

**GLOBAL DIGITAL SERVICES PLC**

**C 58683**

**ANNUAL REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2016**

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# GLOBAL DIGITAL SERVICES PLC

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## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report and the consolidated audited financial statements of Global Digital Services PLC for the year ending 31 March 2016.

### **Principal activities**

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

### **Performance review**

During the year under review the Group incurred an operating loss of €572,748 (€1,150,278 :2015). The directors believe that the level of business as well as the group's financial position is satisfactory.

### **Results and dividends**

The results for the year ending 31 March 2016 are shown in the consolidated statement of comprehensive income on page 4.

### **Future developments**

The directors expect that this level of activity will be improved in the foreseeable future.

### **Directors**

The directors of the company during the year were:


Frank Robert Ricketts  
Dennis Jim Gitonga Karenga  
Per Jan –Eric Nyman

The directors have served on the board throughout the year and shall continue in office in accordance with the company's Memorandum and Articles of Association.

### **Auditor**

The auditor, Silvio Muscat has expressed his willingness to continue in office and a resolution proposing his re-appointment will be put before the members at the next annual general meeting.

**These financial statements were approved by the directors:**



Frank Robert Ricketts



Per Jan-Eric Nyman

27 June 2016

## **GLOBAL DIGITAL SERVICES PLC**

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### **STATEMENT OF THE DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2016**

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 year. 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.

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

I have audited the accompanying financial statements of Global Digital Services PLC (Company) and its subsidiary (Group) set out on pages 4 to 16, which comprise the statement of financial position as at 31 March 2016, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Directors' Responsibilities

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union 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.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements give a true and fair view of the financial position of Global Digital Services PLC (Company) and its subsidiaries (Group) as at 31 March 2016, and of its financial performance and its cash flow for the year 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.



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Silvio Muscat

Certified Public Accountant

Flat 1, 63c B'Kara Road

St Julians

Malta

27 June 2016

## GLOBAL DIGITAL SERVICES PLC

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group 31/03/2016 €	Group 31/03/2015 €	Company 31/03/2016 €	Company 31/03/2015 €
Revenue	4	206,674	79,802	-	-
Cost of sales		(76,483)	(5,261)	-	-
<b>Gross profit/(loss)</b>		<b>130,191</b>	<b>74,541</b>	<b>-</b>	<b>-</b>
Administrative expenses	17	(702,939)	(1,224,819)	(16,735)	(31,670)
<b>(Loss)/Profit before income tax</b>	5	<b>(572,748)</b>	<b>(1,150,278)</b>	<b>(16,735)</b>	<b>(31,670)</b>
Income tax expense		-	-	-	-
<b>(Loss)/profit for the year/ period</b>		<b>(572,748)</b>	<b>(1,150,278)</b>	<b>(16,735)</b>	<b>(31,670)</b>

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

Group	Share Capital €	Retained Earnings €	Total €
Balance at 1 April 2015	15,250,000	(4,802,909)	10,447,091
Loss for the Year	-	(572,748)	(572,748)
Prior Year Adjustment	-	1,462,727	1,462,727
<b>Balance at 31 March 2016</b>	<b>15,250,000</b>	<b>(3,912,930)</b>	<b>11,337,070</b>

Company	Share Capital €	Retained Earnings €	Total €
Balance at 1 April 2015	15,250,000	(26,138)	15,223,862
Loss for the Year	-	(16,735)	(16,735)
Prior Year Adjustment	-	(186,785)	(186,785)
<b>Balance at 31 March 2016</b>	<b>15,250,000</b>	<b>(229,658)</b>	<b>15,020,342</b>

# GLOBAL DIGITAL SERVICES PLC

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2016

		Group	Group	Company	Company
		31/03/2016	31/03/2015	31/03/2016	31/03/2015
	Note	€	€	€	€
<b>Assets</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	6	832,754	1,405,580		
Financial assets	7			15,000,000	15,000,000
		<u>832,754</u>	<u>1,405,580</u>	<u>15,000,000</u>	<u>15,000,000</u>
<b>Current Assets</b>					
Trade and other receivables	8	14,871,034	16,043,985	21,034	224,003
Cash at bank and in hand		31,059	8,974	508	1,059
		<u>14,902,093</u>	<u>16,052,959</u>	<u>21,542</u>	<u>225,062</u>
<b>Total Assets</b>		<u>15,734,847</u>	<u>17,458,539</u>	<u>15,021,542</u>	<u>15,255,062</u>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	9	15,250,000	15,250,000	15,250,000	15,250,000
Retained earnings		(3,912,930)	(4,802,909)	(229,658)	(26,138)
		<u>11,337,070</u>	<u>10,447,091</u>	<u>15,020,342</u>	<u>15,223,862</u>
<b>Non-Current Liabilities</b>	10	4,394,178	20,000		
<b>Current Liabilities</b>	11	3,599	6,991,448	1,200	1,200
		<u>4,397,777</u>	<u>7,011,448</u>	<u>1,200</u>	<u>1,200</u>
<b>Total Equity and Liabilities</b>		<u>15,734,847</u>	<u>17,458,539</u>	<u>15,021,542</u>	<u>15,225,062</u>

The financial statements on pages 4 to 15 were approved by the directors on 27 June 2016 and were signed by:



Frank Robert Ricketts  
Director



Per Jan-Eric Nyman  
Director

# GLOBAL DIGITAL SERVICES PLC

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

		Group 31/03/2016	Group 31/03/2015	Company 31/03/2016	Company 31/03/2015
	Note	€	€	€	€
<b>Cash flows from operating activities</b>					
(loss)/profit for the Year/period		889,979	(1,150,278)	(203,520)	(31,670)
Post Balance Sheet Event		-	2,125	-	-
Depreciation of property, plant and equipment		588,571	590,949	-	-
Operating (Loss)/ Profit before working capital changes		<u>1,478,550</u>	<u>(557,204)</u>	<u>(203,520)</u>	<u>(1,670)</u>
Movement in Working Capital					
Trade and Other Receivables		1,172,951	-	202,968	27,785
Trade and Other Payables		<u>(6,987,848)</u>	<u>573,156</u>	<u>-</u>	<u>(1,495)</u>
<b>Net Cash Generated from/(used in) operating activities</b>		<u>(4,336,347)</u>	<u>15,952</u>	<u>(552)</u>	<u>(5,380)</u>
<b>Cash flows from investing activities</b>					
Investment in subsidiaries		-	-	-	-
Purchase of fixed/intangible assets		(15,745)	-	-	-
Purchase/Disposal of financial assets		-	<u>(33,417)</u>	-	-
<b>Net cash (used in)/generated from investing activities</b>		<u>(15,745)</u>	<u>(33,417)</u>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>					
Repayments from other loans		4,374,177	-	-	-
Proceeds from Related Parties Loan		-	<u>20,000</u>	-	-
<b>Net cash used in financing activities</b>		<u>4,374,177</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		22,085	2,535	(552)	(5,380)
Cash and cash equivalents at beginning of year		8,974	6,439	1,059	6,439
<b>Cash and cash equivalents at end of year</b>	13	<u>31,059</u>	<u>8,974</u>	<u>508</u>	<u>1,059</u>



# GLOBAL DIGITAL SERVICES PLC

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 1 General Information

Global Digital Services PLC is a public company and is incorporated in Malta. The principal activities of the company are those relating to investment holding. The group is controlled by MLDS INC and Singlewin Commercial Limited who hold an equal share of 98% of the issued share capital of Global Digital Services PLC.

### 2 Adoption of new and revised International Financial Reporting Standards (IFRSs)

The group has applied the standards and interpretations that have been issued and are effective for years starting on or after 1 January 2012 unless these had no material effect on amounts reported in these financial statements.

#### **New and revised IFRSs in issue but not yet effective**

The group has elected not to apply new and revised IFRSs that have been issued but not yet effective.

### 3 Significant accounting policies

#### **Basis of preparation**

The consolidated financial statements have been prepared in accordance with the requirements of the International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements are prepared in accordance with the historical cost convention, except for investment 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.

#### **Functional and presentation currency**

The financial statements are presented in euro, which is the company's functional and presentation currency.

The principal accounting policies are set out below

#### **Revenue recognition**

Sales are recognised upon delivery of products or performance of services, net of sales taxes and trade discounts. Interest income is recognised on a time proportional basis. Dividend income is recognised on the date the income is received.

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### NOTES TO THE FINANCIAL STATEMENTS (CONT...) FOR THE YEAR ENDED 31 MARCH 2016

#### Property, plant and machinery

Items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and are recognised net within "Administrative expenses" in statement of comprehensive income. On disposal of a revalued asset, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

Depreciation is calculated to write off the cost or valuation, of the assets on the straight line method or reducing balance basis over the expected useful lives of the assets concerned. The principal annual rates for this purpose are:

Research and Development	20%
Computer Equipment	20%
Software Development	20%

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

#### Investment property

Any properties which are held for long term rental or for long-term capital appreciation are classified as investment property, and are stated at fair value. 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.

#### Financial assets

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

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 recognised at cost including all transaction costs. These are subsequently carried at fair value. Unrealised 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.

#### Trade and other receivables

Trade and other receivables are carried forward at the anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

#### Trade and other payables

Trade payables are stated at their nominal value.

# GLOBAL DIGITAL SERVICES PLC

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## NOTES TO THE FINANCIAL STATEMENTS (CONT...) FOR THE YEAR ENDED 31 MARCH 2016

### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand net of bank overdraft.

### Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

### Impairment

At each statement of financial position date the company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and the carrying amount of the asset is reduced to its recoverable amount, as calculated. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in the statement of comprehensive income immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss/reversal is treated as a revaluation movement.

### 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 recognised only to the extent that future taxable profits will be available such that the realisation of the related tax benefit is probable.

Current and deferred tax are recognised 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 recognised directly in equity.

### Foreign Currencies

Transactions in foreign currencies during the year have been converted at the rates of exchange ruling on the date of the transaction. Assets and Liabilities denominated in foreign currencies have been translated at the rates of exchange ruling on the balance sheet date. Any gains or losses arising from these conversions are included in the statement of comprehensive income.

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### NOTES TO THE FINANCIAL STATEMENTS (CONT...) FOR THE YEAR ENDED 31 MARCH 2016

#### 4 Revenue

Revenue represents the invoiced value of services during the year, net of any discounts allowed.

#### 5 Operating (loss)/profit

	Group 31/03/2016 €	Group 31/03/2015 €	Company 31/03/2016 €	Company 31/03/2015 €
The operating (loss)/profit is stated after charging/(crediting):-				
Audit Fee	2,400	2,400	1,200	1,200
Depreciation and Amortisation	588,571	590,949	-	-

#### 6 Property, Plant and Equipment

##### Group

	Research & Development €	Software Development €	Computer & Electronic Equipment €	Total €
<b>At 1 April 2015</b>				
Cost	2,927,108	-	71,428	2,998,536
Depreciation	(1,521,528)	-	(71,428)	(1,592,956)
	<u>1,405,580</u>	<u>-</u>	<u>-</u>	<u>1,405,580</u>
<b>At 1 April 2015</b>				
Opening Net Book Amount	1,405,580	-	-	1,405,580
Additions	15,745	-	-	15,745
Disposals	-	-	-	-
Depreciation	(588,571)	-	-	(588,571)
<b>Net Book Value At 31 March 2016</b>	<u>832,754</u>	<u>-</u>	<u>-</u>	<u>832,754</u>

# GLOBAL DIGITAL SERVICES PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONT...) FOR THE YEAR ENDED 31 MARCH 2016

### 7 Financial Assets

#### Company

The group undertakings at 31 March 2016 are shown below:

Name and country of incorporation	Proportion of Ownership
Sitertalk Community Inc – Cayman Island	100%

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

### 8 Trade and Other Receivables

	Group 31/03/2016	Group 31/03/2015	Company 31/03/2016	Company 31/03/2015
	€	€	€	€
Non-trade				
Immediate Holding Company			12,689	12,689
Subsidiary				16,184
Others	14,871,034	16,043,985	8,345	195,130
	<u>14,871,034</u>	<u>16,043,985</u>	<u>21,034</u>	<u>224,003</u>

### 9 Share Capital

	Group 31/03/2016	Group 31/03/2015	Company 31/03/2016	Company 31/03/2015
	€	€	€	€
Authorised				
1,525,000,000 Ordinary Shares of €0.01 each	<u>15,250,000</u>	<u>15,250,000</u>	<u>15,250,000</u>	<u>15,250,000</u>
Issued and Fully Paid Up				
1,525,000,000 Ordinary Shares of €0.01 each	<u>15,250,000</u>	<u>15,250,000</u>	<u>15,250,000</u>	<u>15,250,000</u>

## GLOBAL DIGITAL SERVICES PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT...) FOR THE YEAR ENDED 31 MARCH 2016

#### 10 Non - Current Liabilities

	Group 31/03/2016	Group 31/03/2015	Company 31/03/2016	Company 31/03/2015
	€	€	€	€
Other Loans	4,394,178	-	-	-
Related Party Loan	-	20,000	-	-
	<u>4,394,178</u>	<u>20,000</u>	<u>-</u>	<u>-</u>

#### Group

The amount due to related parties is unsecured, interest free and has no fixed date of repayment.

#### 11 Current Liabilities

	Group 31/03/2016	Group 31/03/2015	Company 31/03/2016	Company 31/03/2015
	€	€	€	€
Amounts due to related parties	-	6,989,048	-	-
Accruals	3,599	2,400	1,200	1,200
Direct Tax	-	-	-	-
	<u>3,599</u>	<u>6,991,448</u>	<u>1,200</u>	<u>1,200</u>

#### Company

The amount due to group undertaking is unsecured, interest free and no date has been set for its repayment.

#### Group

The amount due to related parties is unsecured, interest free and has no fixed date of repayment.

#### 12 Related Party Transactions

Amounts due to/from related parties are disclosed separately with trade and other receivables (note 8) and non-current liabilities (note 10) and trade and other payables (note 11) including notes on related commitments.

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.

#### 13 Cash and Cash Equivalents

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

	Group 31/03/2016	Group 31/03/2015	Company 31/03/2016	Company 31/03/2015
	€	€	€	€
Cash at Bank and in Hand	31,059	8,974	508	1,059
	<u>31,059</u>	<u>8,974</u>	<u>508</u>	<u>1,059</u>

### NOTES TO THE FINANCIAL STATEMENTS (CONT...) FOR THE YEAR ENDED 31 MARCH 2016

#### 14 Contingent Liabilities

The group had no contingent liabilities at 31 March 2016 (Nil; 2015).

#### 15 Capital Commitment

The group had no capital commitments at 31 March 2016 (Nil; 2015).

#### 16 Financial Risk Management

##### Risk Identification

Group management is responsible together with each Company's management, for the identification and evaluation of key risks applicable to their areas of business. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information system, competition and regulatory requirements.

##### Financial risk factors

The main risks that arise from the group's financial instruments are credit risk and liquidity risk. The policies for managing each of these risks are summarised below:

##### *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 Group does not have exposure to credit risk arising from trade and other receivables. For other financial assets (including cash and cash equivalents), the company minimises credit risk by dealing exclusively with high credit rating parties.

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

The group'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 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 company's exposure to bad debts is not significant.

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

## GLOBAL DIGITAL SERVICES PLC

### 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.

### Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summaries the maturity profile of the Group's financial assets and liabilities at the end on the reporting period based on contractual undiscounted repayment obligations

#### Group

	31/03/2016 1 year or less	31/03/2015 1 year or less	31/03/2016 Total Contractual Cash Flow	31/03/2015 Total Contractual Cash Flow
	€	€	€	€
<i>Financial Assets</i>				
Trade and other Receivables	14,871,034	16,043,985	14,871,034	16,043,985
Cash and Cash Equivalents	31,059	8,974	31,059	8,974
	<u>14,902,093</u>	<u>16,052,959</u>	<u>14,902,093</u>	<u>16,052,959</u>
<i>Financial Liabilities</i>				
Trade and other Payables	(3,599)	(6,991,447)	(3,599)	(6,991,447)
Total net undiscounted financial liabilities	<u>14,898,494</u>	<u>9,061,512</u>	<u>14,898,494</u>	<u>9,061,512</u>

#### Company

	31/03/2016 1 year or less	31/03/2015 1 year or less	31/03/2016 Total Contractual Cash Flow	31/03/2015 Total Contractual Cash Flow
	€	€	€	€
<i>Financial Assets</i>				
Trade and other Receivables	21,034	224,003	21,034	224,003
Cash and Cash Equivalents	508	1,059	508	1,059
	<u>21,542</u>	<u>225,062</u>	<u>21,542</u>	<u>225,062</u>
<i>Financial Liabilities</i>				
Trade and other Payables	(1,200)	(1,200)	(1,200)	(1,200)
Total net undiscounted financial liabilities	<u>20,342</u>	<u>223,862</u>	<u>20,342</u>	<u>223,862</u>



## NOTES TO THE FINANCIAL STATEMENTS (CONT...) FOR THE YEAR ENDED 31 MARCH 2016

### 16 Financial Risk Management (Cont...)

#### Capital Risk Management

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 company may issue new shares or adjust the amount of dividends paid to shareholders.

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

#### Fair Values of Financial Instruments

At 31 March 2016, the carrying amounts of cash at bank, receivables, payables, accrued expenses and short term borrowings 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.

#### Critical Accounting Estimates

Estimates and judgments are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

## GLOBAL DIGITAL SERVICES PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONT...) FOR THE YEAR ENDED 31 MARCH 2016

#### 17 Administrative Expenses

	Group 31/03/2016	Group 31/03/2015 €	Company 31/03/2016 €	Company 31/03/2015 €
Accountancy Fees	6,939	11,967	-	11,967
Server Maintenance	57,525	46,960	-	-
Audit Fee	2,400	2,400	1,200	1,200
Professional Fees	1,997	374,596	1,997	2,500
Advertising and Promotion Expenses	38,009	178,046	-	-
Depreciation charge	-	12,211	-	-
Amortisation charge	588,571	578,738	-	-
General Expenses	167	1,050	-	-
Bank Charges	738	2,997	7	149
Commission	-	9,454	-	9,454
Company Registration Fee	1,400	1,400	1,400	1,400
Administration Wages	-	5,000	6,939	5,000
Realised Gains/Losses on Exchange Rate	5,193	-	5,192	-
	<u>702,939</u>	<u>1,224,818</u>	<u>16,735</u>	<u>31,670</u>