Directors report and financial statements

VE GLOBAL UK LIMITED

For the year ended: 31 December 2018

Company registration number: 10706696

COMPANY INFORMATION

Directors	C Delamain (appointed 7 March 2019) D Marrinah-Hayes (resigned 24 April 2019) M Tonnesen (resigned 29 March 2018)
Registered number	10706696
Registered office	77 Leadenhall Street London EC31 3DE
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Pennant House 1-2 Napier Court Reading RG1 8BW

VE GLOBAL UK LTD

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his strategic report for the year ended 31 December 2018.

Business review

The principal activity of the Company during the year 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 comparatives are therefore for the period 26 April 2017 to 31 December 2017. Revenue for year ended 31st December 2018 is £8.9m (2017 - £6.9m) with a gross margin of 51.8% (2017 - 8.6%) and an operating loss before exceptional items and impairment losses of £10.8m (2017 - £10.8m). The net loss of the Company is £18.1m (2017 - £14.5m) which includes net exceptional costs and impairment losses amounting to £6.8m (2017 - £3.3m).

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.

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.

Future Developments

Ve will continue to pursue its two main sources of revenue, in October 2019 it launched Digital Assistant 2.0 and 2.1 will follow within a short time frame.

The Group continues to rationalise its operations and look for efficiencies wherever possible, this may involve the closure of offices in the future or the creation of regional hubs, as appropriate.

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 and policies

(i) 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 £1,500k. On 8 November 2019 the facility was reduced to £600k. At present the group utilises £500k of this facility. In 2019 the group has moved the invoicing for more of its larger customers to the UK entity to enable it to obtain additional funding through Breal Zeta facility.

(ii) 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.

Exchange Rate risk

As the company trades, and holds balances in, various currencies foreign exchange rates pose a risk to the company. This is compounded by the ongoing uncertainty around the impact of the decision for the UK to leave the EU.

The company manages its exposure to foreign exchange risk by aligning revenues received in foreign currency with expenditure in the same currency and by earmarking balances held in foreign currencies for that purpose.

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

C Delamain
Director

Date: 31st January 2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £17,370,405 (2017 - loss £14,458,969).

No dividend were proposed or paid during the year.

Directors

The directors who served during the year were:

D Marrinah-Hayes (resigned 24 April 2019)
M Tonnesen (resigned 29 March 2018)

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.

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

Future developments

Future developments are detailed in the strategic report.

Research and development activities

The company continually invests in the improvement and development of its proprietary software platform.

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

During the year BDO LLP resigned as auditors and MHA MacIntyre Hudson were appointed in their place. Under s487 of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to the members or 28 days after the latest date prescribed for filing the accounts with the registrar, which ever is the earlier.

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

Director CHARLES YGLAWAIN

Date: 31st January 2020.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VE GLOBAL UK LTD

Opinion

We have audited the financial statements of Ve Global UK Ltd (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that 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 2.3, these events or conditions, along with the other matters as set forth in note 2.3, 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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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 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.

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 Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 Auditors' 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 Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VE GLOBAL UK LTD (CONTINUED)

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

Jason Mitchell (Senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Pennant House
1-2 Napier Court
Reading
RG1 8BW
Date: 31 January 2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	9 months ended 31 December 2017 £
Turnover	4	**8,889,186**	6,946,950
Cost of sales		**(4,283,939)**	(6,350,056)
Gross profit		**4,605,247**	596,894
Administrative expenses		**(18,489,647)**	(15,665,358)
Exceptional administrative expenses	5	**(2,276,500)**	(2,326,027)
Other operating income	6	**3,101,533**	4,231,066
Net impairment losses on financial assets	7	**(4,523,270)**	(998,425)
Operating loss	8	**(17,582,637)**	(14,161,850)
Interest receivable and similar income		**-**	91
Interest payable and expenses	12	**(551,168)**	(297,210)
Loss before tax		**(18,133,805)**	(14,458,969)
Tax on loss	13	**763,400**	-
Loss for the financial year		**(17,370,405)**	(14,458,969)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 14 to 37 form part of these financial statements.

VE GLOBAL UK LTD
REGISTERED NUMBER: 10706696

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note		2018 £		31 December 2017 £
Fixed assets					
Negative goodwill	15		**(3,708,377)**		(4,564,156)
Other intangible assets	14		**2,250,786**		4,601,656
Tangible assets	16		**19,832**		69,506
			(1,437,759)		107,006
Current assets					
Debtors: amounts falling due after more than one year	18	**14,389**		247,999	
Debtors: amounts falling due within one year	18	**4,482,214**		13,069,377	
Cash at bank and in hand	19	**198,380**		763,249	
		4,694,983		14,080,625	
Creditors: amounts falling due within one year	20	**(19,770,079)**		(13,839,483)	
Net current (liabilities)/assets			**(15,075,096)**		241,142
Total assets less current liabilities			**(16,512,855)**		348,148
Creditors: amounts falling due after more than one year	21		**(3,041,217)**		(2,531,815)
Net liabilities			**(19,554,072)**		(2,183,667)

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital	24	**2,314**	2,314
Share premium account	25	**8,998,500**	8,998,500
Other reserves	25	**2,458,784**	3,274,488
Profit and loss account	25	**(31,013,670)**	(14,458,969)
		(19,554,072)	(2,183,667)

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

C Delamain
Director

Date: 31st January 2020

The notes on pages 14 to 37 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
Total comprehensive loss	-	-	-	(14,458,969)	(14,458,969)
Shares issued during the period	2,314	8,998,500	-	-	9,000,814
Equity contribution on shareholder loans	-	-	3,245,627	-	3,245,627
Discounting of deferred consideration	-	-	28,861	-	28,861
At 1 January 2018	2,314	8,998,500	3,274,488	(14,458,969)	(2,183,667)
Total comprehensive loss	-	-	-	(17,370,405)	(17,370,405)
Unwinding of discounted deferred consideration	-	-	(28,860)	28,860	-
Unwinding of discounted shareholder loans	-	-	(786,844)	786,844	-
At 31 December 2018	2,314	8,998,500	2,458,784	(31,013,670)	(19,554,072)

The notes on pages 14 to 37 form part of these financial statements.

1. General information

Ve Global UK Limited is a private company, limited by shares, incorporated in England and Wales. The company registered number and registered office address can both be found on the Company Information page.

The principal activity of the Ve Global UK Ltd is included in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The company has taken advantage of the exception under s400 of the Companies Act 2006 not to prepare group accounts as it is as wholly owned subsidiary of Ve Global Limited. The results of Ve Global Limited are included in the consolidated financial statements of Ve Global Limited which are available from 77 Leadenhall Street, London, EC31 3DE.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2. Accounting policies (continued)

2.3 Going concern

The Company made a loss of £17,370,405 for the year ended 31 December 2018 and had net liabilities of £19,554,072 at 31 December 2018.

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 be able to 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.

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

2.4 Impact of new and future international reporting standards, amendments and interpretations

The company applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

IFRS 15 Revenue *from Contracts* with Customers IFRS 15 supersedes IAS 18 Revenue, and related Interpretations, and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The company adopted IFRS 15 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient.

These standards have not had a material impact on the financial statements.

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Exchange differences on the translation of unsettled monetary assets and liabilities are recognised immediately in the Statement of comprehensive income.

2.6 Revenue

Ve generates revenue primarily from the provision of conversion enhancing technology (software) and digital advertising services to online businesses.

Software

Revenue is priced by fixed fees or on a cost per acquisition ("CPA") basis. Revenue is recognised at the point when services are delivered, or when the acquisition is made, 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.

Digital advertising

Revenue is priced on a cost per acquisition ("CPA") basis or by using a cost per mile (thousand) ("CPM") model. Revenue is recognised at the point when the acquisition is made or when a 'mile' (thousand impressions) is made, 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 end users.

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, net of any expected returns, at the reporting date, representing revenue earned by the Company but not yet invoiced.

Expected returns are based on past experience of individual customers using a historic percentage for the typical level of returns and cancellations.

2. Accounting policies (continued)

2.7 Operating leases: the Company as lessee

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

Leases are classified as finance leases where the terms of the lease transfer, substantially, all the risks and rewards of ownership to the company. Any other leases are treated as operating leases.

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Interest income

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

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.13 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.

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.15 Goodwill

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)

2.16 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.

2.17 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings	-	5 years
Computer equipment	-	3 years

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

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

2. Accounting policies (continued)

2.18 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.20 Provision for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle this obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2. Accounting policies (continued)

2.21 Financial instruments

Financial assets, loans and receivables

Following the introduction of IFRS15, the assets generated from goods or services transferred to customers are now presented as either receivables or contract assets. The assessment of impairment of receivables from 4 April 2017 is in accordance with IFRS 9 'Financial Instruments'. The company does not have any contract assets.

All cash flows from customers are solely payments of principal and interest, and do not contain a significant financing component. Financial assets generated from all of the company's revenue streams are therefore initially measured at their fair value, which is considered to be their transaction price (as defined in IFRS 15) and are subsequently remeasured at amortised cost.

Under IFRS 9, the company will now recognise a loss allowance for expected credit losses (ECL) on financial assets subsequently measured at amortised cost using the 'simplified approach'. Individually significant balances are reviewed separately for impairment based on credit terms agreed with the customer. Other balances are assessed into credit risk categories and reviewed in aggregate.

Trade receivable and cash at bank and in hand are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are initially recorded at fair value net of transaction costs, being invoiced less any provisional estimate for impairment should be necessary due to a loss event. Trade receivables are subsequently remeasured at invoiced value, less an updated provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.
Cash and cash equivalents include cash at bank and in hand and bank deposits available with no notice or less than three months' notice from inception that are subject to an insignificant risk of changes in value. Bank overdrafts are presented as current liabilities to the extent that there is no right to offset with cash balances.

Following initial recognition, financial assets are subsequently remeasured at amortised cost using the effective interest method.

Financial liabilities

The company's financial liabilities are overdrafts, trade and other payables including accrued expenses, and amounts owed to group companies and the invoice discounting facility.

All interest related charges are recognised as an expense in 'Interest payable and similar charges' in the income statement.

Bank and other borrowings are initially recognised at fair value net of transaction costs. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in finance income and finance costs. Borrowing costs are recognised as an expense in the period in which they are incurred.

Trade payables on normal terms are not interest bearing and are stated at their fair value on initial recognition and subsequently at amortised cost.

2. Accounting policies (continued)

Financial instruments (continued)

Trade and other receivables

The company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on days past due. Refer to Note 18 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

3. Judgements in applying accounting policies 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 previous 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 the company with various employees.

4. Turnover

The whole of the turnover is attributable to the provision of services relating to performance obligations satisfied from contracts with customers, the principal activity of the company.

Analysis of turnover by country of destination:

	2018 £	9 months ended 31 December 2017 £
United Kingdom	**5,943,584**	5,825,069
Rest of Europe	**2,639,072**	948,139
Rest of the world	**306,530**	173,742
	8,889,186	6,946,950

5. Exceptional administrative expenses

	2018 £	9 months ended 31 December 2017 £
Impairment of intangible assets	**2,276,500**	-
Severance payments	-	315,751
Legal fees	-	1,213,124
Costs in connection with acquisition of subsidiaries	-	797,152
	2,276,500	2,326,027

6. Other operating income

	2018 £	9 months ended 31 December 2017 £
Management and direct cost recharges to related parties	**3,093,535**	3,039,192
Third party costs recharges	**4,349**	1,143,102
Profit on disposal of intangible assets	**3,649**	2,600
Foreign exchange gain	**-**	46,172
	3,101,533	4,231,066

7. Net impairment loses on financial assets

	2018 £	9 months ended 31 December 2017 £
Impairment provision against related party receivables	**4,593,101**	590,613
Impairment provision against third party receivables	**(69,831)**	407,812
	4,523,270	998,425

8. Operating loss

The operating loss is stated after charging:

	2018 £	9 months ended 31 December 2017 £
Depreciation of tangible fixed assets	**61,313**	66,103
Amortisation of intangible assets	**74,370**	449,407
Amortisation of goodwill	**(855,779)**	(570,520)
Exchange differences	**131,990**	-
Defined contribution pension cost	**72,627**	40,073

9. Auditors' remuneration

	2018 £	9 months ended 31 December 2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**60,000**	180,500

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

10. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	9 months ended 31 December 2017 £
Wages and salaries	**5,605,765**	5,211,057
Social security costs	**746,165**	662,182
Cost of defined contribution scheme	**72,627**	40,073
	6,424,557	5,913,312

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	9 months ended 31 December 2017 No.
Operations	**65**	59
Administration	**20**	55
Management	**2**	28
	87	142

11. Directors' remuneration

	2018 £	9 months ended 31 December 2017 £
Directors' emoluments and fees	**23,398**	-
Amounts paid to third parties in respect of directors' services	**291,822**	213,634
	315,220	213,634

During the year 0 (2017: 0) directors received benefits under a defined contribution pension scheme.

During the period ended 31 December 2018, consultancy fees of £199,992 and £91,830 were paid to D Marrinan-Hayes and M Tonnesen respectively and are included in directors remuneration on the basis they are payment for services in their capacity as director.

During the period ended 31 December 2017, consultancy fees of £70,303 and £133,331 were paid to D Marrinan-Hayes and M Tonnesen respectively and are included in directors remuneration on the basis they are payment for services in their capacity as director.

12. Interest payable and similar expenses

	2018 £	9 months ended 31 December 2017 £
Unwinding of discounted shareholder loans	**551,168**	297,210

13. Taxation

	2018 £	9 months ended 31 December 2017 £
Corporation tax		
Research and development tax credit	**(763,400)**	-
Taxation on (loss)/profit on ordinary activities	**(763,400)**	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	9 months ended 31 December 2017 £
Loss on ordinary activities before tax	**(18,133,805)**	(14,458,969)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	**(3,445,423)**	(2,747,204)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**1,402,087**	666,320
Capital allowances for year/period in excess of depreciation	**-**	256,481
Research and development tax credit	**(763,400)**	-
Non-taxable income	**(162,598)**	(494)
Closing deferred tax to average rate of 19%	**-**	192,094
Deferred tax not recognised	**2,205,934**	1,632,803
Total tax charge for the year/period	**(763,400)**	-

13. Taxation (continued)

Factors that may affect future tax charges

The UK corporation tax rate of 19% (effective 1 April 2017) will reduce to 17% (effective 1 April 2020). The reduction in tax rates was included in 2016 Finance Act which was substantively enacted on 6 September 2016.

The unrecognised deferred tax assets relates to tax losses carried forward of £20,933,220 (2017: £9,425,053).

14. Intangible assets

	Domain name & Patents £	Customer relationships £	Computer software £	Total £
Cost				
At 1 January 2018	**545,994**	**1,149,900**	**3,355,169**	**5,051,063**
At 31 December 2018	**545,994**	**1,149,900**	**3,355,169**	**5,051,063**
Amortisation				
At 1 January 2018	**44,304**	**127,767**	**277,336**	**449,407**
Charge for the year	**68,249**	**-**	**6,121**	**74,370**
Impairment charge	**-**	**243,700**	**2,032,800**	**2,276,500**
At 31 December 2018	**112,553**	**371,467**	**2,316,257**	**2,800,277**
Net book value				
At 31 December 2018	**433,441**	**778,433**	**1,038,912**	**2,250,786**
At 31 December 2017	501,690	1,022,133	3,077,833	4,601,656

14. Intangible assets (continued)

The impairment provision recognised in the year was deemed appropriate based upon third party valuations carried out on the intangible assets following the year end. The valuation was performed by Globalview Advisors Limited whose employees are members of the Society of Share and Business valuers as well as subscribers to the Valuation Group formed by the Institute of Chartered Accountants in England and Wales.

Computer software was valued using a replacement cost method. The assumptions were based on the software industry averages of operating profit margins.

Customer relationships used the distributor method which assumes that returns relating to a customer related asset are comparable to the expected profit that would be made by a hypothetical distributor that does not own the related intellectual property. This was based on a discount rate calculated using an appropriate weighted average cost of capital, and expected customer attrition rates for software and digital advertising customers respectively.

15. Negative goodwill

	2018 £
Cost	
At 1 January 2018	**(5,134,676)**
At 31 December 2018	**(5,134,676)**
Amortisation	
At 1 January 2018	**(570,520)**
Charge for the year/period	**(855,779)**
At 31 December 2018	**(1,426,299)**
Net book value	
At 31 December 2018	**(3,708,377)**
At 31 December 2017	(4,564,156)

Negative goodwill relates to the acquisition of the trade and assets of Ve Interactive Limited on 26 April 2017.

16. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2018	37,319	98,290	135,609
Additions	-	11,791	11,791
Disposals	-	(58,213)	(58,213)
At 31 December 2018	37,319	51,868	89,187
Depreciation			
At 1 January 2018	10,959	55,144	66,103
Charge for the year on owned assets	16,381	44,932	61,313
Disposals	-	(58,061)	(58,061)
At 31 December 2018	27,340	42,015	69,355
Net book value			
At 31 December 2018	9,979	9,853	19,832
At 31 December 2017	26,360	43,146	69,506

17. Investments

Investments in subsidiaries were acquired with the trade and assets of Ve Intereactive Limited in April 2017 and were deemed to have a fair value of Nil on acquisiton.

The following were direct subsidiary undertakings of the company:

Name	Registered office	Country of incorporation	Class of shares	Holding
VE Global Brasil Solucoes Software LTDA	1	Brazil	Ordinary	99.00%
VE Interactive Nordics AB	2	Sweden	Ordinary	*62.50%
VE Global Iberia SL	3	Spain	Ordinary	100.00%
VE Interactive SRL	4	Romania	Ordinary	100.00%
LLC VE Interactive Russia	5	Russia	Ordinary	95.00%
VE Interactive Dach Gmbh	6	Germany	Ordinary	*62.50%
VE Interactive Italia SRL	7	Italy	Ordinary	95.00%
VE Inter.Poland Sp Z.o.o	8	Poland	Ordinary	100.00%
VE Global Benelux B.V	9	Netherlands	Ordinary	100.00%
VE Interactive Ireland	10	Ireland	Ordinary	100.00%
VE Interactive Vietnam Ltd	11	Vietnam	Ordinary	*67.00%
VE Interactive Asia	12	Hong Kong	Ordinary	*67.50%
VE Interactive Pty Ltd	13	Australia	Ordinary	*67.50%
VE Korea Co.Ltd	14	South Korea	Ordinary	*67.50%
VE Japan Co. Ltd	15	Japan	Ordinary	*67.50%
VE Interactive PTE Ltd	16	Singapore	Ordinary	*67.50%
Global Digital Markets Ltd	17	UK	Ordinary	100.00%
Optomaton UG	18	Germany	Ordinary	100.00%
Crave+Lamb Ltd	17	UK	Ordinary	100.00%
Shopomo Ltd	17	UK	Ordinary	100.00%
VE Nominees Ltd	17	UK	Ordinary	100.00%
VE Global Trustees Limited	17	UK	Ordinary	100.00%
VE Interactive Argentina***	20	Argentina	N/A	N/A
VE Interactive MX S DE RL DE CV***	21	Mexico	N/A	N/A

The following were indirect subsidiary undertakings of the company:

Name	Registered office	Country of incorporation	Class of shares	Holding
VE Interactive Private Ltd	19	India	Ordinary	**67.50%

* The parent company, Ve Global Limited, holds the remaining shares in these companies
** The VE Global group holds 99.99% of the shares in this company
*** Ve Global UK Limited is the beneficial owner of these companies

Investments (continued)

The registered address of subsidiary undertakings at 31 December 2018 were as follows;

Company	Registered office address
1	Avenida Paulista, 1374-11° andar, Bela Vista - São Paulo / SP-CEP 01310-100 Brazil
2	Tegnérgatan 2B, 113 58 Stockholm, Sweden
3	Calle Ayala 27, 6° izquierda, 28001, Madrid, España
4	Cluj Business Center, Strada Henri Barbusse Cluj-Napoca 400616, Romania
5	Omega Plaza, 19, ul. Leninskaya Sloboda, 115280 Moscow, Russia
6	Französische, Straße 47,10117 Berlin, Germany
7	Largo Francesco Richini, 6, 20122 Milano
8	ul. Woodyjowskiego 77A, 02-724 Warsaw, Poland
9	Postsweg 1, 1057 DT Amsterdam
10	Dogpatch Labs, The Chq Building, Custom House Quay, Dublin 1, Ireland
11	Danang City, Vietnam
12	20/F Times Media Center, 133 Wan Chai Road, Hong Kong S.A.R, China
13	Level 16, 1 Market Street, Sydney, NSW 2000, Australia
14	Room 930, 22, Seocho-daero 78-gil, Seocho-gu, Seoul, Korea 06621
15	Rock Belay Building 8, 4-7-1 Iidabashi, Chiyoda-ku, 102-0072 Tokyo, Japan
16	The Co Spaces, 75 High Street, Singapore 179435, Singapore
17	77 Leadenhall Street, London, England, EC3A 3DE
18	Amselstr. 70, 41363 Jüchen, Germany
19	Level 18 DLF Cyber City, Building No.5, Tower A, Phase III, Gurgaon 122002, India
20	Avda. Leandro N. Alem 734, Piso 5t0., Oficina 16, C.A.B.A. (1001), República Argentina
21	Lago Zurich 219, Floor 12. Ampliación Granada, Del Miguel Hidalgo. Post Code:11529 CDMX,México.

18. Debtors

	2018 £	31 December 2017 £
Due after more than one year		
Deposits	**14,389**	247,999
	14,389	247,999

	2018 £	31 December 2017 £
Due within one year		
Trade debtors	**756,354**	965,096
Amounts owed by group undertakings	**2,048,292**	10,437,946
Other debtors	**313,813**	8,268
Prepayments and accrued income	**134,505**	247,107
Tax recoverable	**763,400**	-
Accrued income	**465,850**	1,410,960
	4,482,214	13,069,377

All amounts are short-term and are generally due for payment in 30 days. The net carrying value of trade receivables is considered a reasonable approximation of fair value. All of the group's trade and other receivables in the comparative periods have been reviewed for indicators of impairment.

Amounts owed by group companies are unsecured, interest free and repayable on demand, and are stated after recognising an impairment provision of £9,693,980 (2017: £4,306,887).

Trade debtors are stated after recognising an impairment provision of £13,363 (2017: £407,812).

19. Cash and cash equivalents

	2018 £	31 December 2017 £
Cash at bank and in hand	**198,380**	763,249

20. Creditors: Amounts falling due within one year

	2018 £	31 December 2017 £
Invoice discounting	**181,016**	-
Trade creditors	**560,949**	809,577
Amounts owed to group undertakings	**17,102,532**	10,579,741
Other taxation and social security	**264,999**	438,905
Other creditors	**143,480**	745,386
Accruals and deferred income	**1,500,594**	1,240,943
Deferred income	**16,509**	24,931
	19,770,079	13,839,483

The invoice discounting creditor relates to invoices held in trade debtors totalling £330,679.

The invoice discounting facility has a limit of £600,000 and is secured by a fixed and floating charge on the assets of the company.

21. Creditors: Amounts falling due after more than one year

	2018 £	31 December 2017 £
Shareholder loans	**3,041,217**	2,531,815
	3,041,217	2,531,815

The company received £5,500,000 in loans from its shareholders in the period ended 31 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 and ending on 26 April 2024.

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 £509,402 for FY 2018 (2017:£277,442). The difference between the fair value of the loan at inception date and the future liabilities payable of £5,500,000 amounted to £3,245,677. This amount was recognized in 'Other equity' as an equity contribution by the shareholder and is being released to the profit and loss reserve in line with the interest charged each year.

22. Loans

Analysis of the maturity of loans is given below:

	2018 £	31 December 2017 £
Amounts falling due within one year		
Invoice discounting	**181,016**	-
Amounts falling due 1-2 years		
Shareholder loans	**3,041,217**	2,531,815
	3,222,233	2,531,815

23. Financial instruments

	2018 £	31 December 2017 £
Financial assets		
Financial assets measured at face value through profit or loss	**198,380**	763,249
Financial assets that are debt instruments measured at amortised cost	**3,132,848**	11,659,309
	3,331,228	12,422,558
Financial liabilities		
Financial liabilities measured at amortised cost	**(22,483,397)**	(15,896,886)

Financial assets measured at face value through profit or loss comprise cash at and bank in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade and other creditors, amounts owed to group undertakings, accruals and the balance on the invoice discounting facility.

24. Share capital

	2018 £	31 December 2017 £
Allotted, called up and fully paid		
231,390 (2017 - 231,390) Ordinary shares of £0.01 each	**2,314**	2,314

The Ordinary shares have full voting and dividend rights, and right to participate in capital distributions.

25. Reserves

Share premium account

Share premium represents a capital reserve arising on subscription amounts for ordinary share capital at amounts above the nominal value of the shares.

Other reserves

Amounts in other reserves represent the equity contributions relating to the discounting of loans provided to the company on preferential terms.

Profit and loss account

All gains and losses are recognised through profit and loss account along with dividend transactions with owners, if any.

26. Pension commitments

At the year end the company had a pension liability of £42,814 (2017: £4,586) included in creditors.

27. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	31 December 2017 £
Not later than 1 year	**833,700**	1,080,000

The operating lease charge for the year was £1,329,037 (2017: £892,638).

28. Related party transactions

The company has taken the exceptions available under FRS 101 not to disclose related party transactions between members of a group, provided all entities party to the transaction are wholly owned subsidiaries.

Details of balances held as at 31 December 2018 for related parties not covered by the exception are included below;

Receivable from subsidiary undertakings

	2018 £	31 December 2017 £
VE Global Brasil Solucoes Software LTDA	**86,012**	-
VE Interactive MX S.DE R.L.DE C.V	**245,748**	276,739
LLC VE Interactive Russia	**506,723**	489,392
VE Interactive Italia SRL	**489,091**	498,421
Divvit AB	**310,597**	-
	1,638,171	1,264,552

Provision on amounts owed by subsidiary undertakings

	2018 £	31 December 2017 £
LLC VE Interactive Russia	**506,723**	-
VE Interactive Italia SRL	**413,143**	75,948
Divvit AB	**310,597**	-
	1,230,463	75,948

All amounts are unsecured.

The total expense recognised in the income statement relating to bad or doubtful debts for the above companies was £1,154,515 (2017: £75,948).

29. Controlling party

The immediate and ultimate parent is Ve Global Limited a company incorporated in England and Wales. *The registered address of Ve Global Limited is 77 Leadenhall Street, London, England, EC3A 3DE.* There is no individual ultimate controlling party.