REGISTERED NUMBER: 10706696 (England and Wales)

Annual Report and

Financial Statements

for the Period 4 April 2017 to 31 December 2017

for

Ve Global UK Limited

Ve Global UK Limited

Contents of the Annual Report and Financial Statements for the Period 4 April 2017 to 31 December 2017

Ve Global UK Limited

Company Information
for the Period 4 April 2017 to 31 December 2017

DIRECTOR:	C Delamain
REGISTERED OFFICE:	White Collar Factory Old Street Yard London EC1Y 8AF
REGISTERED NUMBER:	10706696 (England and Wales)
AUDITORS:	BDO LLP, statutory auditor London United Kingdom

Ve Global UK Limited

Strategic Report
for the Period 4 April 2017 to 31 December 2017

The director presents his strategic report for the period 4 April 2017 to 31 December 2017.

REVIEW OF BUSINESS
The principal activity of the Company during the period was the development of its proprietary software platform, Ve Platform and resultant service delivery focusing on online efficiency, digital consultancy and digital advertising.

The Company has two revenue streams:

Software: Revenues generated primarily through success-based fees (% of sale value) achieved through demonstrable added value to customers through the customers use of internally developed software solutions: Digital Assistant and Remarketing.

Digital advertising including:

Programmatic Display Advertising - Powerful, sophisticated and efficient prospecting and retargeting campaigns drive high intent website traffic from new and existing audiences.

Programmatic Video Advertising - Dynamic, interactive and engaging brand awareness and retargeting campaigns that spark interest and action from new and existing audiences.

The Company was incorporated on 4 April 2017 and started trading from 26 April 2017. The results are for the period 26 April 2017 to 31 December 2017. Revenue for this period is £6.9m with a gross margin of 8.59% and an operating loss before exceptional items of £11.2m. The net loss of the Company is £14.5m which includes net exceptional costs amounting to £2.9m.

The expected gross margin for the Company is in the range of 40% - 50%. During the start-up period to 31 December 2017, the gross profit margin was below expectations. 2017 numbers include intercompany cost recharges amounting to £1.8m pertaining to Crave and Lamb Limited which are not present in 2018. These are recharged to Crave and Lamb at cost, no profit is generated on these items.

On 26 April 2017, Ve Global UK Limited acquired the assets of Ve Interactive Limited (which went into administration on 13 April 2017) and assumed some of its liabilities. This acquisition included investments in most of its subsidiaries, see note 20 for details of the business combination.

On 15 May 2017, Ve Global USA, Inc, was incorporated. It is fully controlled by Ve Global UK Limited. The Company was established to aid international expansion in the USA.

On 15 December 2017, a French branch was set up as a permanent establishment which is 100% managed by Ve Global UK Limited. Prior to Ve Interactive Limited going into administration, Ve Interactive France SARL was a separate legal entity in which Ve Interactive had majority control. During the period, Ve Global UK Limited acquired the client base of Ve Interactive France SARL.

Ve Global UK Limited

Strategic Report
for the Period 4 April 2017 to 31 December 2017

PRINCIPAL RISKS AND UNCERTAINTIES
The director assesses the risks and uncertainties facing the business on a regular basis with principal risks identified as follows:

(i) Competition risks

Developments in technology and a constantly evolving programmatic advertising market provides new challenges and competition.

The Company mitigates these risks by:
- seeking continuous customer feedback on product performance and making enhancements to channel its Research & Development efforts; and
- building strong customer relationships with clients.

(ii) Cyber security, regulation and resilience

Changes to regulation or legislation could impact the Company.
The company mitigates these risks by:

- having teams, systems and processes to mitigate cyber threats
- having up to date policies in place to ensure effective data management and processing of customer data, in accordance with GDPR, including monitoring of business changes taking place through integration and acquisition.

(iii) Compliance with General Data Protection Regulation (GDPR)

Non-compliance with GDPR laws could result in the Company having to pay hefty fines, incurring damage to its reputation and potential loss of customers. The Company has mitigated this risk as follows:
- The Company undertook a comprehensive Group wide review of all information management systems including their governance methodologies prior to GDPR laws taking effect;
- The Company completed comprehensive Data Privacy and Awareness Training to staff at all levels and this is supported on an ongoing basis with alignment of security policy and best practice across the Company focused on embedding data privacy by design where appropriate. This has resulted in an increased focus on a "security by design" approach in all aspects of product design and use of shared technologies across the Company; and
- The Company completed a review of the contractual terms in place with all relevant parties and executed a unilateral set of terms ensuring compliance with the General Data Protection Regulation and the local variants of the Regulation in the relevant territories.

(iv) Revenue concentration

There is a risk of loss of significant programmatic advertising contracts to a competitor or in-house teams as the clients try to retain control of the media trading internally. In the past, the business had experienced the loss of a number of big advertising contracts which represented a large percentage of the UK advertising revenue.

As the business has expanded, there is now less reliance on the top 10 customers.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
Credit risk

The Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables.

The Company manages its exposure to credit risk by application of credit checking, credit limits and monitoring procedures on an ongoing basis.
From June 2018, the Company has an invoice discounting facility with Breal Zeta in the UK for £1.5m. At present the group utilises £500k of this facility. In 2019 the group will look to move the invoicing for more of its larger customers to the UK entity to enable it to obtain additional funding through Breal Zeta facility.

Liquidity risk

There is a risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Since Ve Global UK Limited is a newly incorporated entity and has not yet achieved profitability, it has limited access to credit from banks and financial institutions. As a result, the Company is currently reliant on financing from shareholders for mid-term financing.

ON BEHALF OF THE BOARD:

....
C Delamain - Director

Date: 25/09/19

Ve Global UK Limited

Report of the Director
for the Period 4 April 2017 to 31 December 2017

The director presents his report with the financial statements of the company for the period 4 April 2017 to 31 December 2017.

INCORPORATION
The company was incorporated on 4 April 2017 and commenced trading on 26 April 2017.

DIVIDENDS
No dividends will be distributed for the period ended 31 December 2017.

RESEARCH AND DEVELOPMENT
The Company continually invests in the improvement and development of its proprietary software platform.

DIRECTORS
The directors of the company over the period 4 April 2017 to 24 September 2019 were as follows:

Name	Appointment Date	Resignation Date
C Delamain	7 March 2019	N/A
A J Lancaster	4 April 2017	24 April 2017
D M Marrinan-Hayes	24 April 2017	24 April 2019
M P Tonnesen	24 April 2017	29 March 2018

The director, being eligible, offers himself for election at the forthcoming first Annual General Meeting.

FINANCIAL INSTRUMENTS
Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

GOING CONCERN

The Company is dependent on financial support from Ve Global Limited ("the Parent") to continue to be able to pay its debts as and when they fall due for payment for at least 12 months from the date of signing these financial statements.

The Parent has historically provided financial support to the Company as and when required. Based on a commitment provided in writing by the Parent, the Director believes that the Parent, with access to shareholders' funding ("Group funding"), will continue to provide financial support to the Company to enable it to pay its debts as they fall due for the foreseeable future. This financial support includes providing additional funding as and when required as well as agreeing not to call for repayment amounts owed by the Company to the Parent until such time as the Company is in a financial position to do so without causing itself undue hardship. Whilst this Group funding is not currently in place, the director is confident that the Group will be able to secure such funding. After considering the above matters, the financial statements have been prepared on a going concern basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the director is 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 he 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, BDO LLP, statutory auditor, were appointed during the period by the directors and will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
C Delamain - Director

Date: 25/09/19

Ve Global UK Limited

Statement of Director's Responsibilities
for the Period 4 April 2017 to 31 December 2017

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial report; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Opinion
We have audited the financial statements of Ve Global UK Limited ("the Company") for the 39 week period ended 31 December 2017 which comprise the Income Statement, 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 the preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the period 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.

Material uncertainty relating to going concern
We draw attention to note 2 to the financial statements which indicates the Company is dependent on the financial support of Ve Global Limited ("the Parent") to continue be able to pay its debts as and when they fall due for payment for at least 12 months from the signing date for these financial statements. As stated in note 2, these events or conditions, along with other matters as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information
The director is responsible for the other information. The other information comprises the information in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Director 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 Director 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 Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director
As explained more fully in the Statement of Director's Responsibilities set out on page seven, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Julian Frost (Senior Statutory Auditor)
for and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 25 September 2019

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

Ve Global UK Limited

Income Statement
for the Period 4 April 2017 to 31 December 2017

	Notes	£
TURNOVER	3	6,946,950
Cost of sales		(6,350,056)
GROSS PROFIT		596,894
Administrative expenses		(16,073,170)
Exceptional items – Administrative expenses	6	(2,916,640)
Other operating income	4	4,231,066
OPERATING LOSS		(14,161,850)
Interest receivable and similar income		91
Interest payable and similar expenses	7	(297,210)
LOSS BEFORE TAX EXPENSE	8	(14,458,969)
Tax expense	10	-
LOSS FOR THE FINANCIAL PERIOD		(14,458,969)

The notes on pages 14 to 30 form part of these financial statements

Ve Global UK Limited

Statement of Comprehensive Income
for the Period 4 April 2017 to 31 December 2017

	Notes	£
LOSS FOR THE PERIOD		(14,458,969)
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(14,458,969)

Ve Global UK Limited (Registered number: 10706696)

Balance Sheet
31 December 2017

	Notes	£
FIXED ASSETS		
Intangible assets	11	37,500
Tangible assets	12	69,506
		107,006
CURRENT ASSETS		
Debtors: amounts falling due within one year	13	13,069,377
Debtors: amounts falling due after more than one year	13	247,999
Cash at bank		763,249
		14,080,625
CREDITORS		
Amounts falling due within one year	14	(13,839,483)
NET CURRENT ASSETS		241,142
TOTAL ASSETS LESS CURRENT LIABILITIES		348,148
CREDITORS		
Amounts falling due after more than one year	15	(2,531,815)
NET LIABILITIES		(2,183,667)
CAPITAL AND RESERVES		
Called up share capital	18	2,314
Share premium	19	8,998,500
Other equity	19	3,274,488
Retained losses	19	(14,458,969)
SHAREHOLDERS' FUNDS (DEFICIT)		(2,183,667)

The financial statements were approved by the director on ......25/09/19.............. and were signed by:

....
C Delamain - Director

Ve Global UK Limited

Statement of Changes in Equity
for the Period 4 April 2017 to 31 December 2017

	Called up share capital £	Retained losses £	Share premium £	Other equity £	Total equity £
Changes in equity					
Issue of share capital	2,314	-	8,998,500	-	9,000,814
Total comprehensive loss	-	(14,458,969)	-	-	(14,458,969)
Other equity contribution (note 16)	-	-	-	3,245,627	3,245,627
Adjustment to Deferred consideration	-	-	-	28,861	28,861
Balance at 31 December 2017	2,314	(14,458,969)	8,998,500	3,274,488	(2,183,667)

Ve Global UK Limited

Notes to the Financial Statements
for the Period 4 April 2017 to 31 December 2017

1. STATUTORY INFORMATION

VE Global UK Limited ("the Company"), is a private company, limited by shares, registered in England and Wales. The company's registered number is 10706696 and registered office address is: White Collar Factory, Old Street Yard, London, EC1Y 8AF.

2. ACCOUNTING POLICIES

Basis of preparation
The financial statements of the Company are presented as required by the Companies Act 2006. The company was incorporated on 4 April 2017. This is the company's first accounting period.

The Company has applied FRS 101 'Reduced Disclosure Framework' in preparing these financial statements, which is based on the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union. It intends to continue to use FRS 101 for the foreseeable future.

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Ve Global Limited. The results of Ve Global UK Limited are included in the consolidated financial statements of Ve Global Limited which are available from White Collar Factory, Old Street, London, EC1Y 8 AF.
The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of providing a statement of cash flows;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between the company and other wholly owned members of the group headed by Ve Global Limited;
- certain disclosures regarding the Company's capital; and
- the effects of future accounting standards not yet adopted.

2. **ACCOUNTING POLICIES - continued**

Critical accounting judgements and key sources of estimation uncertainty
The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. In the opinion of the director, there are no matters subject to judgements and estimates where there is a significant risk of a material adjustment to the carrying value of assets and liabilities within the next financial year. The director and management have applied the following significant estimates in preparing these financial statements:

i) Goodwill
The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement. Negative goodwill was recognised on the business combination during the period, capitalised on balance sheet and amortised over time.

ii) Valuation at fair value of assets and liabilities acquired
Management has had to apply estimation in determining the fair value of opening assets and liabilities acquired. Intangible assets and trade debtors have been assessed at their fair values. Fair values of intangible assets have been determine using various different valuation models and applying key assumptions over future cash flows, the useful economic lives of the assets and discount rates. Fair values of trade receivables have been determined based on the recoverable values of the receivables and expected default rates. Fair values of any liabilities have been determined by testing them for completeness.

iii) Amortisation of intangible assets
Management has had to apply judgement in estimating the useful economic lives of the intangible assets. The useful economic life of each intangible has been estimated after taking into consideration pace of technological change in the sector, net present value of economic benefits derived from the asset and the Company's operating history.

iv) Provisions subject to the future outcome of litigations in progress
Over the course of the period, management has applied judgement in assessing whether it is probable if the company will incur liabilities for future litigation and settlement claim agreements entered into by Ve with various employees.

2. **ACCOUNTING POLICIES - *continued***

Turnover
Ve generates revenue primarily from the provision of conversion enhancing technology (software) and digital advertising services to online businesses. Revenue is primarily priced either on a cost per acquisition ("CPA") basis or by using a cost per mile (thousand) ("CPM") model.

Revenue is recognised at the point when services are delivered and therefore, for any given period, includes invoiced revenue relating to that period and accrued revenue generated in that period when subsequent invoicing and realisation of income is expected. Specifically for travel customers, the service is delivered either at the date of booking or at the date of consumption depending on contractual terms agreed with customers.

Revenue is stated net of discounts and rebates and excludes value added tax.

Revenue is invoiced to customers either directly or through agencies or affiliate networks. For the majority of CPA revenue and, in particular, revenue generated through affiliate networks, there is a period after the date of the transaction until the revenue is invoiced. This is typically due to return periods for online purchases and time taken for affiliate networks to allocate transactions. This gives rise to an accrued revenue balance at the reporting date, representing revenue earned by the Company but not yet invoiced.

Negative Goodwill
On 26 April, 2017, the Company acquired the majority of assets of Ve Interactive Limited, which included investments in all its subsidiaries. Ve Interactive Limited went into administration on 13 April 2017.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Positive purchased goodwill is capitalised, classified as an asset on the balance sheet. When the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is greater than the consideration paid, negative goodwill is recognised and capitalised in Intangible assets. Amortisation of negative goodwill is recognised through the income statement over a period of 6 years.

Positive goodwill is annually tested for impairment and carried at cost less accumulated impairment losses. Any impairment charge is recognised in administrative expenses within the income statement in the year in which it occurs. Impairment losses on goodwill are not reversed.

2. **ACCOUNTING POLICIES - continued**

Intangible assets

i) Customer relationships
Customer Relationships acquired in a business combination transaction are initially recognised at fair value (deemed cost) and subsequently at cost less accumulated amortisation and impairment losses. The Company generates software and digital adverting revenues from the existing customer base for the foreseeable future.

Customer relationships are amortised over their estimated useful lives of six years. Amortisation is charged to administrative expense in the income statement.

ii) Marketing domain name and patents
The Company's right to use ve.com domain name has been identified as a marketing-related intangible asset. Domain name is initially recognised at fair value and subsequently at cost less accumulated amortisation and impairment losses.

Patents for Ve software were purchased during the period.

Domain name and patents are amortised over their estimated useful life of eight years. Amortisation is charged to administrative expense in the income statement.

iii) Technology based software
Software assets are recognised at cost at inception and subsequently at cost less accumulated amortisation and impairment losses. The costs relate to HR and accountancy package software acquired by the company.

Software is amortised over their estimated useful lives of eight years. Amortisation is charged to administrative expenses in the income statement.

Tangible fixed assets
Fixed assets consist of fixtures and furniture, office equipment and IT equipment. These assets are initially recognised at cost including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.
In subsequent periods, tangible fixed assets are recognised at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of the asset.

The following useful economic lives are applied:

Asset Type	Asset Life (in months)
Fixtures & Furniture	60
IT Equipment	36

2. **ACCOUNTING POLICIES - continued**

Taxation
Any tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement 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 balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit, and is accounted for using the balance sheet liability method. If it is probable that taxable profits will be available against which deductible temporary differences can be utilised, a deferred tax asset is recognised.

The carrying value of deferred tax assets is reviewed at each financial year end and is 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 where the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to the Income Statement, unless it relates to items charged or credited directly to equity, in which case the deferred tax is also charged or credited to equity.

Research and development
Expenditure on research costs is written off in the year in which it is incurred. Development costs which do not meet the criteria set out above (see Intangible Assets) are expensed as incurred.

Operating leases
Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. All other leases are classified as operating leases.

The Company has operating leases. Assets leased under operating leases are not recorded in the balance sheet. Annual rentals payable are charged through profit or loss on a straight-line basis over the term of the lease.

2. ACCOUNTING POLICIES - continued

Employee benefit costs
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Investments
Investments in subsidiary undertakings are stated at the lower of cost and recoverable value at the reporting date. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Foreign currency
The Company's functional and presentation currency is pound sterling. Transactions entered into by the Company in a currency other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement.

Going concern
The Company made a loss of £14,458,969 for the period ended 31 December 2017 and had net liabilities of £2,183,667 at 31 December 2017. Based on the company's latest accounting records, the company continues to have net liabilities of £7,393,180 at June 2019.

The Company is dependent on financial support from Ve Global Limited ("the Parent") to continue to be able to pay its debts as and when they fall due for payment for at least 12 months from the date of signing these financial statements.

The Parent has historically provided financial support to the Company as and when required. Based on a commitment provided in writing by the Parent, the Director believes that the Parent, with access to shareholders' funding ("Group funding"), will continue to provide financial support to the Company to enable it to pay its debts as they fall due for the foreseeable future. This financial support includes providing additional funding as and when required as well as agreeing not to call for repayment amounts owed by the Company to the Parent until such time as the Company is in a financial position to do so without causing itself undue hardship. Whilst this Group funding is not currently in place, the director is confident that the Group will be able to secure such funding. After considering the above matters, the financial statements have been prepared on a going concern basis.

However, the financial support of the Parent is contingent on its ability to secure group funding. Therefore, if the Parent is unable to secure such funding, the Company is unlikely to be able to pay its debts as and when they fall due for payment and it would no longer be a going concern. These events indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

The financial statements do not include any adjustments should the going concern basis be inappropriate.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	£
United Kingdom	5,825,069
Europe	948,139
Rest of the World	173,742
	6,946,950

4. OTHER OPERATING INCOME

	£
Recharges of direct costs, hosting and salaries to related parties	1,637,509
Management charges/Income from related parties	1,401,683
3rd party costs recharges	1,143,102
Gain on sale of fixed assets	2,600
Foreign exchange gains	46,172
	4,231,066

5. EMPLOYEES AND DIRECTORS

The average number of employees during the period was as follows:

Operations	59
Administration	55
Management	28
	142

	£
Director's remuneration	10,000

Consultancy fees of £70,303 and £133,331 were paid to D Marrinan-Hayes and M Tonnesen respectively during the period.

6. EXCEPTIONAL ITEMS

These are transactions that fall within the ordinary activities of the Company but are presented separately due to their size and one off non-recurring nature and consist of:

	£
Severance payments	315,751
Legal fees	1,213,124
Impairment provisions against related party receivables	590,613
Costs in connection with acquisition of subsidiaries	797,152
	2,916,640

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	£
Interest payable	297,210

8. LOSS BEFORE TAXATION

The loss before taxation is stated after charging/(crediting):

	£
Other operating leases	892,638
Depreciation	66,103
Domain name & patents amortisation	44,304
Customer relationships amortisation	127,767
Software amortisation	277,336
Auditors' remuneration	120,000
Taxation advice & other services	60,500
Foreign exchange differences	(46,171)
Amortisation of negative goodwill	(570,520)

9. AUDITORS' REMUNERATION

	£
Audit fees	120,000
Tax advisory services	42,500
Other advisory services	18,000
Total	180,500

10. TAXATION

Analysis of tax expense

Tax Expense

Current Tax	-
Deferred Tax	-
Total Tax Expense	-

Factors affecting current tax expense	
Loss on ordinary activities before tax	(14,458,969)
Expected tax based on loss before tax multiplied by rate of Tax of 19%	(2,747,204)
Fixed asset differences	256,481
Expenses not deductible for tax	666,320
Income not taxable for tax purposes	(494)
Closing deferred tax to average rate of 19%	192,094
Deferred tax not recognised	1,632,803
Total tax expense	-

11. INTANGIBLE FIXED ASSETS

	Domain name & Patents £	Customer relationships £	Software £	Goodwill £	Totals £
COSTS					
Acquired in business combination (note 19)	527,500	1,149,900	3,306,200	(5,134,676)	(151,076)
Additions	18,494	-	48,969	-	68,463
At 31 December 2017	545,994	1,149,900	3,355,169	(5,134,676)	(83,613)
AMORTISATION					
Amortisation for the period	(44,304)	(127,767)	(277,336)	570,520	121,113
At 31 December 2017	(44,304)	(127,767)	(277,336)	570,520	121,113
NET BOOK VALUE					
At 31 December 2017	501,690	1,022,133	3,077,833	(4,564,156)	37,500

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COSTS			
Acquired in a business combination (note 20)	37,319	96,842	134,161
Additions	-	1,448	1,448
At 31 December 2017	37,319	98,290	135,609
DEPRECIATION			
Charge for the period	10,959	55,144	66,103
At 31 December 2017	10,959	55,144	66,103
NET BOOK VALUE			
At 31 December 2017	26,360	43,146	69,506
At 4 April 2017	37,319	96,842	134,161

13. DEBTORS

	£
Amounts falling due within one year:	
Trade debtors	1,372,921
Bad debt provision	(407,825)
Other debtors	8,268
Amounts owed by subsidiary undertakings	14,744,833
Provision on amounts owed by subsidiary undertakings	(4,306,887)
Accrued income	1,382,100
Prepayments	275,967
	13,069,377

Amounts falling due after more than one year:	
Other debtors	247,999

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	809,577
Social security and other taxes	178,326
VAT	260,579
Other creditors	745,386
Amounts owed to parent undertakings	4,601,809
Amounts owed to subsidiary undertakings	5,977,932
Accrued expenses	1,240,943
Deferred income	24,931
	13,839,483

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

	£
Other loans (see note 16)	2,531,815

16. FINANCIAL LIABILITIES - BORROWINGS

The company received £5,500,000 in loans from its shareholders in the period ended 31st December 2017.
The loans are interest free provided that the loans are repaid before 26 April 2020. The loans will be subject to 3% interest if not repaid on or before this date which shall be payable annually (on the reducing balance of the loan) in arrears on each repayment date commencing on 26 April 2021.

VE Global performed a valuation of the loans at inception dates (April 2017), which concluded the fair value of the Shareholders' loans to be £2,254,323. The valuation also determined that 20% is a reasonable estimate for the market interest rate to be paid on a similar loan, which was calculated at £277,442 for FY 2017. The difference between the fair value of the loan at inception date and the future liabilities payable of £5.5m amounted to £3,245,677. This amount has been recognized in 'Other equity' as equity contribution by the shareholder.

17. LEASING COMMITMENTS

The company had the following total commitments under non-cancellable operating lease:

	£ Land & buildings
Total future minimum payments payable on operating leases which expire:	
Within 1 year	1,080,000

The operating lease charge for the period was £892,638.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
231,390	Ordinary	0,01	2,314

19. RESERVES

	Retained losses £	Share premium £	Other equity £	Totals £
Loss for the period	(14,458,969)			(14,458,969)
Cash share issue	-	8,998,500	-	8,998,500
Equity Contribution	-	-	3,274,488	3,274,488
At 31 December 2017	(14,458,969)	8,998,500	3,274,488	(2,185,981)

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

Reserves	Description and Purpose
Retained earnings	All gains and losses recognised through profit and loss and dividend transactions with owners
Share premium	Share premium represents a capital reserve arising on subscription amounts for ordinary share capital at amounts above the nominal value of the shares
Other equity	Represents equity contribution relating to loans provided to the company on preferential terms

20. **BUSINESS COMBINATIONS DURING THE PERIOD**

On 26 April 2017, the Company acquired the majority of assets of VE Interactive Limited, which included investments in all subsidiaries. Ve Interactive Limited went into administration on 13 April 2017.

The transaction has been accounted for as an acquisition under IFRS 3, Business Combinations.

Purchase consideration	£
Initial consideration paid on acquisition on 26 April 2017	750,000
Deferred consideration	971,139
Cost fund to be utilised by the administrators	250,000
Total purchase consideration	1,971,139

The maximum undiscounted deferred consideration is £1,000,000. This represents five monthly instalments of £100,000 paid between May 17 and September 2017 and a final £500,000 payment paid on 25 April 2018. The present value of the deferred consideration was £971,139 at acquisition date.

The following assets and liabilities were acquired as part of the deal:

Recognised amounts of identifiable assets acquired and liabilities assumed	£
Receivables due from subsidiaries	837,054
Tangible fixed assets (note 12)	134,161
Intangible fixed assets (note 11)	4,983,600
Trade and other receivables	2,464,925
Trade and other payables	(1,313,925)
Total net assets	7,105,815

Goodwill	£
Total purchase consideration	1,971,139
Less: Total net assets	(7,105,815)
Negative goodwill	(5,134,676)

Intangible assets for domain name and patents, customer relationships and technology based software were recognised at fair value on acquisition and fixed assets for IT equipment were recognised at fair value on acquisition. All other assets and liabilities were recognised at their book value, which is considered to be a fair reflection of fair value. Since the net value of identifiable assets and liabilities is greater than the total purchase consideration, negative goodwill (or gain on bargain purchase) has been capitalised on balance sheet and amortised over time.

21. INVESTMENTS

Ve Global UK Limited acquired the trade and assets of the business run formerly by Ve Interactive Limited. As noted below, the proportion of voting rights and shares held at certain investee entities was 0% however the directors have recognised investments in subsidiaries as assets on the basis that Ve Global UK had control of the operating and financial policies of the entities.
Subsequent to 31 December 2017, Ve Global UK acquired a controlling interest in the subsidiaries listed in the table below where the shareholding at 31 December 2017 was 0%. Investments in subsidiary undertakings were assessed as having a fair value at acquisition of Nil.

Name of subsidiary	Registered Address	Proportion of voting rights and shares held	Country of incorporation
Ve Interactive Argentina	1	0%	Argentina
Ve Interactive Pty Limited	2	0%	Australia
SAS QUNB	3	0%	France
Ve Interactive DACH GmbH	4	0%	Germany
Optomaton UG	5	0%	Germany
Ve Interactive Asia Ltd	6	0%	Hong Kong
Ve Interactive Private Ltd	7	0%	India
Ve Interactive Ireland Ltd	8	0%	Ireland
Ve Interactive Italia SRL	9	0%	Italy
Ve Japan Co. Ltd	10	0%	Japan
Ve Korea Co. Ltd.	11	0%	South Korea
VE Interactive MX S. DE R.L. DE C.V.	12	0%	Mexico
Ve Interactive Benelux B.V	13	0%	Netherlands
Ve Inter. Poland Sp. Z.o.o	14	0%	Poland
VE Interactive SRL	15	0%	Romania
LLC Ve Interactive Russia	16	0%	Russia
Ve Global Iberia SL	17	0%	Spain
Ve Interactive Nordic AB	18	0%	Sweden
Ve Interactive PTE Ltd	19	0%	Singapore
Crave and Lamb Limited	20	100%	United Kingdom
Global Digital Markets Ltd	20	100%	United Kingdom
Shopomo Ltd	20	100%	United Kingdom
Ve Nominees Ltd	20	100%	United Kingdom
Ve Global Trustees Ltd	20	100%	United Kingdom
Ve Interactive Vietnam Ltd	21	0%	Vietnam
Ve Global USA, Inc	22	100%	USA

The principal place of business and country of incorporation is the same for all entities stated in the table above. The type of shares in all the subsidiaries are 'Ordinary shares'.
The nature of business of all the subsidiaries is 'software consultancy and supply'.

Global Digital Markets Ltd, Ve Nominees Ltd and Ve Global Trustees Ltd with principal place of business in United Kingdom were dormant during the period.

At 31 December 2017, registered addresses of the subsidiary undertakings are as follows:

1. Avda. Leandro N. Alem 734, piso 5to., oficina 16, C.A.B.A. (1001), República Argentina
2. Level 16, 1 Market Street, Sydney, NSW 2000, Australia
3. 15 Boulevard poissonniere 75009 Paris
4. Französische, Straße 47, 10117 Berlin, Germany
5. Amselstr. 70, 41363 Jüchen, Germany
6. 20/F Times Media Center, 133 Wan Chai Road, Hong Kong S.A.R, China
7. Level 18 DLF Cyber City, Building No.5, Tower A, Phase III, Gurgaon 122002, India
8. Dogpatch Labs, The Chq Building, Custom House Quay, Dublin 1, Ireland
9. Largo Francesco Richini, 6, 20122 Milano
10. Rock Belay Building 8, 4-7-1 Iidabashi, Chiyoda-ku, 102-0072 Tokyo, Japan
11. Room 930, 22, Seocho-daero 78-gil, Seocho-gu, Seoul, Korea 06621
    Lago Zurich 219, Floor 12. Ampliación Granada, Del Miguel Hidalgo. Post
12. Code: 11529 CDMX, México.
13. Postsweg 1, 1057 DT Amsterdam
14. ul. Wo?odyjowskiego 77A, 02-724 Warsaw, Poland
15. Cluj Business Center, Strada Henri Barbusse Cluj-Napoca 400616, Romania
16. Omega Plaza, 19, ul. Leninskaya Sloboda, 115280 Moscow, Russia
17. Calle Ayala 27, 6º izquierda, 28001, Madrid, España
18. Tegnérgatan 2B, 113 58 Stockholm, Sweden
19. The Co Spaces, 75 High Street, Singapore 179435, Singapore
20. White Collar Factory, Old Street Yard, London, England, EC1Y 8AF
    Blk G 10th Floor, Danang Software Park, 02 Quang Trung Street, Hai Chau Ward
21. Danang City, Vietnam
22. 2035 Sunset Lake Road, Suite B-2, Newark DE 19702

Ve Interactive DACH GmbH, with principal place of business in Germany currently has a non-controlling interest proportion of 37.5% at 3rd September 2019.

22. RELATED PARTY DISCLOSURES

Balances held with entities that are controlled by its ultimate parent, VE Global Ltd are stated below:

Intercompany receivables

Amounts falling due within one year:	£
Amounts owed by subsidiary undertakings	14,744,833
Total intercompany receivables	14,744,833
Less: Provision on amounts owed by subsidiary undertakings	(4,306,887)
Total intercompany receivables	10,437,946

Intercompany payables

Amounts falling due within one year:	£
Amounts owed to parent undertakings	(4,601,809)
Amounts owed to subsidiary undertakings	(5,977,932)
Total intercompany payables	10,579,741

Services between the Company and entities that are controlled by its ultimate parent are set out in the table below:

Services	**Income**	**Expense**
	£	£
Media cost recharges	791,540	(3,565,724)
Hosting and licensing cost recharges	17,146	(1,266,830)
Salary recharges	827,523	(68,043)
Development cost recharges	1,401,683	(4,034,221)
Total	3,037,892	(8,934,818)

23. SUBSEQUENT EVENTS

Subsequent to the reporting date, the company has successfully raised £14.7m of ordinary share capital from subscriptions by the company shareholders.

24. ULTIMATE CONTROLLING PARTY

The controlling party is Ve Global Limited.

The ultimate controlling party is Ve Global Limited.

The registered office of the ultimate controlling party is White Collar Factory, Old Street, London, EC1Y 8AF.