications more than ever before.

Powered by the Signal AI x Kelp offering, at the end of 2022 we launched The Signal AI 500, a global ranking of 500 of the world's most reputable companies. We're looking forward to publishing ongoing quarterly analysis of the Signal AI 500.

These product releases widen our customer reach and impact and move us towards our vision of providing high value data and strategic insights to our clients which differentiates and enhances our core media monitoring offering.

Our financing strategy combined with effective cost management, will help us progress towards profitability whilst maintaining growth rates.

### Changes in the Board and Executive Team

- Laura Clayton, joined as Non-Executive Director, based in the USA. She is President at Thomson Reuters, on the board of Zuora. Previously held VP positions at Microsoft and IBM.
- Peter Granat, recently joined as Non-Executive Director, based in the USA. He is currently CEO at SAI360. Previously Chairman of the board at Cision .
- Changes to our executive team included:
  - We have hired a new Global CRO, Nancy McNeil. Nancy was previously the Global Chief Revenue Officer of Dow Jones, overseeing all revenue lines including Factiva, WSJ, DJ Newswires and their Risk and Compliance businesses. Prior to Dow Jones, Nancy was Global Head of Sales and Account Management at Thomson Reuters.
  - Additional hires to continue to strengthen our product and technology teams include Vice President Product - Sheen Yap ,Vice President Engineering - Alan Wright, and our Senior Vice President of Data Science, Alexandre Pinto.

### People and Culture

Our people – 'Signallers' – continue to be the lifeblood of our organisation. We're delighted to be able to continue to recognise the great work of our people and support their career growth and saw 47 internal moves and promotions during the year.

### M&A and Investments for growth

We continue to explore targeted inorganic growth opportunities after completing our acquisition of Kelp Data Inc. Kelp is an exciting company that has developed a strategic reputation scoring and analytics tool that strengthens our reputation product suite. We expect to accelerate our growth trajectory through this acquisition.

Whilst the business continues to enjoy strong growth and strategic expansion we are cognisant of the weakened external economic environment. Our ongoing investments focus on high impact investment areas to ensure we continue to deliver against our goals. This investment strategy balances business efficiency with our continued growth to set us on a path to profitability.

If we were to see a further deterioration in the economy, management would respond with appropriate efficiency measures, which may include cost reductions, to ensure we deliver on our path to profitability goal.

# Signal Media Limited

## Strategic Report (Continued)

For the year ended 31 March 2023

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### **Key performance indicators**

The Directors review KPIs throughout the year as part of the normal management process. Example KPIs include Annual Revenue that grew by 32% YoY (PY 32%) and annual net revenue retention (NRR) remains above 100%. Other key metrics include Annual Recurring Revenue (ARR), customer numbers, gross revenue retention rates (GRR), sales efficiency and cash burn metrics.

### **Principal risks and uncertainties**

The principal business risks affecting the company include:

#### ***Technology and business interruption***

The products and services that Signal AI provides to its customers are reliant on complex technical infrastructure. A failure in the operation of a key system or infrastructure could cause a failure of service to our customers and negatively impact our brand.

#### **Mitigation:**

Signal AI has prepared a disaster recovery plan where we assume an extreme scenario of having to recover our entire platform in full. The full plan is tested at least on an annual basis, while specific subsets of the DR plan are automated and tested fortnightly. We aim to be able to recover our application and historical content set, in under 3 hours and full functionalities and content ingestion in 5 hours.

Signal AI continues to invest heavily in the platform to continue to deploy cutting edge technology. Our product continues to be very important for our customers even in this challenging market due to its capabilities.

#### ***Foreign Exchange***

Signal AI transacts in multiple currencies and with the continued investment in the US, Signal AI is further exposed to fluctuations in exchange rates between USD and GBP in particular.

#### **Mitigation:**

Signal AI continues to monitor movements in exchange rates and based on the amount of transactions in any currency, create appropriate arrangements to mitigate the risk of unfavourable exchange rate movements.

#### ***Legal and Compliance***

Signal AI's client and supplier base consists predominantly of big and well established companies and financial institutions, and at times we accept contractual terms that subject the company to elevated levels of legal exposure, which could result in contract termination and damages.

Management and mapping of content and data acquisition from numerous sources with the distribution of such content and data analytics to our clients via SaaS solutions is complex. Laws and policies on AI and data rights vary across jurisdictions and require interpretation, leading to uncertainty and risk of imperfect implementation. Should our products or services require adjustment, it could lead to suspension or partial suspension of service, and loss of clients and supplier contracts.

#### **Mitigation:**

Signal AI has invested significantly in the number and seniority of legal, compliance and licensing resources. These teams work cross-functionally to align inbound licensing and data acquisition with product development and outbound rights management. New, technical compliance tools have been built, and existing compliance capabilities can be leveraged and customised as necessary.

In line with the company's growth, we are continuously developing our legal standards and contractual policies, enforcing our standard terms to our client base as a whole and managing/reducing our exposure to these risks.

# Signal Media Limited

## Strategic Report (Continued)

For the year ended 31 March 2023

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### **Financial and Cash-flow risks**

As a venture backed company we continue to rely on funding provided by our venture capital investors.

During the fiscal years 2022 and 2023, there has been a significant weakening of the macro-economic environment. Despite these adverse market conditions, Signal AI has managed to sustain growth. However, we have proactively implemented measures to curtail our expenditure rate in response to the prevailing economic challenges.

Furthermore, we are actively working towards achieving profitability within the next two to three years. By doing so, our primary objective is to diminish our reliance on future funding rounds and strengthen the company's financial resilience. The establishment of a clear path towards profitability reinforces our commitment to ensure the long-term sustainability and success of Signal AI.

### **Looking ahead to 2023-2024**

The premise under which we started the business 10 years ago has never been more true. Businesses are being impacted now, more than ever, by factors in their external environment, and yet, with the exploding amount of unstructured data, it has never been harder to make sense of. We will continue to focus on building our platform to provide the clarity and insight to help our customers make sense of their environment and augment their decisions.

We will continue to pursue growth aggressively, while enhancing our current customer experience and ensuring we provide increasing value to them through our product developments. We do this within a fast developing AI marketplace where we intend to maintain our product and thought leadership in our chosen areas of focus including reputation, corporate risk and investment management. These are bold goals, and I remain bullish about our ability to achieve them with the talent of our team, the strength of our brand, the quality of our product and service and the support of our shareholders.

On behalf of the board

D Bonigson  
**Director**

1 September 2023

# Signal Media Limited

## Directors' Report

For the year ended 31 March 2023

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The directors present their annual report and financial statements for the year ended 31 March 2023.

### Principal activities

The principal activity of the company and group continued to be that of AI monitoring and analysis of external sources of intelligence such as media, social and other sources.

### Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a dividend.

No preference dividends were paid. The directors do not recommend payment of a dividend.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Benigson  
S Menashy  
M Martinez  
A Norman  
A R Zappala  
S Wood  
L Clayton  
P Granat

{Resigned 28 June 2023}  
{Appointed 25 January 2023}  
{Appointed 28 June 2023}

### Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the group will be tabled at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

D Benigson  
**Director**

1 September 2023

# Signal Media Limited

## Directors' Responsibilities Statement

For the year ended 31 March 2023

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Signal Media Limited

## Independent Auditor's Report

To the Members of Signal Media Limited

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### Opinion

We have audited the financial statements of Signal Media Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

We draw your attention to note 23 which relates to the acquisition of Kelp Inc. The consideration includes contingent consideration. The contingent consideration includes judgement and estimation uncertainty, as noted in note 2. Due to this, the value of this deferred consideration could materially change. Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# Signal Media Limited

## Independent Auditor's Report (Continued)

### To the Members of Signal Media Limited

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#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

# Signal Media Limited

## Independent Auditor's Report (Continued)

### To the Members of Signal Media Limited

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Signal Media Limited

## Independent Auditor's Report (Continued)

### To the Members of Signal Media Limited

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#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Ryan Day (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

1 September 2023

**Chartered Accountants**  
**Statutory Auditor**

Charlotte Building  
17 Gresse Street  
London  
W1T 1QL

# Signal Media Limited

## Group Profit and Loss Account

For the year ended 31 March 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	19,010,905	14,376,456
Cost of sales		(2,495,705)	(2,234,688)
<b>Gross profit</b>		<u>16,515,200</u>	<u>12,141,768</u>
Administrative expenses		(35,378,658)	(26,269,798)
Other operating income		-	4,425
Exceptional item	<b>4</b>	(929,675)	(120,974)
<b>Operating loss</b>		<u>(19,793,133)</u>	<u>(14,244,579)</u>
Interest receivable and similar income	<b>8</b>	231	320
Interest payable and similar expenses		(668,916)	(394,777)
Fair value gains and losses	<b>9</b>	(41,437)	-
<b>Loss before taxation</b>		<u>(20,503,255)</u>	<u>(14,639,036)</u>
Tax on loss	<b>10</b>	1,647,245	1,121,400
<b>Loss for the financial year</b>		<u><u>(18,856,010)</u></u>	<u><u>(13,517,636)</u></u>

Loss for the financial year is all attributable to the owners of the parent company.

# Signal Media Limited

## Group Statement of Comprehensive Income

For the year ended 31 March 2023

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	2023 £	2022 £
<b>Loss for the year</b>	(18,856,010)	(13,517,636)
<b>Other comprehensive income</b>		
Currency translation differences	(395,367)	(373,816)
<b>Total comprehensive income for the year</b>	<u>(19,251,377)</u>	<u>(13,891,452)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# Signal Media Limited

## Group Balance Sheet

As at 31 March 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		2,495,112		-
Other intangible assets	11		3,500		10,500
			<u>2,498,612</u>		<u>10,500</u>
Total intangible assets			2,498,612		10,500
Tangible assets	12		234,659		182,641
			<u>2,733,271</u>		<u>193,141</u>
<b>Current assets</b>					
Debtors	16	11,192,952		5,325,607	
Cash at bank and in hand		7,651,947		19,566,840	
			<u>18,844,899</u>	<u>24,892,447</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(18,244,584)</u>		<u>(10,805,990)</u>	
<b>Net current assets</b>			<u>600,315</u>		<u>14,086,457</u>
<b>Total assets less current liabilities</b>			<u>3,333,586</u>		<u>14,279,598</u>
<b>Creditors: amounts falling due after more than one year</b>	18		<u>(9,053,022)</u>		<u>(1,041,667)</u>
<b>Net (liabilities)/assets</b>			<u><u>(5,719,436)</u></u>		<u><u>13,237,931</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		1,039		1,011
Share premium account			66,038,827		65,744,845
Profit and loss reserves			<u>(71,759,302)</u>		<u>(52,507,925)</u>
<b>Total equity</b>			<u><u>(5,719,436)</u></u>		<u><u>13,237,931</u></u>

The financial statements were approved by the board of directors and authorised for issue on 1 September 2023 and are signed on its behalf by:

D Benigson  
Director

# Signal Media Limited

## Company Balance Sheet

As at 31 March 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		3,500		10,500
Tangible assets	12		162,254		158,378
Investments	13		9		7
			<u>165,763</u>		<u>168,885</u>
<b>Current assets</b>					
Debtors	16	19,653,819		11,914,226	
Cash at bank and in hand		7,137,943		18,982,705	
		<u>26,791,762</u>		<u>30,896,931</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(13,921,612)</u>		<u>(8,917,553)</u>	
<b>Net current assets</b>			<u>12,870,150</u>		<u>21,979,378</u>
<b>Total assets less current liabilities</b>			13,035,913		22,148,263
<b>Creditors: amounts falling due after more than one year</b>	18		<u>(8,065,951)</u>		<u>(1,041,667)</u>
<b>Net assets</b>			<u>4,969,962</u>		<u>21,106,596</u>
<b>Capital and reserves</b>					
Called up share capital	22		1,039		1,011
Share premium account			66,038,827		65,744,845
Profit and loss reserves			<u>(61,069,904)</u>		<u>(44,639,260)</u>
<b>Total equity</b>			<u>4,969,962</u>		<u>21,106,596</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £16,979,106 (2022: £12,081,485).

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

The financial statements were approved by the board of directors and authorised for issue on 1 September 2023 and are signed on its behalf by:

D Benigson  
Director

Company Registration No. 08468207

# Signal Media Limited

## Group Statement of Changes in Equity

For the year ended 31 March 2023

	Notes	Share capital £	Share premium account £	Equity reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021</b>		784	34,606,794	1,143,019	(38,616,473)	(2,865,876)
<b>Year ended 31 March 2022:</b>						
Loss for the year		-	-	-	(13,517,636)	(13,517,636)
Other comprehensive income:						
Currency translation differences		-	-	-	(373,816)	(373,816)
Total comprehensive income for the year		-	-	-	(13,891,452)	(13,891,452)
Issue of share capital	22	227	31,138,051	-	-	31,138,278
Conversion of loan to shares	22	-	-	(1,143,019)	-	(1,143,019)
<b>Balance at 31 March 2022</b>		1,011	65,744,845	-	(52,507,925)	13,237,931
<b>Year ended 31 March 2023:</b>						
Loss for the year		-	-	-	(18,856,010)	(18,856,010)
Other comprehensive income:						
Currency translation differences		-	-	-	(395,367)	(395,367)
Total comprehensive income for the year		-	-	-	(19,251,377)	(19,251,377)
Issue of share capital	22	28	293,982	-	-	294,010
<b>Balance at 31 March 2023</b>		1,039	66,038,827	-	(71,759,302)	(5,719,436)

# Signal Media Limited

## Company Statement of Changes in Equity

For the year ended 31 March 2023

	Notes	Share capital £	Share premium account £	Equity reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021</b>		784	34,606,794	1,143,019	(32,557,775)	3,192,822
<b>Year ended 31 March 2022:</b>						
Loss and total comprehensive income for the year		-	-	-	(12,081,485)	(12,081,485)
Issue of share capital	22	227	31,138,051	-	-	31,138,278
Conversion of loan to shares	22	-	-	(1,143,019)	-	(1,143,019)
<b>Balance at 31 March 2022</b>		1,011	65,744,845	-	(44,639,260)	21,106,596
<b>Year ended 31 March 2023:</b>						
Loss and total comprehensive income for the year		-	-	-	(16,430,644)	(16,430,644)
Issue of share capital	22	28	293,982	-	-	294,010
<b>Balance at 31 March 2023</b>		1,039	66,038,827	-	(61,069,904)	4,969,962

# Signal Media Limited

## Group Statement of Cash Flows

For the year ended 31 March 2023

	Notes	2023		2022	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	26	(17,781,276)		(12,048,941)	
R&D tax rebate		1,089,707		1,041,151	
<b>Net cash outflow from operating activities</b>		<b>(16,691,569)</b>		<b>(11,007,790)</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(209,306)		(106,894)	
Proceeds on disposal of tangible fixed assets		3,132		16,854	
Purchase of subsidiary		(2,896,377)		-	
Cash acquired from subsidiary		389,620		-	
Interest received		231		320	
<b>Net cash used in investing activities</b>		<b>(2,712,700)</b>		<b>(89,720)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		294,010		26,328,797	
Interest paid		(650,823)		(319,482)	
Proceeds from borrowings		10,040,093		-	
Repayment of borrowings		(1,875,000)		(625,000)	
<b>Net cash generated from financing activities</b>		<b>7,808,280</b>		<b>25,384,315</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(11,595,989)</b>		<b>14,286,805</b>	
Cash and cash equivalents at beginning of year		19,566,840		5,652,253	
Effect of foreign exchange rates		(318,904)		(372,218)	
<b>Cash and cash equivalents at end of year</b>		<b>7,651,947</b>		<b>19,566,840</b>	

# Signal Media Limited

## Notes to the Financial Statements

For the year ended 31 March 2023

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### 1 Accounting policies

#### Company information

Signal Media Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1st Floor Sackville House, 143-149 Fenchurch Street, London, EC3M 6BN.

The group consists of Signal Media Limited and all of its subsidiaries.

#### 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.

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, modified to include the valuation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Signal Media Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### 1.3 Going concern

Notwithstanding a loss for the year ended of £18,856,010 (2022: £13,517,636), which has resulted in the prior year closing net asset position of £13,237,931 to become a deficit of £5,719,436, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group had a cash balance of £7,561,947 (2022: £19,566,840) at the balance sheet date. The directors have prepared various cash flow forecasts for a period of 12 months from the date of approval of these financial statements which range from best case scenario to worst case scenario. These are based on different revenue growths and any cost cutting measures which would be required. The Group drew down the final amount of tranche one of \$5m on their existing loan facility at the beginning of August 2023 and the group still have an additional \$15m availability in tranche two to draw down in the future. Although the Group continues to be loss making post year end, the level of cash reserves as well as tranche two loan facility available will enable it to continue to meet its liabilities as they fall due for at least the next twelve months.

The Group does not have a high level of fixed costs, and has already taken steps in the year to reduce costs to minimise the impact of any potential risks. Due to the economy, if there is any further negative impact, a cost deferral and reduction plan will be put in place in order to further minimise the impact of any potential risks.

As a result the directors are confident that they have the ability to respond effectively to continued uncertainty and as a result, the directors believe that the Group will be able to continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements. Consequently the financial statements have been prepared on a going concern basis.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion.

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### 1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Software	5 years straight line
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#### 1.8 Tangible fixed assets

Tangible fixed assets 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 recognised in the profit and loss account.

#### 1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### **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 profit or loss.

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 profit or loss.

#### **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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### 1.13 Equity instruments

Equity instruments issued by the group 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 group.

#### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### 1.17 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

#### 1.18 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 leased asset are consumed.

#### 1.19 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 in the period are included in profit or loss.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### **2 Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Revenue Recognition***

Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using the contract and the time spent to date. Estimates of the total time required to undertake the contracts are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

#### ***Depreciation***

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### ***Intercompany loans***

The company is owed £10,106,172 from its subsidiaries both of which, as shown in note 15 of the financial statements, have reported a loss in their financial statements and have net liabilities at the balance sheet date. The directors' judgement is that these loans are recoverable in full as these are expected losses which are necessary to scale up in these markets in order to deliver future EBITDA. Although there would be no impact on the consolidated financial statements if the judgement on the recoverability of these amounts changed this would have a material effect on the income statement and balance sheet of the company.

#### ***Derivatives***

The company enters into derivative financial instruments (foreign currency forward contracts) in the course of its business. These derivatives are revalued to their estimated fair value at each financial year end. The directors use trading rates available to the group at each reporting date to estimate fair value. The accounting policy for derivative financial instruments is disclosed in note 1.12. The fair value of the financial instruments is disclosed in note 16.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### **Deferred consideration**

The cost of business combinations for Kelp Inc includes an estimated amount of contingent consideration, based on the annual recurring revenue, that is probable and can be measured reliable, and is adjusted for changed in contingent consideration after the acquisition date. The measurement of estimated consideration payable is based on forecasts and changed to actual performance has the potential to cause material adjustments to the financial statements.

### 3 Turnover and other revenue

	2023	2022
	£	£
<b>Other significant revenue</b>		
Interest income	231	320

### 4 Exceptional item

	2023	2022
	£	£
<b>Expenditure</b>		
Legal fees in relation to certain legal advice and severance pay	929,675	120,974
	929,675	120,974

### 5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	19,000	15,800
Audit of the financial statements of the company's subsidiaries	10,500	7,000
	29,500	22,800
<b>For other services</b>		
Taxation compliance services	2,750	2,500
All other non-audit services	7,755	7,000
	10,505	9,500

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 6 Employees

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

	<b>Group 2023 Number</b>	<b>2022 Number</b>	<b>Company 2023 Number</b>	<b>2022 Number</b>
	224	184	168	147
	<u>224</u>	<u>184</u>	<u>168</u>	<u>147</u>

Their aggregate remuneration comprised:

	<b>Group 2023 £</b>	<b>2022 £</b>	<b>Company 2023 £</b>	<b>2022 £</b>
Wages and salaries	20,992,344	15,971,435	15,585,835	12,284,330
Social security costs	2,606,556	1,727,946	2,003,530	1,460,297
Pension costs	814,670	384,822	644,317	373,739
	<u>24,413,570</u>	<u>18,084,203</u>	<u>18,233,682</u>	<u>14,118,366</u>

### 7 Directors' remuneration

	<b>2023 £</b>	<b>2022 £</b>
Remuneration for qualifying services	301,038	352,865
Company pension contributions to defined contribution schemes	3,961	4,442
	<u>304,999</u>	<u>357,307</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	<b>2023 £</b>	<b>2022 £</b>
Remuneration for qualifying services	222,103	225,231
	<u>222,103</u>	<u>225,231</u>

### 8 Interest receivable and similar income

	<b>2023 £</b>	<b>2022 £</b>
<b>Interest income</b>		
Interest on bank deposits	231	320
	<u>231</u>	<u>320</u>

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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<b>8 Interest receivable and similar income</b>	<b>(Continued)</b>	
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	231	320
	<u>          </u>	<u>          </u>
<b>9 Fair value gains and losses</b>	<b>2023</b>	<b>2022</b>
	£	£
<b>Fair value gains/(losses) on financial instruments</b>		
Loss on fair value forward contracts	(41,437)	-
	<u>          </u>	<u>          </u>
<b>10 Taxation</b>	<b>2023</b>	<b>2022</b>
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	(1,611,571)	(1,121,400)
Adjustments in respect of prior periods	(62,770)	-
	<u>          </u>	<u>          </u>
Total UK current tax	(1,674,341)	(1,121,400)
	<u>          </u>	<u>          </u>
Foreign current tax on profits for the current period	27,096	-
	<u>          </u>	<u>          </u>
Total current tax	(1,647,245)	(1,121,400)
	<u>          </u>	<u>          </u>

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# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 10 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Loss before taxation	(20,503,255)	(14,639,036)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)</i>	(3,895,618)	(2,781,417)
Tax effect of expenses that are not deductible in determining taxable profit	49,199	48,466
Tax effect of income not taxable in determining taxable profit	(32,814)	-
Research and development tax credit	(1,687,154)	(1,129,617)
Effect of overseas tax rates	513,449	279,525
Under/(over) provided in prior years	(62,771)	-
Fixed asset differences	(7,489)	(5,066)
Other permanent difference	(200,919)	-
Remeasurement of deferred tax for changes in tax rate	(846,311)	-
Additional deduction for R&D expenditure	(1,249,556)	(836,628)
Surrender of tax losses for R&D tax credit refund	2,210,754	1,480,188
Change in unrecognised deferred tax assets	3,561,985	1,823,149
Taxation credit	(1,647,245)	(1,121,400)

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 11 Intangible fixed assets

<b>Group &amp; Company</b>	<b>Goodwill</b>	<b>Software</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2022	-	35,000	35,000
Additions	2,760,221	-	2,760,221
Exchange adjustments	(79,659)	-	(79,659)
	<u>2,680,562</u>	<u>35,000</u>	<u>2,715,562</u>
At 31 March 2023	2,680,562	35,000	2,715,562
<b>Amortisation and impairment</b>			
At 1 April 2022	-	24,500	24,500
Amortisation charged for the year	187,840	7,000	194,840
Exchange adjustments	(2,390)	-	(2,390)
	<u>185,450</u>	<u>31,500</u>	<u>216,950</u>
At 31 March 2023	185,450	31,500	216,950
<b>Carrying amount</b>			
At 31 March 2023	<u>2,495,112</u>	<u>3,500</u>	<u>2,498,612</u>
At 31 March 2022	<u>-</u>	<u>10,500</u>	<u>10,500</u>

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 12 Tangible fixed assets

Group	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 April 2022	3,681	560,460	564,141
Additions	2,751	206,555	209,306
Disposals	-	(29,359)	(29,359)
Exchange adjustments	(34)	3,852	3,817
At 31 March 2023	6,398	741,507	747,905
<b>Depreciation and impairment</b>			
At 1 April 2022	1,681	379,819	381,500
Depreciation charged in the year	3,207	153,383	156,590
Eliminated in respect of disposals	-	(27,854)	(27,854)
Exchange adjustments	(16)	3,027	3,011
At 31 March 2023	4,872	508,375	513,247
<b>Carrying amount</b>			
At 31 March 2023	1,526	233,133	234,659
At 31 March 2022	2,000	180,641	182,641
<b>Company</b>			
	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 April 2022	3,681	477,517	481,198
Additions	-	131,386	131,386
Disposals	-	(29,359)	(29,359)
At 31 March 2023	3,681	579,544	583,225
<b>Depreciation and impairment</b>			
At 1 April 2022	1,681	321,139	322,820
Depreciation charged in the year	2,000	124,005	126,005
Eliminated in respect of disposals	-	(27,854)	(27,854)
At 31 March 2023	3,681	417,290	420,971
<b>Carrying amount</b>			
At 31 March 2023	-	162,254	162,254
At 31 March 2022	2,000	156,378	158,378

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 13 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	14	-	-	9	7

#### Movements in fixed asset investments

##### Company

##### Cost or valuation

	Shares in subsidiaries £
At 1 April 2022	7
Additions	2
At 31 March 2023	9
<b>Carrying amount</b>	
At 31 March 2023	9
At 31 March 2022	7

### 14 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Signal Media Intelligence Inc.	1	Ordinary	100.00
Signal Limited	2	Ordinary	100.00
Kelp Inc	3	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 - Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801

2 - Unit B, 17/F, United Centre, 95 Queensway, Admiralty, Hong Kong

3 - 109 Cabot Sq, Newton, MA 02458 USA

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 14 Subsidiaries (Continued)

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Signal Media Intelligence Inc.	(9,655,698)	(588,283)
Signal Limited	(272,965)	(1,684,473)
Kelp Inc	(428,252)	35,229

### 15 Financial instruments

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	3,594,960	3,169,894	12,308,083	9,785,270
Instruments measured at fair value through profit or loss	4,608,906	-	4,608,906	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	4,650,343	-	4,650,343	-
Measured at amortised cost	12,961,198	10,165,114	8,654,543	8,297,128
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. At 31 March 2023, the outstanding contracts all mature less than 12 months after the year end (2022: nil). The company is committed to sell US \$5,500,000 and receive a fixed sterling amount.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD. The fair value of the forward-foreign currency contracts is £4,650,343 (2022: nil), with a change in fair value loss of £172,707 (2022: nil) recognised in profit and loss.

The change in fair value of the hedged item, the foreign currency receivable, has resulted in a fair value gain of £131,270 (2022: nil) recognised in profit and loss.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 16 Debtors

	Group 2023	2022	Company 2023	2022
Amounts falling due within one year:	£	£	£	£
Trade debtors	3,583,557	3,154,410	2,190,514	2,192,722
Corporation tax recoverable	1,687,154	1,129,617	1,687,154	1,129,617
Amounts owed by group undertakings	-	-	10,106,172	7,581,050
Derivative financial instruments	4,608,906	-	4,608,906	-
Other debtors	11,403	15,484	11,397	11,498
Prepayments and accrued income	1,301,932	1,026,096	1,049,676	999,339
	<u>11,192,952</u>	<u>5,325,607</u>	<u>19,653,819</u>	<u>11,914,226</u>

There are £42.6m (2022: £28.3m) of losses carried forward upon which there is no deferred tax asset recognised.

### 17 Creditors: amounts falling due within one year

	Group 2023	2022	Company 2023	2022
Notes	£	£	£	£
Other borrowings	19	-	833,333	-
Deferred consideration		987,071	-	-
Trade creditors		832,869	631,418	810,718
Amounts owed to group undertakings		-	-	130,193
Other taxation and social security		633,043	640,876	616,726
Derivative financial instruments		4,650,343	-	4,650,343
Other creditors		134,174	169,292	134,174
Accruals and deferred income		11,007,084	8,531,071	7,579,458
		<u>18,244,584</u>	<u>10,805,990</u>	<u>13,921,612</u>
		<u>18,244,584</u>	<u>10,805,990</u>	<u>8,917,553</u>

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Other borrowings	16	8,065,951	1,041,667	8,065,951	1,041,667
Deferred consideration		987,071	-	-	-
		<u>8,065,951</u>	<u>1,041,667</u>	<u>8,065,951</u>	<u>1,041,667</u>

There are warrant instruments attached to the other borrowings. The warrant instruments are attached to the \$10m drawn down by the year end plus the remaining amount per the loan agreement. The warrant instruments are exercisable by the loan holder prior to the expiration date and have no conditions attached to them. The warrants instruments give the holders the right to receive a fixed amount of the A Ordinary shares based on the amount of loan drawn down.

### 19 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Other borrowings	9,053,022	1,875,000	8,065,951	1,875,000
Deferred consideration	1,974,142	-	-	-
	<u>10,040,093</u>	<u>1,875,000</u>	<u>8,065,951</u>	<u>1,875,000</u>
Payable within one year	987,071	833,333	-	833,333
Payable after one year	9,053,022	1,041,667	8,065,951	1,041,667
	<u>9,053,022</u>	<u>1,041,667</u>	<u>8,065,951</u>	<u>1,041,667</u>

These long term loans are secured by way of fixed and floating charges over all assets and undertakings of Signal Media Limited.

Included in other borrowings is deferred consideration in relation to the acquisition of Kelp Inc.

### 20 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	814,670	384,822
	<u>814,670</u>	<u>384,822</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

21 Share-based payment transactions Group and company	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 April 2022	15,345,711	17,395,011	0.05	0.05
Granted	7,746,296	-	0.58	-
Forfeited	(514,094)	(670,293)	0.11	0.12
Exercised	(2,595,830)	-	0.11	-
Expired	-	(1,379,007)	-	0.01
Outstanding at 31 March 2023	<u>19,982,083</u>	<u>15,345,711</u>	<u>0.25</u>	<u>0.05</u>
Exercisable at 31 March 2023	<u>6,706,141</u>	<u>1,250,000</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 March 2023 had an exercise price ranging from £0.00001 to £1.01, and an average remaining contractual life of 7 years.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioral considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

No share based payment charge has been recognised on the grounds that the charge is immaterial.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 22 Share capital

	Group and company	
	2023	2022
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,300,196 A Ordinary Shares of £0.00001 each	103	101
4,782,837 B Ordinary Shares of £0.00001 each	48	22
1,629,532 C Ordinary Shares of £0.00001 each	19	19
6,131,500 Seed Shares of £0.00001 each	61	61
	<u>228</u>	<u>203</u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
41,650,200 A Preferred Shares of £0.00001 each	417	417
18,117,804 B Preferred Shares of £0.00001 each	181	181
20,963,769 C Preferred Shares of £0.00001 each	210	210
	<u>808</u>	<u>808</u>

During the year, 175,596 A Ordinary shares with a nominal value of £1.76 were issued as part of the acquisition of Kelp Inc.

During the year, 2,595,830 B Ordinary Shares with a nominal value ranging between £0.12 and £10.55 were issued for consideration of £294,008.

The A Ordinary Shares rank pari-passu in all respects. Seed and A Ordinary Shares entitle the holders to attend and speak at general meetings, as well as vote at all general meetings and on all written resolutions. The B Ordinary Shares entitle the holders to attend and speak at general meetings, however they may not vote unless the vote pertains to the modification of share rights. The C Ordinary Shares and Deferred Shares do not entitle holders to attend or speak at general meetings of the company nor do they hold any voting rights.

### 23 Acquisition of a business

On 22 July 2022 the group acquired 100% of the issued capital of Kelp Inc.

	Book Value	Adjustments	Fair Value
	£	£	£
<b>Net assets acquired</b>			
Trade and other receivables	83,056	-	83,056
Cash and cash equivalents	389,620	-	389,620
Trade and other payables	(336,518)	-	(336,518)
Total identifiable net assets	<u>136,158</u>	<u>-</u>	<u>136,158</u>
Goodwill			<u>2,760,221</u>
Total consideration			<u>2,896,379</u>

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 23 Acquisition of a business (Continued)

The consideration was satisfied by: £

Cash	702,286
Deferred consideration	2,194,093
	<u>2,896,379</u>

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition: £

Turnover	360,691
Loss after tax	(588,283)
	<u>                    </u>

The net assets and goodwill calculated above are based on the retranslation of the consideration paid and payable and the net assets at acquisition date. In note 9, the goodwill is subsequently retranslated at the year end rate.

### 24 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	£	£	£	£
Within one year	1,145,952	822,859	654,013	609,006
Between two and five years	1,031,231	-	-	-
	<u>2,177,183</u>	<u>822,859</u>	<u>654,013</u>	<u>609,006</u>

### 25 Controlling party

As at 31 March 2023, there was no single ultimate controlling party.

# Signal Media Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 26 Cash generated from group operations

	2023 £	2022 £
Loss for the year after tax	(18,856,010)	(13,517,636)
Adjustments for:		
Taxation credited	(1,010,091)	(1,121,400)
Finance costs	650,823	394,777
Investment income	(231)	(320)
Gain on disposal of tangible fixed assets	(1,627)	(14,496)
Amortisation and impairment of intangible assets	194,840	7,000
Depreciation and impairment of tangible fixed assets	156,590	152,735
Fair value of gains and losses	41,437	-
Movements in working capital:		
(Increase) in debtors	(635,939)	(901,627)
Increase in creditors	2,268,831	2,955,034
<b>Cash absorbed by operations</b>	<b>(17,191,377)</b>	<b>(12,045,933)</b>

### 27 Analysis of changes in net funds/(debt) - group

	1 April 2022 £	Cash flows £	Market value 31 March 2023 movements £	
Cash at bank and in hand	19,566,840	(11,914,893)	-	7,651,947
Borrowings excluding overdrafts	(1,875,000)	(8,147,000)	(18,093)	(10,040,093)
	<u>17,691,840</u>	<u>(20,061,893)</u>	<u>(18,093)</u>	<u>(2,388,146)</u>

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.