

Company Registration No. 06547172 (England and Wales)

ONE FREELANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

FRIDAY



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ONE FREELANCE LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Mrs O Andrusenko Mr Y Yanovskyy Mr D P Korn |
| Company number | 06547172 |
| Registered office | 37 Warren Street London W1T 6AD |
| Auditor | Silver Levene (UK) Limited Chartered Certified Accountants 37 Warren Street London W1T 6AD |
| Business address | Abbey House 282 Farnborough Road Farnborough GU14 7NA |

ONE FREELANCE LIMITED

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The following pages are for management purposes only and do not form part of the statutory financial statements

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ONE FREELANCE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

Overview and principal activities

One Freelance Limited is a writing assistance company with customers from all over the world. Our core competence is that of customised text writing and editing. The wide range of services we offer is built solely around that core. Mainly we focus on writing texts for websites, marketing campaigns and business projects. In addition to that we provide clients with customised authentic guides, samples and text directions in the field of academic writing.

Principal risks and uncertainties

1. Competition:

Writing assistance market is highly competitive thus we have to ensure that our products and services proposition is in line with the market evolution and customers expectations. Our strong side is the ability to generate high quality texts for our customers. Thus we have to deliver constant improvement of that core competence and our text quality assurance system. In addition to that we need to make sure that value of this is understood and communicated effectively to all our customer segments.

2. Google search engine and algorithm changes:

The main channel of communication and sales of the company is the web. Therefore, we are constantly required to update our online sales and promotion strategies in accordance with the Google algorithm changes. As the world's leading search engine, Google nowadays becomes more strict about approaches to personalization of consumer experiences and search behaviours. In order to reach our target audiences, we are forced to continually improve the quality of websites' content, communication of our unique selling propositions, trustworthiness of service and usability in the way that corresponds to Google requirements.

3. Technology & business interruption:

Our products and services are ordered, executed and delivered to customers within the complex online technical infrastructure. Thus any failures of key on-line systems in this infrastructure or its parts which we rely on (such as websites, customer and writer management systems, etc), could cause a failure of service to our customers and therefore cause decrease of both customer satisfaction and retention. We understand these risks and thus mitigate them by making sure our technology is up to date, by investing in innovation and qualified IT support.

4. Business scope:

The scope of the company activities as described before includes both business writing and academic samples writing. We foresee growth to our business in coming year.

ONE FREELANCE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Strategic Goals

Our strategy for the year ended 31 March 2018 has been the following:

1. Marketing focus:

During this year we have made a significant focus on changing our marketing and sales strategies in accordance with the Google requirements. Thus we have made our product positioning more clear and definite to consumers by improving site contents and site usabilities, developing communication of our unique selling propositions, increasing the expertise and authority of the service.

2. Quality focus

For some time we have been striving to become a standard of quality and reliability on the writing assistance market. We constantly review the performance of our contractors, we have implemented editing and mentoring support systems for writers to enhance the quality of the work and to give them all instruments to get better. Thus we have made a focus on improving our quality assurance system to provide customers with exclusively top notch text writing and editing.

3. Customer focus

We have implemented new approaches to customer base segmentation for delivering customised products and services to each and every customer segment.

4. Efficiency focus:

We have thoroughly reviewed all of our operating activities with the aim of ensuring that our business model is agile and efficient. We have been aiming at automation and optimisation of everyday operation processes. For better control over the operation processes we have hired the management company, that reviews the processes of the company and finds the best professionals around the world to complete the necessary works in IT, Marketing, Support and Writing services.

Financial and operational performance

During next year we foresee a decrease in sales up to 18-20% due to facing the above mentioned risks and uncertainties. We are implementing changes into our marketing strategy, focusing solely on the bestselling websites in the long term perspective. Thus we are ceasing support of those websites which haven't showed sustainable selling potential and require sufficient changes into the unique selling proposition.

By the end of 2018 we have increased our customer satisfaction score, up to 8.89 points (from 8.85 in the end of previous year). This has become possible due to increasing the capacity of our text quality assurance system by 10.9%.

On behalf of the board


Mrs O Andrusenko

Director

20.12.2018

ONE FREELANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company continued to be that of providing writing and assistance services to customers.

Directors

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

Mrs O Andrusenko

Mr Y Yanovsky

Mr D P Korn

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £6,440,539. The directors do not recommend payment of a final dividend.

Financial instruments

Treasury operations and financial instruments

The company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

The company's financial instruments comprise cash at bank, receivables and payables that arise directly from operations. The financial risks affecting the company is monitored and reviewed by the directors on a regular basis.

Liquidity risk and interest rate risk

The company does not have significant exposure to the liquidity and interest rate risks.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas customers in which transactions are denominated in foreign currency. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. The company has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant.

ONE FREELANCE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Statement of directors' responsibilities

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 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.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 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 company's auditor 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 company's auditor is aware of that information.

Auditor

The auditor, Silver Levene (UK) Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the board



Mrs O Andrusenko

Director

22.12.2018

ONE FREELANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONE FREELANCE LIMITED

We have audited the financial statements of One Freelance Limited for the year ended 31 March 2018 set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 - 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit 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.

Opinion 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.

ONE FREELANCE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ONE FREELANCE LIMITED

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 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, 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.

Rajnikant Purshottam Patel (Senior Statutory Auditor)
for and on behalf of Silver Levene (UK) Limited

Chartered Certified Accountants

Statutory Auditor

37 Warren Street

London

W1T 6AD

20.12.2018

ONE FREELANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

| | Notes | 2018 £ | 2017 £ |
|--|-------|------------------|------------------|
| Turnover | 3 | 16,296,884 | 22,142,107 |
| Cost of sales | | (10,779,041) | (14,167,537) |
| Gross profit | | 5,517,843 | 7,974,570 |
| Administrative expenses | | (584,741) | (1,143,347) |
| Operating profit | 4 | 4,933,102 | 6,831,223 |
| Interest receivable and similar income | 7 | 62,315 | 229 |
| Interest payable and similar expenses | 8 | - | (3,122) |
| Amounts written off investments | 9 | (440,775) | - |
| Profit before taxation | | 4,554,642 | 6,828,330 |
| Tax on profit | 10 | (938,194) | (1,291,817) |
| Profit for the financial year | | 3,616,448 | 5,536,513 |
| Other comprehensive income | | | |
| Currency translation differences | | (836,183) | 904,026 |
| Total comprehensive income for the year | | 2,780,265 | 6,440,539 |

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

ONE FREELANCE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

Company Registration No. 06547172

| | Notes | £ | 2018 £ | £ | 2017 £ |
|---|-------|--------------------|------------------|--------------------|------------------|
| Fixed assets | | | | | |
| Investments | 12 | | 12,201 | | 12,201 |
| Current assets | | | | | |
| Debtors | 15 | 509,342 | | 649,130 | |
| Cash at bank and in hand | | 8,540,986 | | 12,668,242 | |
| | | <u>9,050,328</u> | | <u>13,317,372</u> | |
| Creditors: amounts falling due within one year | 16 | <u>(4,309,574)</u> | | <u>(4,916,344)</u> | |
| Net current assets | | | <u>4,740,754</u> | | <u>8,401,028</u> |
| Total assets less current liabilities | | | <u>4,752,955</u> | | <u>8,413,229</u> |
| Capital and reserves | | | | | |
| Called up share capital | 17 | | 1,000 | | 1,000 |
| Profit and loss reserves | | | <u>4,751,955</u> | | <u>8,412,229</u> |
| Total equity | | | <u>4,752,955</u> | | <u>8,413,229</u> |

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


.....
Mrs O Andrusenko
Director

22.12.2018

ONE FREELANCE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|---|-------|--------------------|----------------------------------|-------------|
| Balance at 1 April 2016 | | 1,000 | 3,371,690 | 3,372,690 |
| Year ended 31 March 2017: | | | | |
| Profit for the year | | - | 5,536,513 | 5,536,513 |
| Other comprehensive income: | | | | |
| Currency translation differences | | - | 904,026 | 904,026 |
| Total comprehensive income for the year | | | 6,440,539 | 6,440,539 |
| Dividends | 11 | - | (1,400,000) | (1,400,000) |
| Balance at 31 March 2017 | | 1,000 | 8,412,229 | 8,413,229 |
| Year ended 31 March 2018: | | | | |
| Profit for the year | | - | 3,616,448 | 3,616,448 |
| Other comprehensive income: | | | | |
| Currency translation differences | | | (836,183) | (836,183) |
| Total comprehensive income for the year | | | 2,780,265 | 2,780,265 |
| Dividends | 11 | - | (6,440,539) | (6,440,539) |
| Balance at 31 March 2018 | | 1,000 | 4,751,955 | 4,752,955 |

ONE FREELANCE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

| | | 2018 | 2017 |
|---|-------|-------------------------|--------------------------|
| | Notes | £ | as restated £ |
| Cash flows from operating activities | | | |
| Cash generated from operations | 21 | 5,275,817 | 8,457,251 |
| Interest paid | | - | (3,122) |
| Income taxes paid | | (1,747,891) | (732,077) |
| Net cash inflow from operating activities | | <u>3,527,926</u> | <u>7,722,052</u> |
| Investing activities | | | |
| Proceeds on disposal of fixed asset investments | | (440,775) | - |
| Interest received | | 4,760 | 229 |
| Dividends received | | 57,555 | - |
| Net cash (used in)/generated from investing activities | | <u>(378,460)</u> | <u>229</u> |
| Financing activities | | | |
| Dividends paid | | (6,440,539) | (1,400,000) |
| Net cash used in financing activities | | <u>(6,440,539)</u> | <u>(1,400,000)</u> |
| Net (decrease)/increase in cash and cash equivalents | | <u>(3,291,073)</u> | <u>6,322,281</u> |
| Cash and cash equivalents at beginning of year | | 12,668,242 | 5,467,173 |
| Effect of foreign exchange rates | | (836,183) | 878,788 |
| Cash and cash equivalents at end of year | | <u><u>8,540,986</u></u> | <u><u>12,668,242</u></u> |

ONE FREELANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

One Freelance Limited is a private company limited by shares incorporated in England and Wales. The registered office is 37 Warren Street, London, W1T 6AD.

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 presentational currency of the company for reporting in the UK. The functional currency is US Dollar (USD). Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

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.

These financial statements do not include the results and cash flows of its subsidiary due to its immateriality in the context of the group.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the service of providing writing services 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.

The company sells report writing services. These services are provided on a fixed price basis. Revenue is recognised when services are rendered and a complete report is sent to the customer.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

ONE FREELANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

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

Financial assets and liabilities are offset, with 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.

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

ONE FREELANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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 company after deducting all of its liabilities.

Basic financial 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 company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ONE FREELANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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 when the company has 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.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.12 Foreign exchange

The company's functional currency is USD and presentation currency is £.

Transactions in currencies other than USD 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 are included in the profit and loss account for the period.

The trading results of the company are translated into £ at the average exchange rates for the year. The assets and liabilities are translated at the exchange rates ruling at the year end. Exchange adjustments arising are recognised in other comprehensive income.

ONE FREELANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Group accounts

The company has an investment in subsidiary which is disclosed in note 12. No group accounts has been prepared as in the opinion of the directors, its inclusion is not material for the purposes of giving a true and fair view in the context of the group.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

| | 2018 £ | 2017 £ |
|---|-------------------|-------------------|
| Turnover analysed by class of business | | |
| Writing and assistance services | 16,296,884 | 22,142,107 |
| | <u> </u> | <u> </u> |
| | 2018 £ | 2017 £ |
| Other significant revenue | | |
| Interest income | 4,760 | 229 |
| Dividends received | 57,555 | - |
| | <u> </u> | <u> </u> |
| | 2018 £ | 2017 £ |
| Turnover analysed by geographical market | | |
| UK | 713,074 | 775,815 |
| Outside of the UK | 15,583,810 | 21,366,292 |
| | <u> </u> | <u> </u> |
| | 16,296,884 | 22,142,107 |
| | <u> </u> | <u> </u> |

4 Operating profit

| | 2018 £ | 2017 £ |
|---|-------------------|-------------------|
| Operating profit for the year is stated after charging: | | |
| Fees payable to the company's auditor for the audit of the company's financial statements | 21,000 | 21,000 |
| Operating lease charges | 9,378 | 21,107 |
| | <u> </u> | <u> </u> |

ONE FREELANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

5 Employees

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

| | 2018 Number | 2017 Number |
|-----------|------------------------|------------------------|
| Directors | 3 | 3 |

Their aggregate remuneration comprised:

| | 2018 £ | 2017 £ |
|--------------------|-------------------|-------------------|
| Wages and salaries | 156,000 | 747,020 |

6 Directors' remuneration

| | 2018 £ | 2017 £ |
|--------------------------------------|-------------------|-------------------|
| Remuneration for qualifying services | 156,000 | 747,020 |

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

| | 2018 £ | 2017 £ |
|--------------------------------------|-------------------|-------------------|
| Remuneration for qualifying services | n/a | 734,000 |

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

7 Interest receivable and similar income

| | 2018 £ | 2017 £ |
|--|-------------------|-------------------|
| Interest income | | |
| Interest on bank deposits | 4,760 | 229 |
| Income from fixed asset investments | | |
| Income from shares in group undertakings | 57,555 | - |
| Total income | 62,315 | 229 |

Investment income includes the following:

| | | |
|--|-------|-----|
| Interest on financial assets not measured at fair value through profit or loss | 4,760 | 229 |
|--|-------|-----|

ONE FREELANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Interest payable and similar expenses

| | 2018 £ | 2017 £ |
|-----------------------------|-------------------|-------------------|
| Other finance costs: | | |
| Other interest | - | 3,122 |
| | <u> </u> | <u> </u> |

9 Amounts written off investments

| | 2018 £ | 2017 £ |
|-----------------------------------|-------------------|-------------------|
| Amounts written off current loans | (440,775) | - |
| | <u> </u> | <u> </u> |

10 Taxation

| | 2018 £ | 2017 £ |
|--|-------------------|-------------------|
| Current tax | | |
| UK corporation tax on profits for the current period | 938,194 | 1,291,817 |
| | <u> </u> | <u> </u> |

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

| | 2018 £ | 2017 £ |
|--|-------------------|-------------------|
| Profit before taxation | 4,554,642 | 6,828,330 |
| | <u> </u> | <u> </u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%) | 865,382 | 1,365,666 |
| Tax effect of expenses that are not deductible in determining taxable profit | 83,747 | - |
| Dividend income | (10,935) | - |
| Foreign exchange differences | - | (73,849) |
| | <u> </u> | <u> </u> |
| Taxation charge for the year | 938,194 | 1,291,817 |
| | <u> </u> | <u> </u> |

11 Dividends

| | 2018 £ | 2017 £ |
|--------------|-------------------|-------------------|
| Interim paid | 6,440,539 | 1,400,000 |
| | <u> </u> | <u> </u> |

12 Fixed asset investments

| | Notes | 2018 £ | 2017 £ |
|-----------------------------|-------|-------------------|-------------------|
| Investments in subsidiaries | 13 | 12,201 | 12,201 |
| | | <u> </u> | <u> </u> |

ONE FREELANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Fixed asset investments (Continued)

Movements in fixed asset investments

| | Shares in group undertakings £ |
|---------------------------------|---|
| Cost or valuation | |
| At 1 April 2017 & 31 March 2018 | 12,201 |
| Carrying amount | |
| At 31 March 2018 | 12,201 |
| At 31 March 2017 | 12,201 |

13 Subsidiary

Details of the company's subsidiary as at 31 March 2018 are as follows:

| Name of undertaking and country of incorporation or residency | Nature of business | Class of shareholding | % Held | |
|--|--------------------|--------------------------|----------|----------|
| | | | Direct | Indirect |
| Lucky Talky SIA | LATVIA | Provides call centre | Ordinary | 100.00 |

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

| Name of undertaking | Profit/(Loss) | Capital and Reserves |
|---------------------|---------------|-------------------------|
| | £ | £ |
| Lucky Talky SIA | 42,383 | 123,842 |

14 Financial instruments

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 509,342 | 649,130 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 3,991,456 | 3,766,271 |

15 Debtors

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other debtors | 509,342 | 649,130 |

ONE FREELANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2018****16 Creditors: amounts falling due within one year**

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 948,274 | 1,236,283 |
| Corporation tax | 285,242 | 1,094,939 |
| Other taxation and social security | 32,876 | 55,134 |
| Other creditors | 2,683,595 | 1,018,669 |
| Accruals and deferred income | 359,587 | 1,511,319 |
| | <u>4,309,574</u> | <u>4,916,344</u> |

17 Share capital

| | 2018 £ | 2017 £ |
|---|--------------|--------------|
| Ordinary share capital Issued and fully paid | | |
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| | <u>1,000</u> | <u>1,000</u> |

18 Events after the reporting date

On 25 April 2018, the company signed an agreement to subscribe 20% of the shares in WEFUTURE Limited, a company incorporated in England and Wales for the total cash consideration of Euro 11,000,000.

As of the date of signing this report, the company has paid the liability cap of Euro 3,000,000 as per the agreement.

19 Related party transactions

The remuneration of key management personnel, who are also directors, is disclosed in note 6.

Creditors include balance of £1,018,711 (2017: £517,812) and £1,348,141 (2017: £500,856) due to Mr Y Yanovskyy and Mrs O Andrusenko respectively. Both are directors of the company.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned with the group.

20 Controlling party

The ultimate parent company is FIRSTEON HOLDING LTD. A company registered in the Republic of Cyprus.

ONE FREELANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

21 Cash generated from operations

| | 2018 | 2017 |
|---------------------------------------|------------------|--------------------------|
| | £ | as restated £ |
| Profit for the year after tax | 3,616,448 | 5,536,513 |
| Adjustments for: | | |
| Taxation charged | 938,194 | 1,291,817 |
| Finance costs | - | 3,122 |
| Investment income | (62,315) | (229) |
| Amounts written off investments | 440,775 | - |
| Movements in working capital: | | |
| Decrease in debtors | 139,788 | 812,720 |
| Increase in creditors | 202,927 | 813,308 |
| Cash generated from operations | 5,275,817 | 8,457,251 |