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Ετήσια Οικονομική Έκθεση

**Globo Technologies UK Ltd**

GLOBO

## **Οικονομικά Αποτελέσματα για το έτος 2017**

Επισυνάπτεται η σχετική ανακοίνωση.

Attachment:

1. **Announcement**

**Non Regulated**

Publication Date: 17/01/2019

**Registered number: 08561322**

**GLOBO TECHNOLOGIES UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2017**

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<b>Director</b>	A Bekios
<b>Company Number</b>	08561322
<b>Registered Office</b>	2nd Floor 1 Westferry Circus Canary Wharf London E14 4HD
<b>Independent Auditor</b>	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD

The Director presents his report, together with the Financial Statements and auditor's report, for the year ended 31 December 2017.

**PRINCIPAL ACTIVITY**

The Company was incorporated on 7 June 2013 and is a special purpose finance company on behalf of its parent, Globo Technologies S.A. On 22 May 2018 Globo Technologies UK Limited was acquired by Celtona Limited, a company registered in Cyprus.

**REVIEW OF THE BUSINESS**

On 20 June 2013 the Company issued 64 unsecured loan notes with a nominal value of £52,625, totalling £3,368,000. The loan notes originally had a maturity date of 20 June 2018 and interest was payable at 9% per annum. The Company and loan note holders agreed certain amendments to the deed poll on 28 July 2016. Under the amended terms the original loan notes were replaced with 6,400 new notes at a nominal value of £526.25 each, totalling £3,368,000. Interest is payable on the new loan notes at 6% per annum effective 20 June 2016 with an initial maturity date of 20 June 2021. The currency of the loan notes changed from Pounds Sterling to Euro.

All proceeds from the loan notes on inception were provided to the Company's former immediate parent undertaking, Globo Technologies S.A., to enable them to proceed with the design and development of operational IT applications. On 10 June 2014 all unsecured loan notes were admitted to trading on the non-regulated market of the Cyprus Stock Exchange (Emerging Companies Market).

**DIRECTOR**

The Director of the Company during the year ended 31 December 2017 and up to the date of approval was:

A Bekios

**PROVISION OF INFORMATION TO AUDITOR**

So far as the Director is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITOR**

Under section 487 of the Companies Act 2006, PKF Littlejohn LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier. PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

**STATUS OF THIS DIRECTOR'S REPORT**

In preparing this report, the Director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28-12-2018 2018 and signed on its behalf.

A Bekios  
Director

The Director is responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Director must not approve the Financial Statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing these Financial Statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBO TECHNOLOGIES UK LIMITED****Qualified opinion**

We have audited the financial statements of Globo Technologies UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for qualified opinion**

The Director has included within amounts due from related parties a receivable amounting to £3,392,374 due from former parent undertaking, Globo Technologies S.A. The Director considers the amount to be fully recoverable despite Globo Technologies S.A. entering a restructuring phase whereby it is seeking new commercial opportunities, additional financing and may require Court approved agreements with its creditors in the meantime. Given the expected period of time before such measures are likely to come into effect, together with the absence of up to date audited financial statements for that entity, we were unable to obtain sufficient appropriate audit evidence about the recoverability of that receivable. Consequently, we were unable to determine whether any impairment to this receivable was necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Material uncertainty related to going concern**

We draw your attention to note 2.2 to the financial statements, which states that the Company is reliant on continued financial support from its parent undertaking in order to continue as a going concern. This condition, along with the other matters set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBO TECHNOLOGIES UK LIMITED

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

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

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

**Responsibilities of directors**

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

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

**Auditor's responsibilities for the audit of the financial statements**

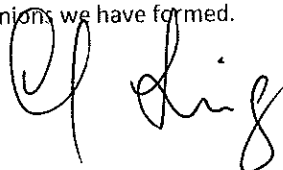
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

**Use of our report**

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

Mark Ling (Senior statutory auditor)  
For and on behalf of PKF Littlejohn LLP  
Statutory Auditor



1 Westferry Circus  
Canary Wharf  
London E14 4HD

28 December 2018



Continuing Operations	Note	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Revenue		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		(7,636)	(15,724)
<b>Operating loss</b>		(7,636)	(15,724)
Finance costs	4	(525,042)	(260,320)
Finance income	5	414,887	678,644
<b>(Loss)/Profit before income tax</b>		(117,791)	402,600
Income tax	6	-	-
<b>(Loss)/Profit for the year</b>		(117,791)	402,600
<b>Total Comprehensive Income for the year attributable to Equity Shareholders</b>		<b>(117,791)</b>	<b>402,600</b>

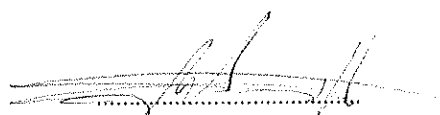
The accompanying notes are an integral part of these financial statements.

	Notes	31 December 2017 £	31 December 2016 £
<b>Assets</b>			
<b>Current Assets</b>			
Trade and other receivables	7	3,392,374	2,981,989
<b>Total Assets</b>		<b>3,392,374</b>	<b>2,981,989</b>
<b>Equity and Liabilities</b>			
Share capital	9	1	1
Retained earnings		(499,745)	(381,954)
<b>Total Equity</b>		<b>(499,744)</b>	<b>(381,953)</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Borrowings	10	3,551,462	3,239,602
<b>Current Liabilities</b>			
Trade and other payables	8	340,656	124,340
<b>Total Liabilities</b>		<b>3,892,118</b>	<b>3,363,942</b>
<b>Total Equity and Liabilities</b>		<b>3,392,374</b>	<b>2,981,989</b>

The accompanying notes are an integral part of these financial statements.

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

28.12.2018.



A Bekios  
Director

	Share capital £	Retained earnings £	Total equity £
<b>As at 31 December 2015</b>	<b>1</b>	<b>(784,554)</b>	<b>(784,553)</b>
Profit for the year	-	402,600	402,600
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>402,600</b>	<b>402,600</b>
<b>As at 31 December 2016</b>	<b>1</b>	<b>(381,954)</b>	<b>(381,953)</b>
Loss for the year	-	(117,791)	(117,791)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(117,791)</b>	<b>(117,791)</b>
<b>As at 31 December 2017</b>	<b>1</b>	<b>(499,745)</b>	<b>(499,744)</b>

The accompanying notes are an integral part of these financial statements.

	Note	Year ended 31 December 2017 £	Year ended 31 December 2016 £
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	11	-	-
Income tax		-	-
<b>Net cash (used in)/generated from operations</b>		-	-
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayments of borrowings		-	-
<b>Net cash from financing activities</b>		-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>		-	-
<b>Cash and cash equivalents at beginning of period</b>		-	-
<b>Cash and cash equivalents at end of period</b>		-	-

#### Non-cash transactions

The Company did not operate a bank account during 2016 and 2017.

During the year ended 31 December 2017 Globo Technologies S.A. paid interest of Enil (2016 - £303,120) to the noteholders and paid administrative expenses of £4,500 (2016 - £8,891) on behalf of the Company.

The accompanying notes are an integral part of these financial statements.

**1. GENERAL INFORMATION**

The Company is a limited company incorporated in the UK.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied unless otherwise stated.

**2.1 Basis of Preparation and adoption of IFRS**

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared under the historical cost convention.

The preparation of Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Actual results may vary from the estimates used.

**2.2 Going Concern**

The Company does not generate cash flows on its own account and is therefore entirely reliant on its parent undertaking for financial support with regard to its working capital requirements. As disclosed within Note 12 to the Financial Statements, the parent undertaking changed from Globo Technologies S.A. to Celtona Limited in May 2018. Whilst Celtona Limited ultimately aims to be in a position to meet the Company's obligations to the loan note holders (regarding payment of interest and principal), Globo Technologies S.A. continues to be the guarantor.

The Director has received undertakings from the majority of loan note holders that they will take no action against the Company or the guarantor in respect of unpaid loan interest as at the date of approval of the Financial Statements, or payable during the going concern period to 31 December 2019. Based upon the cash flow forecasts prepared by the parent undertaking covering at least the going concern period, the Director has no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Celtona Limited to continue as a going concern or its ability to continue to provide sufficient working capital financial support to the Company.

After making enquiries, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore adopts the going concern basis in preparing its Financial Statements.

**2.3 New and Amended Standards**

*(a) New and amended standards and interpretations mandatory for the first time for the financial period beginning 1 January 2017:*

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2017 have had a material impact on the Company.

*(b) New and amended standards issued but not yet effective and not early adopted:*

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are listed below. The Company intends to adopt these standards, if applicable, when they become effective. Unless stated below, there are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.3 New and Amended Standards (continued)**

*(b) New and amended standards issued but not yet effective and not early adopted:*

Standard		Effective Date
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
Annual Improvements	2014 – 2016 Cycle	1 January 2018
IFRIC (Interpretation 22)	Foreign Currency Translations and Advance Consideration	1 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	Not yet determined
Annual Improvements	2015 – 2017 Cycle	Not yet determined

The Directors do not anticipate that the adoption of these standards and interpretations will have a material effect on the reported income or net assets of the Company.

**2.4 Foreign Currency Translation***(a) Functional and Presentation Currency*

The Financial Statements are presented in Pounds Sterling (£), which is the Company's functional and presentation currency.

*(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented within finance income or costs.

**2.5 Share Capital**

Ordinary shares are classified as equity.

**2.6 Current and Deferred Income Tax**

The tax expense for the year comprises current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly in other comprehensive income or directly in equity, respectively.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.7 Financial Instruments****2.7.1 Classification**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, the Company classified its financial instruments in the following categories:

*(a) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' in the Statement of Financial Position.

Loans and receivables are initially recognised at the amount expected to be received, less, when material, a discount to reduce the loans receivable to fair value. Subsequently, loans and receivables are measured at amortised cost using the effective interest method less a provision for impairment.

*(b) Trade and other payables*

Trade and other payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.7.2 Impairment of financial assets***(a) Assets carried at amortised costs*

The Company assesses at the end of each reporting period whether there is objective evidence that financial assets or a group of financial assets is impaired. Impairment losses are only incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and has an impact on the estimated cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor 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 cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.8 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**3. FINANCIAL RISK MANAGEMENT****Financial Risk Factors**

The Company's activities do not expose it to a high level of financial risks. The Company's overall risk management programme focuses on liquidity risk.

**(a) Liquidity Risk**

The Company's continued future operations depend on the ability to maintain sufficient working capital and meet interest and borrowings repayments. The Directors are confident that adequate funding will be generated by its parent undertaking with which such obligations will be met. Controls over expenditure are carefully managed.

**(b) Capital Risk Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders.

**4. FINANCE COSTS**

	Year ended 31 December 2017	Year ended 31 December 2016
	£	£
Loan notes interest	213,182	260,320
Foreign exchange loss on loan notes	311,860	-
<b>Total finance costs</b>	<b>525,042</b>	<b>260,320</b>

**5. FINANCE INCOME**

	Year ended 31 December 2017	Year ended 31 December 2016
	£	£
Foreign exchange gain on loans to related parties	117,136	-
Foreign exchange gain on loan notes	-	128,398
Interest income on loans to related parties	297,751	550,246
<b>Total finance income</b>	<b>414,887</b>	<b>678,644</b>



**6. INCOME TAXES**

No income tax arose in the period.

**Factors affecting the tax for the year**

The income tax for the period is higher than (2016 – lower than) the standard rate of corporation tax applied to the Company's profit/(loss) before tax of 19.25% (2016 – 20%). The difference is explained below:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
(Loss)/Profit before tax	(117,791)	402,600
(Loss)/Profit on ordinary activities at standard rate of 19.25% (2016 – 20%)	(22,675)	80,520
Effect of:		
Tax losses carried forward for which no deferred income tax asset is recognised	22,675	-
Utilisation of previously unrecognised tax losses	-	(80,520)
	-	-

Deferred tax assets are recognised on tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred income tax assets of approximately £96,000 (2016 - £76,000) in respect of excess management expenses and on a non-trade loan relationship deficit amounting to approximately £500,000 (2016 - £382,000).

**7. TRADE AND OTHER RECEIVABLES**

	31 December 2017 £	31 December 2016 £
Amounts due from related parties	3,392,374	2,981,989
	3,392,374	2,981,989

The fair value of trade and other receivables is the same as its carrying amount and denominated in the functional currency of the Company. As at 31 December 2017 the Company's receivables were fully performing. Interest is charged on amounts due from related parties at 10% per annum, commencing in the year ended 31 December 2016. The amount charged in 2016 also comprised a backdated element for 2015.

**8. TRADE AND OTHER PAYABLES**

	31 December 2017 £	31 December 2016 £
Trade payables and accrued expenses	340,656	124,340
	340,656	124,340

The fair value of trade and other payables is the same as its carrying amount and denominated in the functional currency of the Company.

## 9. SHARE CAPITAL

Issued	Number of shares	Total £
As at 31 December 2016 and 2017	1	1

## 10. BORROWINGS

Non-current	31 December 2017 £	31 December 2016 £
Unsecured loan notes	3,551,462	3,239,602
	<b>3,551,462</b>	<b>3,239,602</b>

On 20 June 2013, the Company issued 64 unsecured loan notes with a nominal value of £52,625, totalling £3,368,000. The loan notes had a maturity date of 20 June 2018 and interest was payable at 9% per annum. The Company and the loan note holders agreed certain amendments to the deed poll on 28 July 2016. Under the amended terms the original loan notes were replaced with 6,400 new notes at a nominal value of £526.25 each, totalling £3,368,000. The currency of the loan changed from Pounds Sterling to Euro at the exchange rate on the amendment date (redenominating the loan notes at €4,002,852). Interest is payable on the new loan notes at 6% per annum effective 20 June 2016.

All proceeds from the loan notes were provided to the Company's former parent undertaking, Globo Technologies S.A., to enable them to proceed with the design and development of operational IT applications.

The fair value of borrowings equals their carrying amount as the impact of discounting is not significant.

Guarantee

The principal and interest payments of the loan notes are guaranteed under a deed poll dated 12 June 2013 by Globo Technologies S.A (the "Guarantor"). The Guarantor unconditionally and irrevocably guarantees each noteholder to discharge on demand by any noteholder the amount payable by the Company. All notes are freely transferable.

Conversion

At any time whilst the Guarantor's shares are admitted to trading on any recognised stock exchange, the noteholder may serve a conversion notice electing to convert all or part of the loan notes into shares in the Guarantor. The conversion price shall be the closing price of the shares on the recognised exchange on the business day immediately prior to the date upon which the relevant conversion shares are allotted. The notes cannot be converted unless the Guarantor is listed on a recognised stock exchange. Globo Technologies S.A. was not admitted to trading on any recognised stock exchange as at 31 December 2016 or 31 December 2017.

Repayment

Following the issue of the replacement loan notes, the repayment date of the loan notes is 20 June 2021. If all interest and at least 20% of the loan is repaid by 20 June 2021 then the noteholders will accept to extend the duration of the notes to 20 June 2024.

**10. BORROWINGS (continued)**Listed Bond Offer

The Company or Guarantor may at any time prior to the maturity date make a Listed Bond Offer to the noteholders on the following terms:

- A Listed Bond Offer must be made in writing and specify the repayment terms, coupon rate and other material terms and conditions together with the public investment exchange upon which the bonds are intended to be listed; and
- The Company or Guarantor must make an offer to each noteholder to exchange their outstanding notes for listed bonds with a nominal value equal to the nominal value of the outstanding notes.

On 10 June 2014 all unsecured loan notes were admitted to trading on the non-regulated market of the Cyprus Stock Exchange (Emerging Companies Market).

**11. CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES**

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
(Loss)/Profit before taxation	(117,791)	402,600
Changes in working capital:		
- Increase in trade and other receivables	(410,385)	(231,606)
- Increase / (Decrease) in trade and other payables	528,176	(170,994)
Cash generated from/ (used in) operations	-	-

**12. RELATED PARTY TRANSACTIONS**

Globo Technologies S.A. was the immediate parent undertaking of the Company during the year ended 31 December 2017. In the period ended 31 December 2013, the proceeds from the issue of unsecured loan notes totalling £3,368,000 were provided to Globo Technologies S.A. to enable them to proceed with the design and development of operational IT applications. Globo Technologies S.A. unconditionally and irrevocably guarantees the repayment of principal and interest on those loan notes under a deed poll signed between the two companies dated 12 June 2013 and amended on 28 July 2016.

During 2017 Globo Technologies S.A. paid interest of Enil (2016: £303,120) to the noteholders and incurred / recharged administrative expenses of £4,500 (2016: £8,891) to the Company. As at 31 December 2017, the amount due to the Company from Globo Technologies S.A. was £3,392,374 (2016: £2,981,989) which is receivable on demand. The Company charged Globo Technologies S.A. interest of £297,751 during the year (2016: £550,246).

On 22 May 2018 Globo Technologies UK Limited was acquired by Celtona Limited, a company registered in Cyprus.

The ultimate controlling party is Ilias Georgouleas.