

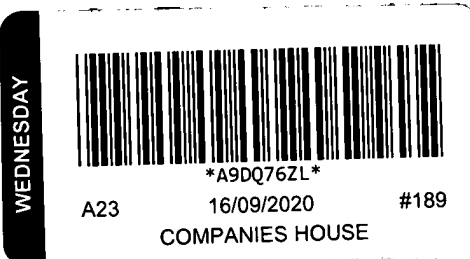
VALITOR LIMITED

Company Registration No. 08053178 (England and Wales)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PAGES FOR FILING WITH REGISTRAR



VALITOR LIMITED

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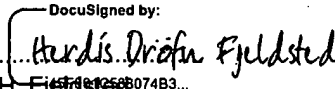
VALITOR LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	4	1,319,130			-
Current assets					
Stocks		1,185,257		-	
Debtors	5	2,981,361		690,267	
Cash at bank and in hand		4,225,541		2,866,241	
		8,392,159		3,556,508	
Creditors: amounts falling due within one year	6	(2,363,021)		(4,361,073)	
Net current assets/(liabilities)		6,029,138		(804,565)	
Total assets less current liabilities		7,348,268		(804,565)	
Capital and reserves					
Called up share capital	7	33,226,169		4,500,000	
Other reserves		(8,198,198)		-	
Profit and loss reserves		(17,679,703)		(5,304,565)	
Total equity		7,348,268		(804,565)	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on28/5/2020.. and are signed on its behalf by:

DocuSigned by:

 H Fjeldsted
 Director

Company Registration No. 08053178

VALITOR LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2018		3,000,000	-	(1,584,685)	1,415,315
Year ended 31 December 2018:					
Loss and total comprehensive income for the year		-	-	(3,719,880)	(3,719,880)
Issue of share capital	7	1,500,000	-	-	1,500,000
Balance at 31 December 2018		4,500,000	-	(5,304,565)	(804,565)
Year ended 31 December 2019:					
Loss and total comprehensive income for the year		-	-	(10,530,778)	(10,530,778)
Issue of share capital	7	28,726,169	-	-	28,726,169
Other movements		-	(8,198,198)	(1,844,360)	(10,042,558)
Balance at 31 December 2019		33,226,169	(8,198,198)	(17,679,703)	7,348,268

VALITOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Valitor Limited is a private company limited by shares incorporated in England and Wales. The registered office is BBA Fjeldco Limited, 2nd Floor, Berkeley Square House, Berkeley Square, London, W1J 6BD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Company's Board has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to do so in the foreseeable future. Therefore, the Financial Statements continue to be prepared on a going concern basis.

The Company has been incurring operating losses and is aiming to become back to black in foreseeable future. At the end of 2019 Valitor Group announced that significant changes were about to be made to restore profitability. Redundancies were made in all levels of the Group resulting in lower cost of salaries in the near future and focus has been on cost savings with great success. The financial position of the Group is strong, at the end of April 2020 a loan in the Balance Sheet of Valitor Holding, the Parent company of the Group, total of ISK 3,500 million was converted into equity. The Company's Board has assessed its liquidity and is of the opinion that the Group has available cash or liquid assets to meet negative cash flow in the near future.

1.3 Turnover

Turnover represents amounts receivable for services supplied.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

VALITOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development Costs	10 years
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	4% straight line
Plant and machinery	25% to 33% straight line
Fixtures, fittings & equipment	10% straight line
Computer equipment	33% straight line and 33% reducing Balance
Other assets	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Expenditure relating to office furniture and computer equipment is written off to the profit and loss account as it is incurred.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

VALITOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

VALITOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.11 Retirement benefits

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Defined benefit pension plan

The company also operates a defined benefit plan in respect of one director holding office during the prior period. The nature of the scheme is such that the directors can alter the final salary level to be funded based on the value of the contributions the company wishes to make. The contributions are recognised as an expense in the Statement of Comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Total	121	33

VALITOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2019**3 Intangible fixed assets**

	Other £
Cost	
At 1 January 2019	-
Additions	1,812,554
At 31 December 2019	1,812,554
Amortisation and impairment	
At 1 January 2019	-
Amortisation charged for the year	1,812,554
At 31 December 2019	1,812,554
Carrying amount	
At 31 December 2019	-
At 31 December 2018	-

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Other assets	Total
	£	£	£	£
Cost				
At 1 January 2019	-	60,000	-	60,000
Additions	5,556	461,681	1,563,983	2,031,220
Disposals	-	(60,000)	-	(60,000)
At 31 December 2019	5,556	461,681	1,563,983	2,031,220
Depreciation and impairment				
At 1 January 2019	-	60,000	-	60,000
Depreciation charged in the year	1,416	115,306	595,368	712,090
Eliminated in respect of disposals	-	(60,000)	-	(60,000)
At 31 December 2019	1,416	115,306	595,368	712,090
Carrying amount				
At 31 December 2019	4,140	346,375	968,615	1,319,130
At 31 December 2018	-	-	-	-

VALITOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2019**5 Debtors**

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	1,754,947	541,403
Other debtors	1,226,414	148,864
	<u>2,981,361</u>	<u>690,267</u>

6 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	472,907	8,311
Amounts owed to group undertakings	89,138	3,620,349
Taxation and social security	218,660	77,414
Other creditors	1,582,316	654,999
	<u>2,363,021</u>	<u>4,361,073</u>

7 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
33,226,169 Ordinary Share of £1 each	33,226,169	4,500,000
	<u>33,226,169</u>	<u>4,500,000</u>

On 31 March 2019, the company issued 3,632,626 and 13,293,543 £1 ordinary shares at par.

On 28 October 2019, the company issued 6,800,000 and 3,000,000 £1 ordinary shares at par.

On 30 December 2019, the company issued 2,000,000 £1 ordinary shares at par.

On 21 April 2020, the company issued 1,600,000 £1 ordinary shares at par.

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter

VALITOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Audit report information

(Continued)

We draw your attention to note 1 in the financial statements which considers the assessment of going concern for the company. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The senior statutory auditor was Stacey Lea.
The auditor was Dyke Yaxley Limited.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019	2018
£	£
894,209	-
<u> </u>	<u> </u>

10 Events after the reporting date

Future Prospects

The Directors believe it is necessary at all times to maintain sufficient equity in order to support the company's operations and meet unexpected events. On 21 April 2020, Valitor Holding hf. issued new share capital of £1,600 million into Valitor Limited to maintain strong equity as well as to have enough available cash to meet the outflow of next months. The Directors have assessed the going concern of the company and are satisfied that the company has the resources to continue in business in the foreseeable future (see also note 1.2).

The outbreak of the coronavirus and actions taken by governments in countries that Valitor operates has challenged Valitor, both internal as well as external. Many of our customers are going through difficult times. This will and has already affected the revenues of Valitor in the first months of 2020 as well as created a risk for the company and our customers. All of our employees, not furloughed, have been working from home since late March and no customers have been allowed to visit our offices. Valitor has been able to conduct normal business despite these changed circumstances, partially thanks to its extensive digital offering.

Whilst it is uncertain how much and for how long revenues and gross margin will impact the situation, the company is managing the business and has used the government temporary job retention scheme in UK where part of the employees have been furloughed. Strict cost control have also been put in place to reduce business expenses. With latest news from the Government about re-opening of the businesses in UK early June, it is Valitor's management priority to focus on becoming profitable again.

11 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

VALITOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

12 Parent company

The company was a wholly owned subsidiary of Iteron Holding Ltd, incorporated in England & Wales, whose registered office is Bba Fjeldco Limited, 2nd Floor Berkeley Square House, Berkeley Square, London, England, W1J 6BD.

On 31 March 2019, Valitor Holdings hf acquired 38% of the share capital of the company from Iteron Holdings Ltd.

The company's ultimate parent company is Arion Bank hf, incorporated in Iceland, whose registered office is 19 Borgartuni, 105 Reykjavik, Iceland.

The parent undertaking of the largest and smallest group for which group accounts are prepared for the year ended 31 December 2019 is Arion Bank hf.

13 Auditor's liability limitation agreement

In accordance with Companies Act 2006 (s538), we are required to disclose any auditor liability limitation agreements in effect.

A resolution was passed dated 18 December 2019 which limits the liability of the auditor to £5m for any loss or damage suffered by Valitor Limited arising out of or in connection with the provision of services provided by the auditor including negligence but not willful default.