GLOBAL DIGITAL SERVICES PLC
MALTA

ANNUAL REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2014

SAIF CHARTERED ACCOUNTANTS
Auditors, Accountants & Management Consultants

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The Directors have pleasure in submitting their report and consolidated audited financial statements of Global Digital Services PLC ("the Company") and its subsidiaries ('the Group") for the period ended March 31, 2014.

Activities

The principal activity of the Group is to acquire companies and assets of active online companies operating within the digital space, including e-commerce and social networking companies.

Financial position

During the initial period from December 19, 2012 to March 31, 2014, the Group achieved a turnover of € 1,496,070. The Group has maintained a satisfactory level of activities throughout the period and the net assets at the year-end reached € 11,595,244.

Events since end of the period

The Group's investments in two companies resulted in a loss to the tune of € 62,556. The companies were struck off from the Register of Companies on April 16, 2014 after the reporting date but prior to issuance of this report and the effect of this liquidation loss is adjusted in the financial reports.

Shareholders and their interests

The parent company of the Group, Global Digital Services PLC, has effected the listing of 100% of its common shares on the Emerging Companies Market of the Cyprus Stock Exchange. There are over 10,000 shareholders.

Results and Dividends

The net loss for the period is € 2,017,589 and the accumulated losses at the period-end are € 3,654,756.

Directors

The directors of the Company during the period were:
David Hong Chaun Goh
Stewart Edward Irvine
Frank Robert Ricketts
Eugene King Valaitis

The directors have served on the Board throughout the period and shall continue in office in accordance with the Company's Memorandum and Articles of Association

Auditors

The financial statements have been audited by Saif Chartered Accountants, who retire and being eligible, offer themselves for reappointment.

For and on behalf of the Board

Frank Robert Ricketts
July 31, 2014

Eugene King Valaitis
July 31, 2014

The directors are required by the Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the company and the group at the end of each financial period and of the profit and loss for the period. In preparing the financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- ensure that International Financial Reporting Standards as adopted by the European Union have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act, 1995. They are also responsible for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the company and the group are properly safeguarded and that fraud and other irregularities will be prevented or detected.

Report of the independent auditors to the shareholders of **GLOBAL DIGITAL SERVICES PLC, MALTA AND ITS SUBSIDIARIES**

We have audited the accompanying consolidated financial statements of **GLOBAL DIGITAL SERVICES PLC, MALTA** ('the Company") **AND ITS SUBSIDIARIES** ("the Group") set out on pages 5 to 22, which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of **GLOBAL DIGITAL SERVICES PLC, MALTA** ('the Company") **AND ITS SUBSIDIARIES** ("the Group"), as at March 31, 2014, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been properly prepared in accordance with the Companies Act, Cap. 386 of the Laws of Malta, which permits compliance with International Financial Reporting Standards as adopted by the European Union.

SAIF CHARTERED ACCOUNTANTS
DUBAI, UNITED ARAB EMIRATES.
July 31, 2014

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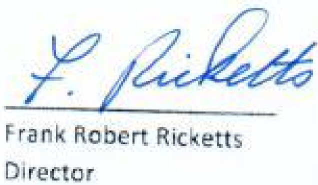
American Accounting Association
NBA
nacpb
An ISO 9001 Certified Company

	NOTES	*Group* *March 31, 2014* €	*Company* *March 31, 2014* €
ASSETS			
Non current assets			
Property, plant and equipment	3	5,528	-
Intangible assets	4	1,957,584	-
Investments	5	-	15,000,000
Total non current assets		1,963,112	15,000,000
Current assets			
Trade and other receivables	6	16,043,985	251,788
Bank balances and cash	7	6,439	6,439
Total current assets		16,050,424	258,227
Total assets		**18,013,536**	**15,258,227**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	15,250,000	15,250,000
(Accumulated losses) Retained earnings		(3,654,756)	3,407
Shareholders' equity		11,595,244	15,253,407
Current liabilities			
Trade and other payables	9	7,899	4,820
Due to related parties	10	6,410,393	-
Total current liabilities		6,418,292	4,820
Total liabilities		6,418,292	4,820
Total equity and liabilities		**18,013,536**	**15,258,227**

The financial statements have been approved by the directors on July 31, 2014 and are signed on its behalf by:



Frank Robert Ricketts
Director

Eugene King Valaitis
Director

The notes on pages 9 to 22 form part of these financial statements.

	NOTES	*Group* *December 19, 2012 to March 31, 2014* €	*Company* *December 19, 2012 to March 31, 2014* €
Revenue	11	1,496,070	38,500
Direct costs	12	(1,923,072)	-
Gross (loss) profit		(427,002)	38,500
Administrative expenses	13	(966,359)	(32,968)
Depreciation	3	(21,825)	-
Amortisation	4	(537,722)	-
		(1,525,906)	(32,968)
(Loss) income from operating activities		(1,952,908)	5,532
Income tax expense		(2,125)	(2,125)
Net (loss) income for the period		(1,955,033)	3,407
Other comprehensive (loss) income	14	(62,556)	-
Total comprehensive (loss) income for the period		**(2,017,589)**	**3,407**

The notes on pages 9 to 22 form part of these financial statements.

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	Group		
	Share capital	(Accumulated losses)	Total
	€	€	€
Balance at December 19, 2012			
Issue of shares	15,250,000	-	15,250,000
Accumulated losses prior acquisition		(1,637,167)	(1,637,167)
Total comprehensive (loss) for the period	-	(2,017,589)	(2,017,589)
Balance at March 31, 2014	**15,250,000**	**(3,654,756)**	**11,595,244**

	Company		
	Share capital	Retained earnings	Total
	€	€	€
Balance at December 19, 2012			
Issue of shares	15,250,000	-	15,250,000
Total comprehensive income for the period	-	3,407	3,407
Balance at March 31, 2014	**15,250,000**	**3,407**	**15,253,407**

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	NOTES	*Group* *December 19, 2012 to March 31, 2014* €	*Company* *December 19, 2012 to March 31, 2014* €
Cash flow from operating activities			
Total comprehensive (loss) for the period		(2,017,589)	3,407
Depreciation	3	21,825	-
Amortisation	4	537,722	-
Operating (loss) profit before changes in operating assets and liabilities		(1,458,042)	3,407
(Increase) in trade and other receivables	6	(16,043,985)	(251,788)
Increase trade and other payables	9	7,899	4,820
Increase in due to related parties	10	6,410,393	-
Net cash (used in) operating activities (A)		(11,083,735)	(243,561)
Cash flow from investing activities			
Purchase of property, plant and equipment	3	(71,428)	-
Acquisition of intangible assets	4	(2,893,691)	-
Purchase of financial assets	5	-	(15,000,000)
Adjustments for:			
Non cash expenses prior acquisition		442,460	-
Net cash (used in) investing activities (B)		(2,522,659)	(15,000,000)
Cash flow from financing activities			
Issue of share capital	8	15,250,000	15,250,000
Adjustments for:			
(Accumulated losses) prior to acquisition		(1,637,167)	-
Net cash from financing activities (C)		13,612,833	15,250,000
Net increase in cash and cash equivalents (A+B+C)		6,439	6,439
Cash and cash equivalents at the beginning of period		-	-
Cash and cash equivalents at the end of the period		6,439	6,439

The notes on pages 9 to 22 form part of these financial statements.

SAIF CHARTERED ACCOUNTANTS
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1. Status and activity

   a. Global Digital Services is a public company incorporated in Malta.

   b. The parent company of the Group, Global Digital Services PLC, has effected the listing of 100% of its common shares on the Emerging Companies Market of the Cyprus Stock Exchange. There are over 10,000 shareholders.

   c. The principal activity of the Group is to acquire companies and assets of active online companies operating within the digital space, including e-commerce and social networking companies.

   d. The financial statements for the period ended March 31, 2014 were authorized for issue by the Board of Directors on July 31, 2014.

2. Significant accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and as adopted by the European Union and applicable requirements of the laws of Malta.

The financial statements have been presented in Euro (€), being the functional currency of the Group.

The financial statements are prepared under the historical cost basis, except for investments property and available-for-sale investments which are measured at fair values as explained in 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 of 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.

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2. Significant accounting policies (Continued)

Changes in accounting policies

The accounting policies adopted are consistent with those used since beginning, except for the adoption of new standards and interpretations issued by IASB and effective for annual periods beginning on or after 1 January 2013:

New and revised Accounting Standards and Interpretations

(a) *Standards, amendments and interpretations effective from 1 January 2013 which are adopted by the Group during 2013 are as follows*

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defines fair value as an exit price. Application of IFRS 13 also requires additional disclosures. Application of IFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities.

The Group has adopted all other new and amended IFRS and IFRIC interpretations becoming mandatory for financial years beginning on or after 1 January 2013. Adoption of these standards and interpretations did not have an impact on the financial position or performance of the Group during the year. The new standards, interpretations and amendments becoming mandatory and adopted by the Group during the year are described below:

IAS 1	Presentation of Items of Other Comprehensive Income – Amendments to AIS 1 (effective for annual periods beginning on or after 1 July 2012);
IAS 19	Employee benefits (Revised) (effective for annual periods beginning on or after 1 January 2013);
IAS 27	Separate Financial Statements (effective for annual periods beginning on or after 1 January 2013);
IAS 28	Investments in Associates and Joint Ventures (as revised in 2011) effective for annual periods beginning on or after 1 January 2013);
IAS 32	Financial Instruments: Presentation – Tax effects of distributions to holders of equity instruments (Amendment) (effective for annual periods beginning on or after 1 January 2013);
IFRS 1	Government Loans – Amendments to IFRS1 (effective for annual periods beginning on or after 1 January 2013);
IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7 (effective for annual periods beginning on or after 1 January 2013);
IFRS 10	Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013);
IRFS 11	Joint Arrangements (effective for annual periods beginning on or after 1 January 2013);
IFRS 12	Disclosure of Interest in Other Entities (effective for annual periods beginning on or after 1 January 2013);
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine (effective for annual periods beginning on or after 1 January 2013);

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2. Significant accounting policies (Continued)

(b) Standards, amendments and Interpretation in issue but not effective (continued)

In addition to the above-mentioned amendments and new standards, IFRS 1 First-time Adoption of International Financial Reporting Standards was amended with effect for reporting periods starting on or after 1 January 2013. The Group is not a first-time adopter of IFRS; therefore, this amendment is not relevant to the Group.

(a) Standards, amendments and Interpretation in issue but not effective

The Standards and Interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below:

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2018. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The Group will quantify the effect of IFRS 9 in conjunction with the other phases, when the final standard including all phases is issued.

Investment Entities (Amendments to IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group.

IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Group.

IAS 36 Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

The amendments clarify the disclosure requirements in respect of fair value less costs of disposal. When IAS 36 Impairment of Assets was originally changed as a consequence of IFRS 13, the IASB intended to require disclosure of information about the recoverable amount of impaired assets if that amount was based on fair value less costs to sell. An unintended consequence of the amendments was that an entity would be required to disclose the recoverable amount for each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit was significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. This requirement has been deleted by the amendment. In addition, the IASB added two disclosure requirements:

- Additional information about the fair value measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal.
- Information about the discount rates that have been used when the recoverable amount is based on fair value less costs of disposal using a present value technique. The amendment harmonises disclosure requirements between value in use and fair value less costs of disposal.

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2. Significant accounting policies (Continued)

(b) Standards, amendments and Interpretations in issue but not effective (Continued)

These amendments are effective for annual periods beginning on or after 1 January 2014 are not expected to have any impact on the financial statements of the Group.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Group.

IFRIC Interpretation 21 Levies (IFRIC 21)
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Group does not expect to have any impact on the financial statements of the Group as a result of the application of this standard.

The management anticipates that all of the above Standards and Interpretations will be adopted by the Group to the extent applicable to them from their effective dates. The adoption of these Standards, amendments and interpretations is not expected to have any material impact on the financial statements of the Group in the period of their initial application.

(b) Improvements to IFRSs

IAS 1 Presentation of Financial Statements
This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period. The Group provides minimum required comparative information.

IAS 16 Property, Plant and Equipment
This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory. This improvement did not have any impact on the accounting policies, financial position or performance of the Group.

IAS 32 Financial Instruments, Presentation
This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. This improvement did not have any impact on the accounting policies, financial position or performance of the Group.

IAS 34 Interim Financial Reporting
The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures. This amendment did not have any impact on the accounting policies, financial position or performance of the Group.

2. Significant accounting policies (Continued)

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will follow to the Group and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sales of goods or services is recognised when the significant risks and rewards of ownership of the goods or performance of services have passed to the buyer and the amount of revenue can be measured reliably.

Interest income is recognized on a time proportional basis.

Dividend income is recognized on the date the income is received.

Other income

Other income is recognised on accrual basis when the Group entitlement to the revenue is established.

Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies (that have the most significant effect on the amount recognized in the financial statements) are discussed in note 18.

Property, furniture and equipment

Property and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment is required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciate them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income has incurred.

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2. Significant accounting policies (Continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Computer and electronic equipment	5 years

An item of property, furniture and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The carrying value of property, furniture and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets

Expenditure to acquire patents, trademarks, R & D and licenses is capitalized and amortized using the straight line method over their estimated useful lives.

Research and Development	5 years

Investment property

Investment properties are initially measured at cost including the transaction cost. Subsequent to the initial recognition, investment properties are stated at cost, less accumulated depreciation and accumulated impairment losses. Fair values are based on active market prices and are reviewed annually by the director. In line with IAS 40 – Investment property, changes in fair values are recorded in the statement of comprehensive income.

Depreciation is provided consistently on a straight line basis so as to write off the cost of investment property over their estimated useful lives.

Investments in associates

Where the Group has power to participate in but not control the financial and operating policy decisions of another entity, it is classified as an associate. Investments in associates are initially measured at cost. Subsequent to the initial recognition, investments in associates are stated at cost, less accumulated impairment losses.

Any distributions received from the associate are recognized in the statement of comprehensive income.

Financial assets

Long term investments are classified as financial assets. In the Group's financial statements, subsidiaries are accounted for by the cost method of accounting. The results of subsidiary undertakings in the Group's financial statements are reflected in these financial statements only to the extent of dividend receivable.

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2. Significant accounting policies (Continued)

Other long term investments are classified as available-for-sale investments. Available-for-sale investments are investments intended to be held for an indefinite period of time, and which may be sold in response to needs for liquidity or changes in interest rates. Management determines the appropriate classification of its investments at the time of the purchase.

Available-for-sale investments are initially recognized at cost including all transaction costs. These are subsequently carried at fair value. Unrealized gains and losses arising from the changes in fair value of available-for-sale investments are taken to equity in the period in which they arise. The fair value of publicly traded available-for-sale securities is based on the quoted market prices at balance sheet date. On disposal, the related accumulated fair value adjustment is included in the statement of comprehensive income.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Accounts receivable

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and bank balances, net of outstanding bank overdrafts, if any.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a 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. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

2. Significant accounting policies (Continued)

Leases

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

The Group leases contain property, plant and equipment. Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Employees' end of service benefits

The Group provides end of service benefits to its employees, wherever applicable. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service year. The expected costs of these benefits are accrued and paid over the period of employment.

Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at the currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency is translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Borrowing costs

All borrowing costs are recognized as an expense in the statement of comprehensive income as incurred.

Current and Deferred Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income 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.

Deferred income tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognized only to the extent that future taxable profits will be available such that the realization of the related tax benefit is probable.

Current and deferred tax are recognized as an expense or income in the statement of comprehensive income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity.

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3 Property, plant and equipment

	Group	
	Computer & electronic equipment	Total
	€	€
Cost		
As at December 19, 2012	71,428	71,428
Acquired during the period	-	-
As at March 31, 2014	71,428	71,428
Depreciation		
As at December 19, 2012	44,075	44,075
Depreciation for the period	21,825	21,825
As at March 31, 2014	65,900	65,900
Net book value		
As at March 31, 2014	5,528	5,528

4 Intangible assets

	Group March 31, 2014	*Company March 31, 2014*
	€	€
Research and development		
Cost:	2,893,691	-
Amortisation:		
Opening balance	398,385	-
Amortisation for the period	537,722	-
Closing balance	936,107	-
Net book value	1,957,584	-

5 Investments

At March 31, 2014 the Group had investments in the following companies:

	€
Sitetalk Community PTE Inc	-
Sitetalk PTE Ltd	-
	-

The method used to account for these investmentd is the cost method. Both companies had been struck off from the Register of Companies on April 16, 2014 subsequent to the reporting date. Loss incurred in liquidating the investments in Sitetalk Community PTE Ltd amounts to € 62,556.

At March 31, 2014 the Company had investments as follows:

	€
Site talk Community Inc, Cayman Island	15,000,000

The method used to account for these investments is the cost method.

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6 Trade and other receivables

	Group March 31, 2014	Company March 31, 2014
	€	€
Non-trade:		
Immediate Holding Company	-	12,689
Sbsidiary	-	43,969
Others	16,043,985	195,130
	16,043,985	251,788

7 Bank balances and cash

	Group March 31, 2014	Company March 31, 2014
	€	€
Cash at bank and on hand	6,439	6,439
	6,439	6,439

8 Share capital

	Group March 31, 2014	Company March 31, 2014
	€	€
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

9 Trade and other payables

	Group March 31, 2014	Company March 31, 2014
	€	€
Accrued expenses	5,774	2,695
Direct tax	2,125	2,125
	7,899	4,820

10 Related parties include the shareholders, key management personnel, associates, joint ventures and any businesses which are controlled directly or indirectly by the Company or over which they exercise significant management influence. The balances due from such parties, which have been disclosed separately in the financial statements, are unsecured and are repayable on demand.

Balances with related parties included in the statement of financial position are as follows:

	Group March 31, 2014	Company March 31, 2014
	€	€
Amounts payable to related parties	6,410,393	-
	6,410,393	-

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11 Revenue

	Group March 31, 2014	*Company March 31, 2014*
	€	€
Income from services	1,496,070	38,500
	1,496,070	38,500

12 Direct costs

	Group March 31, 2014	*Company March 31, 2014*
	€	€
Cost of services	1,923,072	-
	1,923,072	-

13 Administrative expenses

	Group March 31, 2014	*Company March 31, 2014*
	€	€
License expenses	341	341
Server maintenance	33,662	-
Audit fees	5,775	2,695
Professional fees	820,857	29,261
Advertising and promotion expenses	100,000	-
General expenses	3,955	-
Bank charges	613	671
Exchange rate loss	1,156	-
	966,359	32,968

14 Other comprehensive (loss) income

	Group March 31, 2014	*Company March 31, 2014*
	€	€
Loss incurred on available-for-sale financial assets	62,556	-
	62,556	-

15 Contingent liabilities

The Group had no contingent liabilities at the reporting date.

16 Capital commitments

The Group had no capital commitments as at the reporting date.

17 Risk management

The entity monitors and manages the financial risks relating to its business and operations. These risks include: capital risk, market risk (including currency risk), credit risk and liquidity risk.

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17. Risk management (Continued)

Capital risk

The entity manages its capital to ensure that it will be able to continue as going concern while maximizing the return to the shareholders through the optimization of the equity balance.

Market risk

Market risk is the risk that will affect future potential growth in business of the entity. It is related to external environment impact on the entity's operations. It is managed by continuous review and adjustments in sales strategy.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Euro.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the Group to concentrations of credit risk comprise principally, bank deposits and trade receivables.

The Group's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Group trades only with recognized and creditworthy third parties. It is the Group'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 Group's exposure to bad debts is not significant.

With respect to credit risk arising from other financial assets of the Group, including cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

There are no significant concentrations of credit risk outside the industry in which the Group operates.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to any significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as and when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group reviews its working capital requirements to assess the adequacy of cash and cash equivalents to finance the operations.

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17. Risk management (Continued)

The table below summarizes the maturities of the Group's undiscounted financial liabilities at March 31, 2014, based on contractual payment dates and current market interest rates, in Euros (€).

As at March 31, 2014:	Group		Company	
	1 year or less	Total	1 year or less	Total
Financial assets				
Trade and other receivables	16,043,985	16,043,985	251,788	251,788
Cash and cash equivalents	6,439	6,439	6,439	6,439
Total	16,050,424	16,050,424	258,227	258,227
Financial liabilities				
Trade and other payables	(7,899)	(7,899)	(4,820)	(4,820)
Due to related parties	(6,410,393)	(6,410,393)	-	-
Total	(6,418,292)	(6,418,292)	(4,820)	(4,820)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.

Capital is managed at group level by reference to the level of group equity and borrowings or debt. The group's objective when managing capital at subsidiary level are to safeguard the respective company's ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the respective company may issue new shares or adjust the amount of dividends paid to shareholders.

The Group's equity as disclosed in the statement of financial position constitutes its capital. The Group maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the companies' activity and the extent of borrowings or debts the capital level as the end of the reporting period is deemed adequate by the directors.

18. Key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual result may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below:

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18. Key sources of estimation uncertainty (Continued)

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due.

At the reporting date, gross trade accounts receivable were € Nil and no provision for bad debts was recognized. Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in the statement of comprehensive income.

Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

19. Financial instruments: Fair values
At 31 March 2014, the carrying amounts of cash at bank, receivables, payables, accrued expenses and related party transactions reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realization. The fair values of the non-current liabilities are not materially different from their carrying amounts.

20. Comparative figures
Being the first period of operations, comparative figures are not available and hence not provided.

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