

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
DATAFORCE INTERACT HOLDINGS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2019

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DATAFORCE INTERACT HOLDINGS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS:	V Robu J Chhaya
REGISTERED OFFICE:	10 Pondwood Close Moulton Park Industrial Estate Northampton NN3 6DF
REGISTERED NUMBER:	05660005 (England and Wales)
SENIOR STATUTORY AUDITOR:	Sanjeev Phadke
AUDITORS:	Butler & Co LLP Chartered Accountants & Statutory Auditor Third Floor 126-134 Baker Street London W1U 6UE

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

Dataforce Interact Holdings Limited (formerly HOV Global Services Holdings Limited) is a wholly owned subsidiary of DFG UK LLC.

There are two wholly owned subsidiary undertakings principally affecting the profits or net assets of the Group in the year, HOV Global Services Limited and Dataforce Interact Limited.

HOV Global Services Limited is principally engaged in providing specialised outsourced services and software solutions in the motor and healthcare insurance claims handling sector, including:

- first notification of loss;
- third party capture (motor);
- supplier deployment and vehicle repair management;
- investigation, assessment, negotiation and settlement;
- recoveries; and
- software solutions.

Dataforce Interact Limited is principally engaged in the provision of customer communications handling services, including database management; telephone, email and mail response handling; high volume mailing; and fulfilment for a wide range of clients.

The Group strategy is to create a business that is recognised for producing innovative and integrated solutions from concept to delivery.

These objectives can be achieved through:

- providing a multi-channel communication centre that delivers first class service to our clients customers;
- increasing the value that our clients create from their customers through our use of data analytics integrated with operational delivery;
- focusing our business on key market sectors so we can remain in touch with and deliver the specific requirements for each sector; and
- creating long term relationships with our clients through the provision of proactive, innovative solutions to support their marketing activities.

The group strategy is to grow organically by expanding its client base and extending the range of services provided to existing clients. This will be achieved through the effective provision of an integrated range of services by combining our award winning IT solutions with claims handling activities.

ON BEHALF OF THE BOARD:

V Robu - Director

21 December 2020

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

DIRECTORS

V Robu has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows:

V Negi - resigned 20 November 2019

J G Reynolds - resigned 20 November 2019

J Chhaya - appointed 25 November 2019

RISKS AND UNCERTAINTIES

Market Risks

The Group continues to operate in a competitive market with constant pressure on margins. This risk is managed by continuing efforts to improve efficiency and reduce costs. The Group is dependent on relationships with key customers. The Group generally does not have long-term agreements with some of these customers. A number of contracts are due to be renewed on a short to medium term basis and there is a limited exposure to the potential loss of business at the time of each renewal. If any of the top customers significantly reduces the amount of business they place with the Group, the revenue and operating results could be adversely affected.

Competition

The Group operates in a competitive market. If the Group does not continue to compete effectively by continuing to provide a high quality service the Group could lose clients and in consequence operating profits could be adversely affected. The Board has a number of initiatives to improve productivity. These initiatives focus on identifying more efficient ways of working either through process improvements or technological enhancements.

The business of the Group may be vulnerable to new competitors, increased price competition and declining levels of contract renewals. Any of these factors could adversely affect the business and prospects of the Group.

The Group monitors the performance of the business through detailed monthly operational and financial reporting, with comparison to budgets and updated forecasts being routinely made. In addition the Group maintains regular reviews and dialogue with the management of each of the Group's businesses.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS' RESPONSIBILITIES STATEMENT - continued

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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

V Robu - Director

21 December 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DATAFORCE INTERACT HOLDINGS LIMITED

Opinion

We have audited the financial statements of Dataforce Interact Holdings Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 2019 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 Auditors' 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. **The impact of uncertainties** due to the COVID19 pandemic on our audit

Uncertainties related to the effects of COVID-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID-19 is one of the most significant public health, social and economic event and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to COVID19.

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.

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("The going concern period")

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of COVID-19, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company continues in operation.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DATAFORCE INTERACT HOLDINGS LIMITED

Emphasis of matter - Going concern

Material uncertainty related to the entity's ability to operate as a going concern exists. However, the ultimate parent company has provided assurances that it would continue to support the entity as a going concern and meet its liabilities as they fall due as stated in "Going concern policy (note 2) of the financial statements. The audit opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 or the Report of the Directors.

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, 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages three and four, 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DATAFORCE INTERACT HOLDINGS LIMITED**

Auditors' 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 a Report of the Auditors 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 on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

21 December 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
TURNOVER		-	-
Administrative expenses		<u>(101,895)</u>	<u>403,457</u>
OPERATING PROFIT/(LOSS)		<u>101,895</u>	<u>(403,457)</u>
Amounts written off investments	5	<u>1,160,000</u> <u>(1,058,105)</u>	<u>1,160,000</u> <u>(1,563,457)</u>
Interest payable and similar expenses	6	<u>1,107,720</u>	<u>1,107,717</u>
LOSS BEFORE TAXATION		<u>(2,165,825)</u>	<u>(2,671,174)</u>
Tax on loss	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(2,165,825)</u>	<u>(2,671,174)</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
FOR THE YEAR		<u><u>(2,165,825)</u></u>	<u><u>(2,671,174)</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Investments	8		4,769,351		5,929,351
CURRENT ASSETS					
Debtors	9	1		1	
CREDITORS					
Amounts falling due within one year	10	<u>985,537</u>		<u>815,171</u>	
NET CURRENT LIABILITIES			<u>(985,536)</u>		<u>(815,170)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,783,815		5,114,181
CREDITORS					
Amounts falling due after more than one year	11		<u>16,489,729</u>		<u>15,654,270</u>
NET LIABILITIES			<u>(12,705,914)</u>		<u>(10,540,089)</u>
CAPITAL AND RESERVES					
Called up share capital	12		2,467,120		2,467,120
Retained earnings	13		<u>(15,173,034)</u>		<u>(13,007,209)</u>
SHAREHOLDERS' FUNDS			<u>(12,705,914)</u>		<u>(10,540,089)</u>

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 21 December 2020 and were signed on its behalf by:

V Robu - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	2,467,120	(10,336,035)	(7,868,915)
Changes in equity			
Total comprehensive income	-	(2,671,174)	(2,671,174)
Balance at 31 December 2018	<u>2,467,120</u>	<u>(13,007,209)</u>	<u>(10,540,089)</u>
Changes in equity			
Total comprehensive income	-	(2,165,825)	(2,165,825)
Balance at 31 December 2019	<u>2,467,120</u>	<u>(15,173,034)</u>	<u>(12,705,914)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. STATUTORY INFORMATION

Dataforce Interact Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a consistent basis in accordance with applicable Accounting Standard in the United Kingdom. A summary of the principal accounting policies is set out below.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Going concern

The financial statements have been prepared on a going concern basis on the assumption that the company will continue to trade in the foreseeable future. The Company Directors having made appropriate enquiries consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future and with the continued support of the company's shareholder, the company will be able to meet its liabilities as they fall due for payment.

The directors have received confirmation from the ultimate parent company that they will continue to enable the company to meet its liabilities as they fall due. Therefore, the directors are of the opinion that it is appropriate to adopt the going concern basis in preparing the financial statements.

Since the financial year end, there are uncertainties relating to COVID19 pandemic which may impact on recoverability of the investments and debtors. No provisions have been made in the financial statements.

Group accounts

The financial statements contain information relating to Dataforce Interact Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a sub group. In accordance with s400 of the Companies Act 2006, consolidated financial statements have not been prepared as the company and its subsidiary are included within the consolidated accounts of its ultimate holding company DFG 2 LLC, a company incorporated in USA.

Investments

Investments held as fixed assets are stated at cost less any provision for any permanent diminution in value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**3. EMPLOYEES AND DIRECTORS**

	2019 £	2018 £
Directors' remuneration	<u>-</u>	<u>-</u>

4. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>4,908</u>	<u>4,901</u>

5. AMOUNTS WRITTEN OFF INVESTMENTS

	2019 £	2018 £
Amount written off investments	<u>1,160,000</u>	<u>1,160,000</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Interest payable	<u>1,107,720</u>	<u>1,107,717</u>

7. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2019	
and 31 December 2019	<u>10,586,716</u>
PROVISIONS	
At 1 January 2019	4,657,365
Impairments	<u>1,160,000</u>
At 31 December 2019	<u>5,817,365</u>
NET BOOK VALUE	
At 31 December 2019	<u>4,769,351</u>
At 31 December 2018	<u>5,929,351</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**8. FIXED ASSET INVESTMENTS - continued**

The company's investments at the Balance Sheet date in the share capital of companies include the following:

DF Property Portfolio Limited

Registered office:

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary A	100.00
Ordinary B	100.00

	2019	2018
	£	£
Aggregate capital and reserves	<u>30,880</u>	<u>30,880</u>

HOV Global Services Limited

Registered office:

Nature of business: Outsourced claims handling

	%
Class of shares:	holding
Ordinary	100.00

	2019	2018
	£	£
Aggregate capital and reserves	(4,471,362)	(3,260,415)
Loss for the year	<u>(1,210,947)</u>	<u>(797,068)</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Other debtors	<u>1</u>	<u>1</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	(1)	(1)
Other creditors	974,934	808,776
Accruals and deferred income	<u>10,604</u>	<u>6,396</u>
	<u>985,537</u>	<u>815,171</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Amounts owed to group undertakings	<u>16,489,729</u>	<u>15,654,270</u>

Included in amounts owed to group undertakings is a loan of £12,830,688 (2018: £12,214,621) which was reassigned from RC GPM LLC to DFG2 LLC, the ultimate holding parent company on 1 December 2012. The loan is repayable on demand and has an interest rate of 12%. The interest payable in respect of this loan charged to profit and loss account is £1,107,720 (2018: £1,107,717).

There is a fixed and floating charge over the undertaking and all property and assets and future in relation to all money due from Dataforce Interact Holdings Limited, held by DFG2 LLC.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
2,467,120	Ordinary	£1	<u>2,467,120</u>	<u>2,467,120</u>

13. RESERVES

	Retained earnings £
At 1 January 2019	(13,007,209)
Deficit for the year	<u>(2,165,825)</u>
At 31 December 2019	<u>(15,173,034)</u>

14. IMMEDIATE AND ULTIMATE HOLDING UNDERTAKINGS

The company's immediate parent company is DFG UK LLC, a company registered in the USA and an ultimate parent is DFG 2 LLC, a company registered in the USA.

A copy of the consolidated accounts can be obtained at 8550 W Desert Inn RD STE, 102-452, Las Vegas, NV 89117-2119, USA.

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.