

Venda Limited

Annual Report and Financial Statements

Year Ended

31 December 2017

Company Number 04244828

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Venda Limited

Company Information

| | |
|----------------------------|--|
| Directors | D J Hudson Oracle Corporation Nominees Limited |
| Registered Number | 04244828 |
| Registered Office | Oracle Parkway, Thames Valley Park, Reading, Berkshire, RG6 1RA. |
| Independent Auditor | BDO LLP, 55 Baker Street, London, W1U 7EU. |

Venda Limited

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Venda Limited

Strategic Report for the Year Ended 31 December 2017

Review of the business

The Company provides a multi-tenanted cloud based (Software as a Service) ecommerce platform.

The Company's business model is based around maintaining its base of recurring contracted revenues through securing long-term contracts with national and international retailers. These contracts typically run for between one and three years, the Company is not actively pursuing new business and revenue streams.

Financial key performance indicators

The board utilises a number of key performance indicators to enable a consistent method of analyzing performance, in addition to allowing the directors to benchmark against similar businesses. The key performance indicators utilized by the board, over the last five years, are as follows:

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|-------------------------|-----------|-------------|-----------|-----------|-----------|
| | £m | (18 Months) | £m | £m | £m |
| Turnover | 6.6 | 11.4 | 17.0 | 13.8 | 13.2 |
| Gross profit | 6.3 | 8.8 | 12.9 | 9.0 | 8.2 |
| Gross profit margin (%) | <u>95</u> | <u>77</u> | <u>76</u> | <u>66</u> | <u>62</u> |

Total revenue decreased by 42% due to the Company no longer actively pursuing new business and revenue streams.

The Company has reported a decrease in the profit on ordinary activities before interest and taxation of £2,608,000 during the year mainly due to the above mentioned decrease in revenue. The company reported an operating loss of £264,000 at 31 December 2017.

Total net assets decreased by £942,000 at 31 December 2017 compared to 31 December 2016 to £4,190,000.

Venda Limited

Strategic Report (continued) for the Year Ended 31 December 2017

Principal risks and uncertainties

As required by law the directors have included within this report a discussion of the principal risks facing the business.

Competitive risk:

On November 7th 2016, Venda Limited was acquired by Oracle Corporation, a company incorporated in Delaware, United States of America through one of its subsidiaries. At the year end the Company's ultimate parent undertaking is Oracle Corporation.

The Company is exposed to risks inherent in the software industry and risk specific to the Company's business model. Those risks include not being competitive in the marketplace and failure to develop technologically advanced products.

Currency, market and price risk:

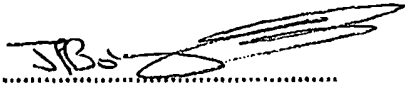
Foreign Currency exchange risk on intercompany balances is monitored at group level. Group rates are reviewed and set each month depending on exchange rate fluctuations.

Price risk is managed by the setting of the service agreements, as described in accounting policy 2.3 on page 12 of the financial statements.

Market Environment:

The deterioration of the global economy and the ongoing difficulties in the financial marketplace could negatively impact the business prospects of a number of our clients. The Company's model is such that the loss of no one customer could ever be material to the business. Despite this, the Company carries out rigorous financial due diligence prior to signing a long-term contract with any potential customer. Management also regularly reviews the aged debt position of the business.

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



John Bolger
For and on behalf of Oracle Corporation Nominees Limited
Director

Date: 20/11/2018

Venda Limited

Directors' Report for the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Principal activity

The Company provides a multi-tenanted cloud based (Software as a Service) ecommerce platform.

Results and dividends

The (loss)/profit for the year, after taxation, amounted to (£942,000) - 2016 - £2,583,000.

The directors do not recommend the payment of a dividend (2016 - £Nil).

Directors

The directors who served during the year were:

D J Hudson
Oracle Corporation Nominees Limited

Venda Limited

Directors' Report (continued) for the Year Ended 31 December 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Non preparation of group financial statements

In accordance with the exemption granted by Section 400 of the Companies Act 2006, the Company does not prepare consolidated financial statements as publicly available consolidated group financial statements are drawn up by the ultimate parent undertaking of the Company. As a result, these accounts present information relating to the Company as an individual undertaking of the Company and do not contain consolidated financial information as the parent of a group. The Company and its subsidiary are included in the consolidated financial statements of Oracle Corporation, a company incorporated in the United States of America with principal place of business being 500 Oracle Parkway, Redwood Shores, California 94065, USA.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



John Bolger
For and on behalf of Oracle Corporation Nominees Limited
Director

Date: 20/11/2018

Venda Limited

Independent auditors' report

TO THE MEMBERS OF VENDA LIMITED

Opinion

We have audited the financial statements of Venda Limited ("the Company") for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Company's affairs as at 31 December 2017 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 Company 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Venda Limited

Independent auditors' report (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or

Venda Limited

Independent auditors' report (continued)

Responsibilities of Directors

As explained more fully in the directors' responsibility 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 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 Company or to cease operations, or have no realistic alternative but to do so.

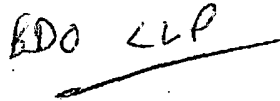
Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone 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.



Andrew Viner (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date 21/11/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Venda Limited

Statement of Comprehensive Income for the Year Ended 31 December 2017

| | Note | 2017 £000 | 2016 £000 |
|--|------|--------------|--------------|
| Turnover | 4 | 6,596 | 11,427 |
| Cost of sales | | (319) | (2,604) |
| Gross profit | | 6,277 | 8,823 |
| Administrative expenses | | (6,541) | (5,666) |
| Share option charge | | - | (813) |
| Operating (loss) / profit | 5 | (264) | 2,344 |
| Interest receivable and similar income | 9 | 30 | 42 |
| Impairment of investment | 12 | (553) | - |
| (Loss) / Profit before tax | | (787) | 2,386 |
| Tax on (loss) / profit | 10 | (155) | 197 |
| (Loss) / Profit for the year | | (942) | 2,583 |

There was no other comprehensive income for 2017 (2016 - £Nil). All amounts relate to continuing operations.

The notes on pages 11 to 23 form part of these financial statements.

Venda Limited
Registered number: 04244828

Statement of Financial Position
as at 31 December 2017

| | Note | 2017 £000 | 2017 £000 | 2016 £000 | 2016 £000 |
|---|------|--------------|--------------|--------------|--------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | 183 | | | 388 |
| Investments | 12 | 365 | | | |
| | | | 548 | | |
| Current assets | | | | | |
| Debtors: amounts falling due within one year | 13 | 1,162 | | 3,305 | |
| Cash at bank and in hand | | 12,928 | | 13,336 | |
| | | | | | |
| | | 14,090 | | 16,641 | |
| Creditors: amounts falling due within one year | 14 | (10,448) | | (11,897) | |
| | | | | | |
| Net current assets | | | 3,642 | | 4,744 |
| Total assets less current liabilities | | | 4,190 | | 5,132 |
| Net assets | | | 4,190 | | 5,132 |
| Capital and reserves | | | | | |
| Called up share capital | 16 | | 2,967 | | 2,967 |
| Share premium account | 17 | | 11,639 | | 11,639 |
| Profit and loss account | 17 | | (10,416) | | (9,474) |
| | | | 4,190 | | 5,132 |

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



John Bolger
For and on behalf of Oracle Corporation Nominees Limited
Director

Date: 20/11/2018

The notes on pages 11 to 23 form part of these financial statements.

Venda Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

| | Called up share capital £000 | Share Premium Account £000 | Profit and loss account £000 | Total equity £000 |
|--|------------------------------------|-------------------------------------|---------------------------------------|-------------------------|
| At 1 January 2017 | 2,967 | 11,639 | (9,474) | 5,132 |
| Comprehensive loss for the year | | | | |
| Loss for the year | - | - | (942) | (942) |
| At 31 December 2017 | 2,967 | 11,639 | (10,416) | 4,190 |

Statement of Changes in Equity for the Year Ended 31 December 2016

| | Called up share capital £000 | Share premium account £000 | Profit and loss account £000 | Total equity £000 |
|--|------------------------------------|-------------------------------------|---------------------------------------|-------------------------|
| At 1 January 2016 | 2,967 | 11,639 | (12,057) | 2,549 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 2,583 | 2,583 |
| At 31 December 2016 | 2,967 | 11,639 | (9,474) | 5,132 |

The notes on pages 11 to 23 form part of these financial statements.

Venda Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1. General information

Venda Limited is a private limited company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

In accordance with the exemption granted by Section 400 of the Companies Act 2006, the Company does not prepare consolidated financial statements as publicly available consolidated group financial statements are drawn up by the ultimate parent undertaking of the Company. As a result, these accounts present information relating to the Company as an individual undertaking and do not contain consolidated financial information as the parent of a group. The Company and its subsidiaries are included in the consolidated financial statements of Oracle Corporation, a company incorporated in the United States of America with principal place of business being 500 Oracle Parkway, Redwood Shores, California 94065, USA.

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

2. Accounting policies (continued)

2.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Where work is completed at the year-end but not invoiced, the group accrues for this income. If amounts have been invoiced in advance for products or services, these amounts are deferred until the product/service has been delivered to the client at which point the income is recognised. Within the group, income is recognised across various streams:

Recurring turnover - a monthly fee is earned from each website hosted by Venda and is recognised on a monthly basis as the service is provided.

Transactional turnover - transactional turnover is earned on credit card transactions through Venda hosted websites on a per transaction basis.

Integration and development - Turnover is recognised upon completion of these projects.

Service turnover - Turnover is recognised when the service is provided.

Termination payments - Where clients request to terminate their contracts prior to the end of the contracted period and a termination payment has been agreed, the group recognises the income over the period of the remaining work to be completed for that client. Where no further services are to be delivered, the payment is reflected on the termination date.

2.4 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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:

| | |
|-------------------------------|---|
| Leasehold improvements | - useful life or lease term, whichever is shorter |
| Fixtures and fittings | - straight line 5 years |
| Computer and office equipment | - straight line 3 years |
| Software | - straight line 3 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Investments

Investments held as fixed assets are shown at cost less provision for impairment. An impairment review is undertaken by the directors if and when there is any evidence that the value of the investment may have been impaired. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use.

2.5 Research and development

Expenditure on pure and applied research is charged to the statement of comprehensive income in the year in which it is incurred.

2.6 Debtors

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

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Creditors

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

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

2.10 Operating leases: the company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.11 Pensions

Defined contribution pension plan

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

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

2.12 Holiday pay accrual

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

2.13 Interest income

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

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

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

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

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

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

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determining the amount of revenue to recognise in respect of project work ongoing at the year end. Factors taken into consideration in assessing the percentage completion of a project include project phases and milestones completed.

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

4. Turnover

Analysis of turnover by geographical market:

| | 2017 £000 | 2016 £000 |
|--------|--------------|---------------|
| Europe | <u>6,596</u> | <u>11,427</u> |

5. Operating (loss) / profit

The operating (loss) / profit is stated after charging:

| | 2017 £000 | 2016 £000 |
|--|--------------|--------------|
| Depreciation of owned tangible fixed assets | 205 | 377 |
| Operating lease rentals | - | 109 |
| Foreign exchange differences on trading activities | 201 | 192 |
| Share based payment charge | <u>-</u> | <u>831</u> |

6. Auditor's remuneration

| | 2017 £000 | 2016 £000 |
|--|--------------|--------------|
| Fees payable to the company's auditor for the audit of the company's annual financial statements | 25 | 53 |
| Fees payable to the company's auditor in respect of: | | |
| Taxation compliance services | - | - |
| All other services | - | 10 |
| | <u>25</u> | <u>63</u> |

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

7. Employees

Staff costs were as follows:

| | 2017 £000 | 2016 £000 |
|-------------------------------------|--------------|--------------|
| Wages and salaries | - | 2,316 |
| Social security costs | - | 351 |
| Cost of defined contribution scheme | - | 85 |
| | <u>-</u> | <u>2,752</u> |

8. Directors' emoluments

Directors are remunerated through the parent company.

9. Interest receivable

| | 2017 £000 | 2016 £000 |
|--|--------------|--------------|
| Interest receivable and similar income | <u>30</u> | <u>42</u> |

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

10. Taxation

| | 2017 £000 | 2016 £000 |
|---|-------------------|---------------------|
| Corporation tax | | |
| Current tax on profits for the year | 155 | 15 |
| Deferred tax | | |
| Origination and reversal of timing differences | 33 | (250) |
| Effect of changes in tax rates | (4) | 38 |
| Total deferred tax | <u>29</u> | <u>(212)</u> |
| Taxation on (loss) / profit on ordinary activities | <u>155</u> | <u>(197)</u> |

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

| | 2017 £000 | 2016 £000 |
|--|-------------------|---------------------|
| (Loss) / Profit on ordinary activities before tax | <u>(787)</u> | <u>2,386</u> |
| (Loss) / Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%) | (151) | 477 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 202 | - |
| Deferred tax not provided | 23 | - |
| Capital allowances in excess of depreciation | - | (125) |
| Movement in short term timing differences | - | (131) |
| Utilisation of tax losses | - | (459) |
| Effects of tax rates/credits | (6) | 41 |
| Foreign tax | 87 | - |
| Total tax charge for the year/period | <u>155</u> | <u>(197)</u> |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Venda Limited

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2017

11. Tangible fixed assets

| | Leasehold improvements £000 | Furniture and fixtures £000 | Office equipment £000 | Computer equipment £000 | Software £000 | Total £000 |
|--------------------------|-----------------------------------|-----------------------------------|-----------------------------|-------------------------------|------------------|---------------|
| Cost or valuation | | | | | | |
| At 1 January 2017 | 10 | 45 | 8 | 1,681 | 69 | 1,813 |
| Additions | - | - | - | - | - | - |
| At 31 December 2017 | 10 | 45 | 8 | 1,681 | 69 | 1,813 |
| Depreciation | | | | | | |
| At 1 January 2017 | 10 | 45 | 8 | 1,304 | 58 | 1,425 |
| Charge | - | - | - | 196 | 9 | 205 |
| At 31 December 2017 | 10 | 45 | 8 | 1,500 | 67 | 1,630 |
| Net book value | | | | | | |
| At 31 December 2017 | - | - | - | 181 | 2 | 183 |
| At 31 December 2016 | - | - | - | 377 | 11 | 388 |

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

12. Investments

| | 2017 £000 | 2016 £000 |
|--|--------------|--------------|
| Cost | | |
| At 1 January | 0 | - |
| Additions during the year: Venda Thailand | 918 | - |
| At 31 May | 918 | - |
| Impairment | | |
| At 1 January | | - |
| Charge for the year | (553) | - |
| At 31 December | (553) | - |
| Carrying Amount | <u>365</u> | <u>-</u> |

Impairment charge

In accordance with IAS 36 'Impairment of assets' the carrying value of a subsidiary at 31 December 2017 has been compared to the recoverable amount. Impairment charge represents the deficit between the carrying value and the recoverable amount at 31 December 2017. The recoverable amount was determined based on the fair market value less cost of disposal of the investment at 31 December 2017.

| Subsidiary undertakings | Country of incorporation | Registered Address | Principal activity | Interest in ordinary shares |
|--|--------------------------|---|--------------------|-----------------------------|
| Venda Software Development Ltd. (Thailand) | Thailand | 87/1, Capital Tower, All Seasons Place, 17 th Floor, Wireless Road, Kwaeng Lumpini, Khet Pathumwan, Bangkok. | Dormant | 99% |

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

13. Debtors

| | 2017 £000 | 2016 £000 |
|------------------------------------|--------------|--------------|
| Due within one year | | |
| Trade debtors | 519 | 1,550 |
| Amounts owed by group undertakings | 192 | 959 |
| Other debtors | 58 | 4 |
| Prepayments and accrued income | 54 | 342 |
| Tax recoverable | 156 | 94 |
| Deferred taxation (note 14) | 183 | 212 |
| Rental deposits | - | 144 |
| | <u>1,162</u> | <u>3,305</u> |

14. Creditors: Amounts falling due within one year

| | 2017 £000 | 2016 £000 |
|------------------------------------|---------------|---------------|
| Trade creditors | 23 | 23 |
| Amounts owed to group undertakings | 9,247 | 7,389 |
| Other taxation and social security | 9 | 229 |
| Other creditors | 1 | 524 |
| Accruals and deferred income | 1,168 | 3,732 |
| | <u>10,448</u> | <u>11,897</u> |

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

15. Deferred taxation

| | 2017 £000 | 2016 £000 |
|------------------------------|-------------------|-------------------|
| Provision at start of period | 212 | - |
| Charged to profit or loss | (29) | 212 |
| At end of year | <u>183</u> | <u>212</u> |

The deferred tax asset is made up as follows:

| | 2017 £000 | 2016 £000 |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | <u>183</u> | <u>212</u> |

16. Share capital

| | 2017 £000 | 2016 £000 |
|--|--------------|--------------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 296,726,500 (296,726,500)- Ordinary shares of £0.01 each | <u>2,967</u> | <u>2,967</u> |

All ordinary shares in issue at 31 December 2017 have full voting and dividend rights.

17. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of any dividends paid and other adjustments.

Venda Limited

Notes to the Financial Statements (continued) for the Year Ended 31 December 2017

18. Pension commitments

The pension cost charge represents contributions payable by the Company to the funds and amounted to £nil (2016 - £85,000). Contributions totalling £nil (2016 - £Nil) were payable to the funds at the year end.

19. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A of Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

20. Controlling party

The Company's ultimate controlling party is Oracle Corporation. Copies of the group accounts are publicly available and can be obtained from Oracle Corporation, 500 Oracle Parkway, Redwood Shores, California, USA, 94065.