

**Half-Yearly Financial Report**

Global Digital Services PLC (STC) announces its Mid-Year six month financial results for the period ending 30<sup>th</sup> September 2018.

Marianna Frangos  
Secretary

Attachments:

1. **Mid-Year six months FS**
2. **Board Resolution**

**Non Regulated**

Publication Date: 07/12/2018

**GLOBAL DIGITAL SERVICES PLC**  
*Registration Number: C 58683*

**CONSOLIDATION OF INTERIM FINANCIAL STATEMENTS**  
*For the financial period ended 30 September 2018*

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*The accompanying notes form an integral part of these financial statements*

**STATEMENT OF COMPREHENSIVE INCOME***For the financial period ended 30 September 2018*

	<b>30/09/2018</b>	<b>30/09/2017</b>
<b><u>Income</u></b>		
Revenue	5.083	46.534
<b><u>Other Items of Income</u></b>		
Other Income		
Less Cost of Sales	(2.696)	(46.373)
<b>Gross Loss/Profit</b>	<b>2.387</b>	<b>162</b>
<b><u>Other Items of Expense</u></b>		
Other Expenses	(27.273)	(254.378)
<b>Profit (Loss) Before Tax from Continuing Operations</b>	<b>(24.886)</b>	<b>(254.216)</b>
Income Tax Benefit		
<b>Total Comprehensive Income</b>	<b>(24.886)</b>	<b>(254.216)</b>

## STATEMENT OF FINANCIAL POSITION

For the financial period ended 30 September 2018

	30/09/2018	30/09/2017
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Total Research & Development	3.015.223	3.015.223
Accumulated Amortization - R&D	(3.015.223)	(3.015.223)
<b>Total of Other Assets</b>	<b>0</b>	<b>0</b>
<b>Current Assets</b>		
Trade and Other Receivables	14.871.034	14.871.034
Cash at Bank	33.640	44.872
<b>Total Current Assets</b>	<b>14.904.674</b>	<b>14.915.906</b>
<b>TOTAL ASSETS</b>	<b>14.904.674</b>	<b>14.915.906</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other Payables, Current	77.058	17.536
Non Current Liabilities	4.394.178	4.394.178
<b>Total Liabilities</b>	<b>4.471.236</b>	<b>4.411.714</b>
<b>Total Net Assets</b>	<b>10.433.437</b>	<b>10.504.192</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	15.250.000	15.250.000
Retained Earnings	(4.816.563)	(4.745.808)
<b>Total Equity</b>	<b>10.433.437</b>	<b>10.504.192</b>

**STATEMENT OF CHANGES IN EQUITY***For the financial period ended 30 September 2018*

	<b>Total Equity</b>	<b>Share Capital</b>	<b>Retained Earnings (Accumulated Losses)</b>
Issuance of Ordinary Shares as at 1st April 2018	15.250.000	15.250.000	0
Retained Earnings (Accumulated Loss)	(4.816.563)	0	(4.816.563)
Closing Balance at 30/09/18	10.433.437	15.250.000	(4.816.563)

*For the financial period ended 30 September 2018*

	<b>Total Equity</b>	<b>Share Capital</b>	<b>Retained Earnings (Accumulated Losses)</b>
Issuance of Ordinary Shares as at 1st April 2017	15.250.000	15.250.000	0
Retained Earnings (Accumulated Loss)	(4.816.563)	0	(4.816.563)
Closing Balance at 30/09/17	10.433.437	15.250.000	(4.816.563)

## STATEMENT OF CASH FLOW

For the financial period ended 30 September 2018

	30/09/2018	30/09/2017
<b>Cash Flows from Operating Activities</b>		
(Loss)/Profit for the period	(24.886)	(254.216)
Depreciation	13.924	245.125
Loss before Tax		
<b>Operating Cash Flow before Changes in Working Capital</b>	<b>(10.962)</b>	<b>(9.091)</b>
<b>Movements in Working Capital</b>		
Trade Receivables	0	0
Trade and Other Payables	504	6.001
<b>Net Cash Flows Used in Operations</b>	<b>504</b>	<b>6.001</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of a Subsidiary		
Purchase/Disposal of Financial Assets		
Proceed from Related Parties Loan		
<b>Net Cash Flows From (used in) Investing Activities</b>	<b>0</b>	<b>0</b>
<b>Cash Flows from Financing Activities</b>		
Issuance of Ordinary Shares		
<b>Net Cash Flows From Financing Activities</b>	<b>0</b>	<b>0</b>
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>(10.458)</b>	<b>(3.091)</b>
Cash & Cash Equivalents at beginning of the period	44.098	47.963
<b>Cash &amp; Cash Equivalents, Statement of Cash Flows, ending balance</b>	<b>33.640</b>	<b>44.872</b>

**NOTES TO THE FINANCIAL STATEMENT**  
*For the financial period ended 30 September 2017*

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1 Corporate Information**

Global Digital Services PLC is domiciled and incorporated in Malta. The company's registered office and principal place of business are located at 5/1, Merchant Street, Valletta VLT1171. Malta.

The principal activities of the company are those relating to investment holding. Its wholly owned subsidiary, Sitetalk Community Inc, incorporated in the Cayman Islands, is in the business of operating a social network website.

**2 Significant Accounting Policies**

**Basis of Accounting**

The financial statements have been prepared in accordance with the International Financial Reporting Standards and are in accordance with IAS 34 Interim Financial Reporting.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

In addition to the disclosure of significant events and transactions, the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statement.

The periods to be covered by the interim financial statements are as follow:

**Balance sheet**, (statement of financial position) as at the end of the current interim period and a comparative balance sheet as at the end of the immediately preceding financial year.

**Statement of comprehensive income**, (Income statement) for the current interim period and cumulatively for the current financial year to date, with comparative statements for the comparable interim period (current and year to date) of the immediately preceding financial year .

**Statement of changes in equity**, cumulatively from the current financial year to date, with comparative statements for the comparable interim period (current and year to date) of the immediately preceding financial year .

**Statement of cash flow**, cumulatively from the current financial year to date, with comparative statements for the comparable interim period (current and year to date) of the immediately preceding financial year .



The interim financial statements must be read in conjunction with the annual financial statements.

The financial statements expressed in Euro ("EUR") are prepared in accordance with the historical cost convention except as disclosed, where appropriate, in the accounting policies below.

### **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of Global Digital Services PLC (Company) and its subsidiaries. Subsidiaries are entities controlled by the Company. Control is achieved where the Company has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidation from the date on which effective control is acquired and are no longer consolidated from the date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The excess of cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

### **Functional and Presentation Currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro, which is the company's functional and presentation currency.

All financial information presented are denominated in Euro unless otherwise stated.

### **Interest Income**

Interest income is recognized on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the company reduced the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest of the instrument, and there after amortizing the discount as interest income.

### **Income Taxes**

#### **(a) Current Tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting year.

No current taxes are recognized in profit or loss.

(b) Deferred Tax

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax asset is reviewed at end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting year.

No deferred taxes are recognized in the profit or loss.

**Financial Assets**

Financial assets are recognized in the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognized initially, they are measured at fair value, plus directly attributable transaction costs.

A financial asset is unrecognized where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

All regular way purchases and sales of financial assets are recognized or unrecognized on the trade date IE. the date that the company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

*Loans and Receivables*

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the loans and receivables are unrecognized or impaired, and through the amortization process.

### **Impairment of Financial Assets**

The company assesses at end of each reporting year whether there is any objective evidence that a financial asset is impaired.

#### *Assets Carried at Amortized Cost*

If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognized in profit or loss.

When the asset become uncollected, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. The amount of reversal is recognized in profit or loss.

### **Financial Liabilities**

Financial liabilities are recognized on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognized at fair value of the consideration received plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in profit or loss when the liabilities are unrecognized as well as through the amortization process. The liabilities are unrecognized when the obligation under the liability is extinguished.

### **Revenue Recognition**

Revenue is the gross inflow of economic benefits during the financial year arising in the course of the course of the ordinary activities when those inflows result in increase in equity, other than increases relating to contributions from equity participants. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

### **Provision of Services**

Revenue from the provision services is recognized when the amount of revenue can be measured reliably; and it probable that the economic benefits associated with the transaction will flow to the company and the stage of completion of the transaction at the statement of financial position date can be measured reliably; and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

## **Management Fee**

Management fee is recognized on the accrual basis based on flat rate charged to subsidiary company, Sitetalk Community Inc.

## **Provisions**

A provision is recognized when there is a present obligation (legal and constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at end of each reporting year and adjusted to reflect the current best estimate.

## **Critical Judgments, Assumptions and Estimation Uncertainties**

There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **3 Related Party Relationships and Transactions**

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or management personnel of the reporting entity or of a parent of the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

#### **3.1 Related Companies:**

The company is wholly owned subsidiary of MLDS Inc and Singlewin Commercial Limited.

Related Companies in these financial statements are the members of the company's group of companies. There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements.

The current inter company balances are unsecured, without fixed repayment terms and interest unless stated otherwise.

#### **3.2 Other related parties:**

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured, without fixed repayment terms and interest free unless stated otherwise.

#### 4 Trade and Other Receivables

	30/09/2018	30/09/2017
Trade Receivables - Other	14,871,034	14,871,034

#### 5 Cash and Cash Equivalents

For the purpose of the cash flow statement the period end cash and cash equivalents comprise the following

	30/09/2018	30/09/2017
Cash at Bank and in Hand	33,640	44,872

#### 6 Share Capital

	30/09/2018	30/09/2017
Authorised 1,525,000,000 ordinary Shares of €0.01 each	15,250,000	15,250,000
Issued and Fully Paid Up 1,525,000,000 ordinary Shares of €0.01 each	15,250,000	15,250,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions.

#### Capital Management

The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the returns to shareholders through the optimization of debt and equity balance.

The capital structure of the company consists of debt and equity comprising issued capital.

The management reviews the capital structure on an ongoing basis. As a part of the review, the management considers the cost of capital and the risks associated with each class of capital. Based on the recommendation of the management, the company will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or the redemption of existing debt.

## 7 Expenses By Nature

	30/09/2018
Bank Charges and Merchant fee	71
Legal And Professional Expense	11.227
Audit fees	550
Depreciation	13.924
Cyp Stock Exchange Fees	1.500
	<hr/>
	27.273
	<hr/>

## 8 Financial Risk Management Objectives and Policies

The main risks from the company's financial instruments are liquidity risk and credit risk. The policies for managing each of these risks are summarized below.

### Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when they fall due. The company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The company reviews its working capital requirements to assess the adequacy of cash and cash equivalents to finance the operations.

#### *Analysis of Financial Instruments by Remaining Contractual Maturities*

The table below summarizes the maturity profile of the company's financial assets and liabilities at the end of the reporting year based on contractual non discounted repayment obligations.

<i>Financial assets</i>	30 Sept 2018
	EUR
Trade and other receivables	14,871,034
Cash and cash equivalents	33,640
	<b>14,904,674</b>
<i>Financial liabilities</i>	
Trade and other payables	<b>(4,471,236)</b>

### *Credit Risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a party default on its obligations.

#### *Exposure to Credit Risk*

The company does not have exposure to credit risk arising from trade and other receivables. For other financial assets

At the end of the reporting year, the company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognized in the statement of financial position.

The company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The company trades only with recognized and credit worthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

The company does not have any significant concentration of credit risk.

### **9 Fair Values of Financial Assets and Financial Liabilities**

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities and amounts payable approximate their respective fair values due to the relatively short -term maturity of these financial instruments.



10 Approval of interim financial statements

The interim financial statements were approved by the board of director on CHECK THE DATE

*J. Picketts*

*J.P.*



**GLOBAL DIGITAL SERVICES PLC**  
(Company Registration No. C 58683)  
5/1 Merchants Street, Valletta VLT 1171, Malta

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ORDINARY DIRECTOR RESOLUTION

FOR THE COMPANY 5th December 2018

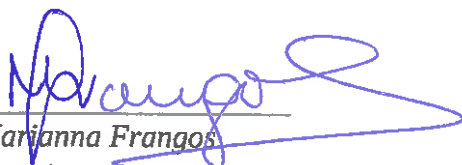
It is hereby resolved that:

The unaudited financial statements of the company for the half year ended 30<sup>th</sup> September 2018 reported by the company's auditors were tabled. The undersigned approved the financial statements and confirmed that all liabilities and assets are correct.

Dated: 5th December 2018



*Frank Robert Ricketts*  
Chairman



*Marianna Frangos*  
Secretary