

UNAUDITED FINANCIAL  
STATEMENTS  
FOR THE PERIOD ENDED  
30 JUNE 2019

ACCELERATE GROUP  
LIMITED



**MENZIES**  
BRIGHTER THINKING

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# ACCELERATE GROUP LIMITED

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## COMPANY INFORMATION

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**Directors**

M Smith  
M Goodchild  
B Charlesworth  
S Shah  
P Stephenson

**Registered number**

11424356

**Registered office**

Lawrence House  
45 High Street  
Egham  
TW20 9DP

**Accountants**

Menzies LLP  
Chartered Accountants  
Ashcombe House  
5 The Crescent  
Leatherhead  
Surrey  
KT22 8DY

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# ACCELERATE GROUP LIMITED

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# ACCELERATE GROUP LIMITED

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## CHAIRMAN'S REPORT FOR THE PERIOD ENDED 30 JUNE 2019

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The chairman presents his report on the financial statements for the period ended 30 June 2019.

Following the acquisition of the Webtrends Optimize business from Webtrends Inc. in August 2018, these financial statements show a loss in the first accounting period of £901,479.

Subsequent to the collation of these financial statements, Accelerate Group Limited were successful in an R&D tax relief claim of £184,548, effectively reducing that first-year loss to £716,931.

Accelerate Group Limited had forecast a loss of c.£1m for the first-year trading following the acquisition due to the 'extraordinary costs' (acquisition/separation), office relocation & associated works required and an expected lower than 'normal' renewal rate in the first 6 months (due to the disruption/period of uncertainty for clients prior to the acquisition).

Renewals stabilised a little quicker than anticipated however and the 'extraordinary costs' were slightly lower than originally forecast. A top-level overview of the key items/costs are outlined below:

- Legal Fees incurred in relation to the acquisition of the Webtrends Optimize business
- Separation of the Technology stack from Webtrends Inc. where existing infrastructure had been shared.
- HR and similar costs including TUPE (existing FTE), recruitment (scale-up) & conversion (contractor to FTE)
- Bad debt provisions were made for two clients (of which some was partially recovered post year end).
- Amortisation of goodwill which is made up of our customer base, trademarks and software development costs.
- On review of the customer base acquired on acquisition it was determined that an impairment adjustment of £210,673 was required at 30 June 2019.

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



M Smith  
Director

Date: 11 March 2020

Lawrence House  
45 High Street  
Egham  
TW20 9DP

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# ACCELERATE GROUP LIMITED

REGISTERED NUMBER:11424356

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## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

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	Note	2019 £
<b>Fixed assets</b>		
Intangible assets	5	923,904
Tangible assets	6	44,174
		<u>968,078</u>
<b>Current assets</b>		
Debtors: amounts falling due after more than one year	7	1,350
Debtors: amounts falling due within one year	7	248,865
		<u>250,215</u>
Creditors: amounts falling due within one year	8	(1,647,232)
<b>Net current liabilities</b>		<u>(1,397,017)</u>
<b>Total assets less current liabilities</b>		<u>(428,939)</u>
Creditors: amounts falling due after more than one year	9	(472,440)
<b>Net liabilities</b>		<u><u>(901,379)</u></u>

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# ACCELERATE GROUP LIMITED

REGISTERED NUMBER: 11424356

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## STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2019

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	Note	2019 £
<b>Capital and reserves</b>		
Allotted, called up and fully paid share capital		75
Capital redemption reserve		25
Profit and loss account		(901,479)
		<u>(901,379)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings 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 by:



**M Smith**  
Director

Date: 5 September 2019

The notes on pages 4 to 8 form part of these financial statements.

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# ACCELERATE GROUP LIMITED

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## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

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	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(901,479)	(901,479)
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	(901,479)	(901,479)
Purchase of own shares	-	25	-	25
Shares issued during the period	100	-	-	100
Shares cancelled during the period	(25)	-	-	(25)
<b>Total transactions with owners</b>	<b>75</b>	<b>25</b>	<b>-</b>	<b>100</b>
<b>At 30 June 2019</b>	<b>75</b>	<b>25</b>	<b>(901,479)</b>	<b>(901,379)</b>

The notes on pages 4 to 8 form part of these financial statements.

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# ACCELERATE GROUP LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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### 1. General information

Accelerate Group Limited is a private company limited by shares and incorporated in England and Wales. The address of the registered office is given in the company information page of these financial statements.

### 2. Going concern

At 30 June 2019 the statement of financial position reports net liabilities of £901,379. The company is carefully managing cash flow and is reliant upon the continued support of its directors and key creditors, who confirm their continued financial support of the company.

In addition to this, the sales pipeline is also looking very healthy and market feedback is extremely positive with bookings on the horizon. The directors are also actively seeking investment to further support sales and new business to get the company back to profitability by the 3rd quarter of financial year 2020.

The directors therefore consider it appropriate to prepare the accounts on a going concern basis.

### 3. Accounting policies

#### 3.1 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 following principal accounting policies have been applied:

#### 3.2 Revenue

Revenue is derived from the provision of a product only license (SAAS) of the Webtrends Optimize software and the provision of service to support Conversion Optimisation programmes. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Where invoices are raised in advance of the service being carried out, revenue is spread over the duration of the contracted period. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### 3.3 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. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, estimated to be 3 years.

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.



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# ACCELERATE GROUP LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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### 3. Accounting policies (continued)

#### 3.4 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 income and retained earnings 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.

#### 3.5 Intangible assets

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

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:

Customer base	-	3	years
Trademarks	-	5	years
Software development	-	3	years

#### 3.6 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Short-term leasehold property	-	3 years straight line
Office equipment	-	4 years straight line
Computer equipment	-	3 years straight line

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 income and retained earnings.

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# ACCELERATE GROUP LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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### 3. Accounting policies (continued)

#### 3.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### 3.8 Financial instruments

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

### 4. Employees

The average monthly number of employees, including directors, during the period was 24.

### 5. Intangible assets

	Customer base £	Trademarks £	Software development £	Total £
<b>Cost</b>				
Additions	388,774	381,105	553,367	1,323,246
At 30 June 2019	388,774	381,105	553,367	1,323,246
<b>Amortisation</b>				
Charge for the year	118,800	69,869	-	188,669
Impairment charge	210,673	-	-	210,673
At 30 June 2019	329,473	69,869	-	399,342
<b>Net book value</b>				
At 30 June 2019	59,301	311,236	553,367	923,904

# ACCELERATE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

### 6. Tangible fixed assets

	Short-term leasehold property £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
Additions	45,560	4,677	4,097	54,334
At 30 June 2019	45,560	4,677	4,097	54,334
<b>Depreciation</b>				
Charge owned for the period	8,597	542	1,021	10,160
At 30 June 2019	8,597	542	1,021	10,160
<b>Net book value</b>				
At 30 June 2019	36,963	4,135	3,076	44,174

### 7. Debtors

	2019 £
<b>Due after more than one year</b>	
Other debtors	1,350
	1,350
	2019 £
<b>Due within one year</b>	
Trade debtors	244,418
Prepayments and accrued income	4,447
	248,865

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# ACCELERATE GROUP LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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### 8. Creditors: Amounts falling due within one year

	2019 £
Bank overdrafts	11,611
Trade creditors	153,176
Other taxation and social security	408,813
Other creditors	556,500
Accruals and deferred income	517,132
	<u>1,647,232</u>

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

	2019 £
Other loans	472,440
	<u>472,440</u>

### 10. Commitments under operating leases

At 30 June 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £
Not later than 1 year	40,501
Later than 1 year and not later than 5 years	68,743
	<u>109,244</u>