

**Company No. 08587686**

**Afiniti Europe Technologies Limited**  
**(formerly SATMAP Europe Technologies Limited)**  
**Annual Report and Consolidated Financial Statements**  
**For the year ended 30<sup>th</sup> June 2016**



**Company No. 08587686**

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

---

## **Table of Contents**

Directors' Report .....	2
Independent Auditor's Report to the Members .....	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	6
Consolidated Statement of Financial Position .....	7
Company Statement of Financial Position .....	8
Consolidated Statement of Changes in Equity .....	9
Company Statement of Changes in Equity .....	10
Consolidated Statement of Cash Flows .....	11
Notes to the Financial Statements .....	12

**Company No. 08587686**

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

---

## **Directors' Report**

The directors present their report and accounts for the year ended 30<sup>th</sup> June 2016.

### **Results**

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is set out on page 6 and shows the loss for the year.

The directors do not recommend the payment of a dividend.

### **Principal activity**

The Company provides assistance with optimizing call outcomes for contact centres, by pairing agents with callers based on personality. The company was previously trading as SATMP Europe Technologies Limited and changed its name to Afiniti Europe Technologies Limited on 26<sup>th</sup> January 2016.

### **Directors**

The directors who served during the period are:

Muhammad Ziaullah Khan Chishti

Saleem Ahmad (appointed 26<sup>th</sup> March 2015)

### **Directors Responsibilities**

The directors are responsible for preparing 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 Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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 year.

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**Director's Report (continued)**

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

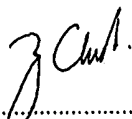
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

All of the Directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the Company's Auditor for the purposes of their audit and to establish that the Auditor is aware of the information. The Directors are not aware of any relevant audit information of which the Auditor is unaware.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by the Companies Act 2006.

-----  
Approved by the board and signed on its behalf on 2 August, 2017.



.....  
Muhammad Ziaullah Khan Chishti  
Director

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFINITI EUROPE TECHNOLOGIES LIMITED**

We have audited the financial statements of Afiniti Europe Technologies Limited for the year ended 30 June 2016 which comprise the consolidated and company statements of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2016 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Company No. 08587686**

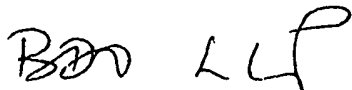
**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

---

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Gary Hanson (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom  
2 August 2017

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

Company No. 08587686

Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
For the years ended 30<sup>th</sup> June 2016 and 30<sup>th</sup> June 2015

	Notes	2016	2015 Restated
		GBP	
<b>Selling, general and administrative expenses</b>			
Salaries and other employee expenses	6	1,831,916	266,122
General and administrative expenses		1,772,196	103,618
<b>Total selling, general and administrative expenses</b>		<b>3,604,112</b>	<b>369,740</b>
 Loss from operations	5	 (3,604,112)	 (369,740)
 Interest income		 444	 -
<b>Net loss</b>		<b>(3,603,668)</b>	<b>(369,740)</b>
 <b>Other comprehensive income</b>			
 <b>Items that will or may be reclassified to profit or loss:</b>			
Exchange losses arising on translation of foreign operations		(34,308)	-
<b>Total comprehensive loss on ordinary activities before and after taxation</b>		<b>(3,637,976)</b>	<b>(369,740)</b>

Note:

The notes on pages 12 to 25 form part of these financial statements.

Company No. 08587686


**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**Consolidated Statement of Financial Position**

As at 30<sup>th</sup> June 2016 and 30<sup>th</sup> June 2015

	Note	2016	2015 Restated
<b>Assets:</b>		<b>GBP</b>	
<b>Current assets</b>			
Cash		32,799	-
Amount owed by group undertakings	11	101,743	33,173
Prepayments		52,996	30,002
<b>Total current assets</b>		<b>187,538</b>	<b>63,175</b>
<b>Non-current assets</b>			
Intangibles	9	26,002,391	-
<b>Total assets</b>		<b>26,189,929</b>	<b>63,175</b>
<b>Liabilities:</b>			
<b>Current liabilities</b>			
Other liabilities	10	153,849	37,678
Amount owed to group undertakings	11	29,919,772	348,671
<b>Total current liabilities</b>		<b>30,073,621</b>	<b>386,349</b>
<b>Net liabilities</b>		<b>(3,883,692)</b>	<b>(323,174)</b>
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Retained earnings		(3,849,385)	(323,175)
Foreign exchange reserve		(34,308)	-
<b>Shareholder's deficit</b>		<b>(3,883,692)</b>	<b>(323,174)</b>

The financial statements were approved and authorized for issue by the Board of Directors on 2 August, 2017 and were signed on its behalf by

  
 .....  
 Muhammad Ziaullah Khan Chishti  
 Director

Note:

The notes on pages 12 to 25 form part of these financial statements.



Company No. 08587686

Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)

# Company Statement of Financial Position

As at 30<sup>th</sup> June 2016 and 30<sup>th</sup> June 2015

	Notes	2016	2015 Restated
		<b>GBP</b>	
<b>Assets</b>			
<b>Current assets</b>			
Cash		30,068	-
Amount owed by group undertakings	11	101,837	33,173
Prepayments		52,996	30,002
		<b>184,901</b>	<b>63,175</b>
<b>Non-current assets</b>			
Investment in subsidiary - AETL sarl		16,517	-
		<b>16,517</b>	<b>-</b>
<b>Total assets</b>		<b>201,418</b>	<b>63,175</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other liabilities	10	153,849	37,678
Amount owed to group undertakings	11	3,239,300	348,671
<b>Total current liabilities</b>		<b>3,393,149</b>	<b>386,349</b>
<b>Net liabilities</b>		<b>(3,191,731)</b>	<b>(323,174)</b>
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Retained earnings		(3,191,732)	(323,175)
<b>Shareholder's deficit</b>		<b>(3,191,731)</b>	<b>(323,174)</b>

The loss for the financial year for the parent company was £2,946,015 (2015: £369,740)

Note:

The notes on pages 12 to 25 form part of these financial statements.

Company No. 08587686

Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)

## Consolidated Statement of Changes in Equity

For the years ended 30<sup>th</sup> June 2016 and 30<sup>th</sup> June 2015

	Share Capital	Retained Earnings (Restated)	Foreign Exchange Reserve	Total (Restated)
	GBP			
Balance at 1 <sup>st</sup> July 2014	1	-	-	1
Comprehensive loss	-	(369,740)	-	(369,740)
Share based compensation	-	46,565	-	46,565
Balance at 30 <sup>th</sup> June 2015	1	(323,175)	-	(323,174)

	Share Capital	Retained Earnings (Restated)	Foreign Exchange Reserve	Total (Restated)
	GBP			
Balance at 1 <sup>st</sup> July 2015	1	(323,175)	-	(323,174)
Comprehensive loss	-	(3,603,668)	(34,308)	(3,637,976)
Share based compensation	-	77,458	-	77,458
Balance at 30 <sup>th</sup> June 2016	1	(3,849,385)	(34,308)	(3,883,692)

### Reserves

The following describes the nature and purpose of each reserve within equity

Reserve	Description and Purpose
Foreign exchange reserve	The difference arising on the translation of the assets, liabilities and profit/loss of foreign subsidiaries into the functional currency of the Group
Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere

### Note:

The notes on pages 12 to 25 form part of these financial statements.

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**Company Statement of Changes in Equity**

For the years ended 30<sup>th</sup> June 2016 and 30<sup>th</sup> June 2015

	Share Capital	Retained Earnings (Restated)	Total (Restated)
	GBP		
Balance at 27 <sup>th</sup> June 2013 and 1 <sup>st</sup> July 2014	1	-	1
Comprehensive loss	-	(369,740)	(369,740)
Share based compensation	-	46,565	46,565
Balance at 30 <sup>th</sup> June 2015	1	(323,175)	(323,174)

	Share Capital	Retained Earnings (Restated)	Total (Restated)
	GBP		
Balance at 1 <sup>st</sup> July 2015	1	(323,175)	(323,174)
Comprehensive loss	-	(2,946,015)	(2,946,015)
Share based compensation	-	77,458	77,458
Balance at 30 <sup>th</sup> June 2016	1	(3,191,732)	(3,191,731)

**Reserves**

The following describes the nature and purpose of each reserve within equity

Reserve	Description and Purpose
Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere

**Note:**

The notes on pages 12 to 25 form part of these financial statements.

Company No. 08587686

Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)

## Consolidated Statement of Cash Flows

For the years ended 30<sup>th</sup> June 2016 and 30<sup>th</sup> June 2015

	2016	2015
	GBP	
<b>Cash flows from operating activities:</b>		
Net Loss:	(3,603,668)	(369,740)
<b>Adjustments for:</b>		
Amortization of intangible assets	90,048	-
Stock based compensation expense	77,458	46,565
Foreign exchange loss	269,449	847
<b>Adjustment to reconcile net income to net cash provided by operating activities:</b>		
<b>Change in assets and liabilities:</b>		
Prepayments	(22,994)	(30,002)
Amounts owed to/by group undertakings	3,136,260	314,651
Other liabilities	86,246	37,679
<b>Net cash used in operating activities</b>	<b>32,799</b>	<b>-</b>
<b>Cash flows from investing activities</b>		
Purchases of intangible assets	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>32,799</b>	<b>-</b>
Cash and cash equivalents at beginning of year	-	-
<b>Cash and cash equivalents at end of year</b>	<b>32,799</b>	<b>-</b>
<b>Non-cash investing and financing activities:</b>		
Purchase of IP License from group undertaking through inter-company financing	26,096,821	-

Note:

The notes on pages 12 to 25 form part of these financial statements.

Company No. 08587686

Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)

## Notes to the Financial Statements

For the years ended 30<sup>th</sup> June 2016 and 30<sup>th</sup> June 2015

### 1. Nature of business

Afiniti Europe Technologies Limited (the "Company") was incorporated in UK on 27<sup>th</sup> June 2013 as a private company, limited by shares, and commenced operations on April 1, 2015. The registered office of the company is located at 3<sup>rd</sup> Floor, 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT. The Company provides assistance with optimizing call outcomes for contact centres, by pairing agents with callers based on personality. These Financial Statements include the Company and its two subsidiaries, AETL sarl (Luxembourg) and Afiniti Spain SL (together the "Group") incorporated on 13<sup>th</sup> November 2015 and 26<sup>th</sup> May 2016, respectively. See Note 3 for additional information.

There are three months of operations during the year ended at 30<sup>th</sup> June 2015 as the Company commenced its operations on April 1, 2015.

### 2. Summary of significant accounting policies

#### a) Basis of presentation

The financial statements are prepared in conformity with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). They have also been prepared with those parts of the Companies Act of 2006 applicable to companies reporting under IFRS.

#### New standards, interpretations and amendments effective from 1 July 2015

There were no new standards, amendments or interpretations, effective for the first time for financial reporting periods beginning on or after 1 July 2015 that had a significant effect on the financial statements.

<u>Standard</u>	<u>Key requirement</u>	<u>Effective date as adopted by EU</u>
IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	01 January 2016
IFRS 10 and IAS 28	Applying the consolidation exception	01 January 2016

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**New standards, interpretations and amendments not yet effective**

The following standards have been issued by the IASB and have been adopted by the EU

<b><u>Standard</u></b>	<b><u>Key requirement</u></b>	<b><u>Effective date as adopted by EU</u></b>
IFRS 9	Financial Instruments	01 January 2018
IFRS 15	Revenue from contracts with customers	01 January 2018

The adoption of the amendments and interpretations listed above will not have a material impact on the financial statements of the company

The following standards have been issued by the IASB and have not yet been adopted by the EU

<b><u>Standard</u></b>	<b><u>Key requirement</u></b>
IFRS 16	Leases
IAS 7	Statement of Cash flows
IFRS 2	Classification and measurement of share based payments
IAS 12	Recognition of Deferred tax Assets for unrealised losses

The company is still evaluating the impact of Standards or Interpretations which have been issued by the IASB but are not yet effective, but it is not expected that the adoption of these Standards or Interpretations will have a material impact on the financial statements.

**b) Principles of consolidation**

The consolidated financial statements include the financials of the Company and its subsidiaries as shown in note 3 of the consolidated financial statements.

The financial statements of all Group companies are prepared using uniform accounting policies. All significant intercompany balances and transactions have been eliminated on consolidation.

**c) Functional and presentation currency**

The financial statements are presented in Great British Pound (GBP) which is the Company's functional currency. All the financial information presented in the financial statements has been rounded off to the nearest GBP.

**Company No. 08587686**

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

---

**d) Going concern**

The financial statements for the year ended 30<sup>th</sup> June 2016, have been prepared on a going concern basis. Afiniti International Holdings Ltd. (formerly SATMAP International Holdings Ltd.), the parent company, confirms that they will continue to provide funding to support Afiniti Europe Technologies Limited and enable it to meet its liabilities as they fall due for the foreseeable future and at least until 30<sup>th</sup> June 2018.

**e) General and administrative expenses**

General and administrative expenses consist primarily of professional consultancy expenses, payroll processing fee, rent, utilities, research and development expenses and reimbursements to employees mainly for travelling and communication expenses.

**f) Use of estimates and judgments**

The preparation of financial statements in conformity with EU IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the financial statements and accompanying notes. Although the Directors believe their estimates, assumptions and judgments are reasonable, they are based upon information presently available. Due to the inherent uncertainty involved in making those estimates, actual results reported in future periods could differ from those estimates.

**g) Foreign currency transactions**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Net gains and losses resulting from foreign exchange transactions are included in the statement of comprehensive income.

The results of overseas operations are translated into GBP at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the net assets at the closing rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**h) Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment in value, if any, and amortized on a straight-line basis over their useful life of ten years. The annual amortization charge is disclosed within administrative expense in the consolidated statement of profit or loss and other comprehensive income. Intangible assets relate to the purchase of Intellectual Property Licenses from the Group's parent company Afiniti International Holdings Limited (formerly SATMAP International Holdings Ltd.) incorporated in Bermuda. No impairment was required to be made against such assets.

**i) Taxation**

The Group companies fall under the following tax jurisdictions:

Afiniti Europe Technologies Ltd. AETL sarl Afiniti Spain SL	HM Revenue and Customs Inland Revenue (ACD) Agencia Tributaria	United Kingdom Luxembourg Spain
---	--	---------------------------------------

The Group companies had taxable losses for the year ended 30 June 2016. There is no provision for current or deferred tax.

**Income taxes**

The charge for current taxation is based on taxable income at the current rates of taxation of the respective countries of incorporation of the Group companies after taking into account applicable tax credits, rebates and exemptions available, if any.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred taxation**

Deferred tax is provided on all temporary differences at the year end, between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.



**Company No. 08587686**

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

---

The carrying amount of all deferred tax assets is reviewed at each year end 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 deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

**j) Share based payments**

For equity settled share based payment transactions (i.e. the granting of share options), the company measures the services received and the corresponding increase in equity at fair value at the measurement date (which is the grant date) using a recognised valuation methodology for the pricing of financial instruments (Black-Scholes Model). Given that the share options granted do not vest until the completion of a specified period of service and are subject to the realisation of certain performance conditions, the fair value is determined on the basis that the services to be rendered by employees as consideration for the granting of share options will be received over the vesting period, which is assessed as at the date of grant.

Non-market vesting conditions are not taken into account when estimating the fair value of share options as at the date of grant, such conditions are taken into account through adjusting the number of equity instruments included in the measurement of the transaction so that, ultimately, the amount recognised equates to the number of equity instruments that actually vest. The expense in the profit and loss account in relation to share options represents the product of the total number of options expected to vest and the fair value of those options. The resulting amount is allocated to accounting periods over the vesting period. Given that the performance conditions underlying the company's share options are non-market in nature, the cumulative charge to the profit and loss account is reversed only when the performance condition is not met or where an employee in receipt of share options relinquishes service prior to completion of the expected vesting period.

**k) Financial instruments**

Financial assets and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument.

**l) Market, credit and liquidity risk**

There is no Market and Credit risk for the Company because there are neither trade receivables nor any investment. Afiniti International Holdings Ltd. (formerly SATMAP International Holdings Ltd.) is providing funding to support the Company and enabling it to meet its liabilities as they fall due for a foreseeable future so there is no liquidity risk.

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**3. Group structure**

There were two subsidiaries incorporated during the year:

Subsidiary	Location	Nature of Business	Ownership as	Date of
			of 30th June 2016	
AETL sarl	Luxembourg	Contact center optimization	100%	13th Nov. 2015
Afiniti Spain SL	Spain	Contact center optimization	100%	26th May 2016

**4. Ultimate parent company**

The Company's ultimate parent company is The Resource Group International Limited, incorporated in Bermuda.

Until 12<sup>th</sup> September 2014 the company's direct parent company was The Resource Group International Limited incorporated in Bermuda. At the date of approval of these accounts the company's direct parent company is Afiniti International Holdings Ltd. (formerly SATMAP International Holdings Ltd.) incorporated in Bermuda.

The parent company of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member is Afiniti International Holdings Ltd. (formerly SATMAP International Holdings Ltd.) incorporated in Bermuda. The parent company of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member is The Resource Group International Limited, incorporated in Bermuda.

**5. Operating loss**

Operating loss for the year is charged after:

	30-Jun-2016	30-Jun-2015
	GBP	
Audit fees	25,365	6,000
Professional fees	105,793	6,294
Amortisation of intangible asset	90,048	-
Research and development costs	595,124	-
Loss on foreign currency translation	322,711	847

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**6. Number of employees**

The average number of staff employed (including directors) by the company during the year amount to:

	30-Jun-2016	30-Jun-2015
	Average Number	
Management and Administration	18	11
<b>Total</b>	<b>18</b>	<b>11</b>

The aggregate payroll costs of the above were:

	30-Jun-2016	30-Jun-2015
	GBP	
Wages and salaries	1,580,054	196,588
Social security costs	174,404	22,989
Stock based compensation expense	77,458	46,565
<b>Total</b>	<b>1,831,916</b>	<b>266,142</b>

**7. Directors remuneration**

	30-Jun-2016	30-Jun-2015
	GBP	
No. of Directors	2	2
Remuneration	-	-

**8. Company income statement**

As permitted by Section 408 of the Companies Act 2006 the income statement of the parent company is not presented as part of these financial statements. The parent company's result after taxation for the financial year was a loss of £2,946,015 (2015: £369,740).

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**9. Intangibles**

**IP Licenses and Fees**

On 30<sup>th</sup> December 2015 the Afiniti International Holdings Limited (Licensor) and AETL sarl (Licensee), a subsidiary undertaking, entered into a license agreement where the Licensor licensed to the Licensee certain intellectual property (Licenced IP) for a fixed Lump-sum royalty of £673 (\$1,000) as consideration. On 29<sup>th</sup> March 2016, the Licensor and Licensee entered into another agreement and Licensee confirmed its wish to retain the services of the Licensor in order to maintain and develop the Licenced IP against an up-front fee of £3.5 million (\$4.971 million) which was further amended and increased to £24.6 million (\$34.9 million) on 29<sup>th</sup> June 2016.

	30-Jun-2016	30-Jun-2015
	GBP	
Cost as at 1 <sup>st</sup> July 2015/2014	-	-
Additions	26,000,561	-
Exchange adjustment	96,260	-
Cost as at 30 <sup>th</sup> June 2016/2015	26,096,821	-
Accumulated Amortization as at 1 <sup>st</sup> July 2015/2014	-	-
Charges for the period	90,048	-
Exchange adjustment	4,382	-
Accumulated Amortization as at 30 <sup>th</sup> June 2016/2015	94,430	-
Net book value as at 30 <sup>th</sup> June 2016/2015	26,002,391	-

The intangible asset acquired on 30<sup>th</sup> December 2015 and having useful life of 120 months. As at 30<sup>th</sup> June 2016 the remaining useful life of the asset is 114 months.

**10. Other liabilities**

**Group**

	30-Jun-2016	30-Jun-2015
	GBP	
Other creditors	86,095	13,701
Accrued expenses	67,754	23,977
<b>Total</b>	<b>153,849</b>	<b>37,678</b>

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**Company**

	30-Jun-2016	30-Jun-2015
	GBP	
Other creditors	86,095	13,701
Accrued expenses	67,754	23,977
<b>Total</b>	<b>153,849</b>	<b>37,678</b>

**11. Related party transactions**

During the year, the Group and Company entered into transactions with certain affiliates owned by The Resource Group International. The related party transactions for the Group and Company as of and for the years ended 30<sup>th</sup> June 2015 and 30<sup>th</sup> June 2016 are as follows:

**Group**

	30-Jun-2016	30-Jun-2015
	GBP	
<b>Amount owed by group undertakings</b>		
Digital Global Services	86,388	33,172
Afiniti International Holdings Limited	15,354	-
Others	1	1
<b>Total</b>	<b>101,743</b>	<b>33,173</b>

**Amount owed to group undertakings**

SATMAP Incorporated, USA	3,209,439	348,671
Afiniti International Holdings Limited	26,710,333	-
<b>Total</b>	<b>29,919,772</b>	<b>348,671</b>

**Company**

	30-Jun-2016	30-Jun-2015
	GBP	
<b>Amount owed by group undertakings</b>		
Digital Global Services	86,388	33,172
Afiniti International Holdings Limited	15,354	-
Others	95	1
<b>Total</b>	<b>101,837</b>	<b>33,173</b>

**Amount owed to group undertakings**

SATMAP Incorporated, USA	3,209,438	348,671
Afiniti International Holdings Limited	14,931	-
AETL sari	14,931	-
<b>Total</b>	<b>3,239,300</b>	<b>348,671</b>

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**12. Share capital**

	30-Jun-2016	30-Jun-2015
	GBP	
Allotted, issued and called up		
1 ordinary share of £1	1	1

**Share based payments**

Afiniti International Holdings Ltd. adopted an employee option plan in October 2013, amended in May 2014 and March 2016 (the "2013 Plan") to enable certain executives, employees and full time consultants of Afiniti International Holdings Ltd. and its subsidiaries to be granted options to acquire 10,258,542 common shares of Afiniti International Holdings Ltd. The terms of the options, including the exercise price per share and vesting provisions, are determined by Afiniti International Holdings Ltd.'s board of directors. Options are generally granted at exercise prices not less than the estimated fair market value of Afiniti International Holdings Ltd. common shares at the date of grant based upon numerous objective and subjective factors including: third-party valuations, preference share transactions with third-parties, current operating and financial performance, management estimates and future expectations. 25% of option grants typically vest upon the expiration of an initial one-year service period and vest monthly thereafter over the remaining thirty-six months assuming continuing service, and expire ten years from the grant date. Compensation cost is recognized on a straight-line basis over the requisite employee service period, which is generally the vesting period and is recorded as employee compensation expense. Share-based compensation is recognized only for those awards that are expected to vest, with forfeitures estimated at the date of grant based on historical experiences and future expectations. The granting of the share options is recognized as equity contributions made by Afiniti International Holdings Ltd. and is recorded in retained earnings.

Afiniti International Holdings Ltd. estimates the fair value of its options on the date of grant using the Black-Scholes option pricing method, which requires the use of certain estimates and assumptions that affect the reported amount of share based compensation cost recognized in the consolidated statements of operations. These include estimates of the expected volatility of Afiniti International Holdings Ltd's shares, expected dividends and the risk-free interest rate as given below:

**Company No. 08587686**

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

	Year Ended	
	June 30, 2016	June 30, 2015
Equity-settled		
Volatility	41.9% - 42.2%	41.1% - 50.0%
Expected term	5.03 - 6.08	5.04 - 6.08
Risk-free interest rate	1.24% - 1.6%	1.4% - 1.8%
Dividend rate	0.0%	0.0%
Forfeiture rate	3.0%	3.0%

Expected volatility is based on historical volatilities for publicly traded stock of comparable companies over the estimated expected term of the stock options.

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

	Number of Options		Weighted Average Exercise Price Per Share		Aggregate Intrinsic Value
Outstanding at July 1, 2014	337,961	£	0.41	£	-
Granted	724,278		0.71		-
Exercised	-		-		-
Cancelled	-		-		-
Outstanding at June 30, 2015	1,062,239	£	0.66	£	105,362
Granted	423,995		0.87		-
Exercised	6,280		0.88		-
Cancelled	(360,155)		1.03		-
Outstanding at June 30, 2016	1,119,799	£	0.83	£	147,332

Of the total number of options outstanding at 30<sup>th</sup> June 2016, 804,333 vested and were exercisable with a weighted average exercise price per share of £0.79.

The exercise prices of the outstanding options at 30<sup>th</sup> June 2016 are £0.52 to £0.98.

The amounts recognized as share based payment expense in the statements of income for the years ended 30<sup>th</sup> June 2015 and 30<sup>th</sup> June 2016 are £46,565 and £77,458, respectively.

**13. Operating leases**

At the end of the reporting period, the future minimum lease payments under non-cancellable operating leases are payable as follows.

	30-Jun-2016	30-Jun-2015
	GBP	
Land and buildings		
Within one year	105,369	105,369
In two to five years	289,765	314,086
<b>Total</b>	<b>395,134</b>	<b>419,455</b>



Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

**14. Commitments and Contingencies**

On 28<sup>th</sup> October, 2015, the Parent Company Afiniti International Holdings Limited, entered into a loan and securities agreement with an unaffiliated lender to obtain a term loan of £4.89 million (\$7.5 million) and a non-formula revolving line of credit of £4.89 million (\$7.5 million). On 28<sup>th</sup> December, 2015 a Guarantee and Debenture was made by the Company with the unaffiliated lender to serve the purpose of a security to pay the loans and future loans of the parent company group as they come due.

**15. Current Tax and Deferred Tax**

	2016	2015
<b>Current Tax</b>		
Current tax	-	-
<b>Deferred Tax</b>		
Origination and reversal of temporary differences	-	-
<b>Tax on profit on ordinary activities</b>	-	-
<b>Reconciliation of tax charge</b>		
Loss on ordinary activities before tax	(3,603,668)	(369,740)
Tax on Loss on ordinary activities at standard CT rate of 20.00%	(720,734)	(73,948)
<b>Effects of :</b>		
Expenses not deductible for tax purposes	27,879	668
Deferred tax not recognized	692,855	73,280
<b>Tax for the period</b>	-	-
Unrealised deferred tax asset	766,135	73,280

Company No. 08587686

**Afiniti Europe Technologies Limited (formerly SATMAP Europe Technologies Limited)**

---

**16. Prior Period Restatement**

The prior year's annual report did not reflect the impact of share based payments. Had the impact of share based payments been recorded, the 2015 financial statements would have differed from those previously reported as follows:

- Compensation expense would have been £46,565 higher
- Salaries and other employee expenses would have been £46,565 higher
- Retained earnings would have been £46,565 higher

See Note 12 for additional information regarding the Company's share based payments.

**17. Subsequent Events**

Management evaluated subsequent events as of 31<sup>st</sup> July 2017, the date of the consolidated financial statements were available for issuance, and found no material events to report as of that date.

The Company incorporated the following subsidiaries subsequent to the date of the financial statements:

Country	Name of Entity	Date of Incorporation
Italy	Afiniti Italia SRL	September, 2016
Germany	Afiniti Germany GmbH	November, 2016
Hong Kong	Afiniti HK Pacific Company Limited	June, 2016
UAE	Afiniti Technologies FZ-LLC	December, 2016
Australia	Afiniti Australia Pty. Ltd.	May, 2017