Company Registration No. 09002309 (England and Wales)

VIBER UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

VIBER UK LIMITED

COMPANY INFORMATION

Director	M Yosef
Company number	09002309
Registered office	30 City Road London EC1Y 2AB
Auditor	Arram Berlyn Gardner LLP 30 City Road London EC1Y 2AB

VIBER UK LIMITED

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VIBER UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents the strategic report for the year ended 31 December 2016.

Fair review of the business
The results for the year were considered satisfactory by the directors.

Principal risks and uncertainties
The company's principal financial instruments comprise of bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial markets the company is exposed to fluctuating price risks subject to market conditions. In addition the company is exposed to foreign currency risk. Trade debtors are managed in respect of credit and cashflow risk by policies concerning credit offered to customers and regular monitoring of outstanding amounts for both time and credit limits.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through use of existing funds.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Key performance indicators

The key financial highlights are as follows:	**2016**	**2015**
Turnover	$836,051	$1,328,081
Profit for the financial period	$155,901	$135,087

On behalf of the board

M Yosef
Director
29 September 2017

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his annual report and financial statements for the year ended 31 December 2016.

Principal activities
The principal activity of the company is that a of marketing consultancy business.

Director
The director who held office during the year and up to the date of signature of the financial statements was as follows:

M Hardy	(Resigned 12 February 2016)
M Yosef	

Results and dividends
The results for the year are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Auditor
In accordance with the company's articles, a resolution proposing that Arram Berlyn Gardner LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of director's responsibilities
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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the company for that period. In preparing these financial statements, the director is required to:

- • select suitable accounting policies and then apply them consistently;
- • make judgements and accounting estimates that are reasonable and prudent;
- • 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.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

M Yosef
Director
29 September 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VIBER UK LIMITED

We have audited the financial statements of Viber UK Limited for the year ended 31 December 2016 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of director and auditor
As explained more fully in the Director's Responsibilities Statement set out on pages 2 - 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- • give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- • have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- • have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

VIBER UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VIBER UK LIMITED

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 Strategic Report and the Director's Report.

We have nothing to report in respect of the following matters where 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.

John Donohoe (Senior Statutory Auditor)
for and on behalf of Arram Berlyn Gardner LLP

29 September 2017

Chartered Accountants
Statutory Auditor

30 City Road
London
EC1Y 2AB

VIBER UK LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 $	2015 $
Revenue	3	836,051	1,328,081
Administrative expenses		(622,937)	(1,182,518)
Operating profit	4	213,114	145,563
Finance costs	7	(831)	(2,735)
Profit before taxation		212,283	142,828
Tax on profit	8	(56,382)	(7,741)
Profit for the financial year	14	155,901	135,087

The Income Statement has been prepared on the basis that all operations are continuing operations.

VIBER UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	$	$
Profit for the year	155,901	135,087
Other comprehensive income		
Currency translation differences	(59,787)	(18,167)
Total comprehensive income for the year	96,114	116,920

VIBER UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 $	2016 $	2015 $	2015 $
Fixed assets					
Property, plant and equipment	**9**		-		75,328
Current assets					
Trade and other receivables	**10**	109,904		923,199	
Cash and cash equivalents		208,192		384,238	
		318,096		1,307,437	
Current liabilities	**11**	(95,953)		(1,256,736)	
Net current assets			222,143		50,701
Total assets less current liabilities			222,143		126,029
Equity					
Called up share capital	**13**		168		168
Retained earnings	**14**		221,975		125,861
Total equity			222,143		126,029

The financial statements were approved by the board of directors and authorised for issue on 29 September 2017 and are signed on its behalf by:

M Yosef
Director

Company Registration No. 09002309

VIBER UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Retained earnings	Total
	$	$	$
Balance at 1 January 2015	168	8,941	9,109
Year ended 31 December 2015:			
Profit for the year	-	135,087	135,087
Other comprehensive income:			
Currency translation differences	-	(18,167)	(18,167)
Total comprehensive income for the year	-	116,920	116,920
Balance at 31 December 2015	168	125,861	126,029
Year ended 31 December 2016:			
Profit for the year	-	155,901	155,901
Other comprehensive income:			
Currency translation differences	-	(59,787)	(59,787)
Total comprehensive income for the year	-	96,114	96,114
Balance at 31 December 2016	168	221,975	222,143

VIBER UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 $	2016 $	2015 $	2015 $
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**18**		(158,767)		291,863
Interest paid			(831)		(2,735)
Income taxes paid			(9,668)		(33,855)
Net cash (outflow)/inflow from operating activities			(169,266)		255,273
Investing activities					
Purchase of property, plant and equipment		-		(38,002)	
Proceeds on disposal of property, plant and equipment		(6,780)		-	
Net cash used in investing activities			(6,780)		(38,002)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(176,046)		217,271
Cash and cash equivalents at beginning of year			384,238		166,967
Cash and cash equivalents at end of year			208,192		384,238

1 Accounting policies

Company information
Viber UK Limited is a limited company incorporated in England. The registered office is 30 City Road, London, EC1Y 2AB.

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.

The company's functional currency is £ Sterling, being the currency of the primary economic environment in which it operates. The financial statements are presented in US$, which is the presentation currency of its group.

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

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Income is recognised in accordance with the Marketing Services Agreement by reference to work carried out to the reporting date.

1.4 Property, plant and equipment

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost in cludes costs directly attributable to making the asset capable of operating as intended.

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 land and buildings	20% Straight line
Fixtures and fittings	20% Straight line
Computers	20% 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.

1.5 Impairment of non-current assets

At each reporting 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 Accounting policies **(Continued)**

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.
Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 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.

1.7 Financial instruments

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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in operating profit.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Derivatives
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 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 income statement 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.

1 Accounting policies **(Continued)**

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

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.

The company operates an employee share ownership plan (ESOP) trust and has de facto control of the shares held by the trust and bears their benefits and risks. The company records assets and liabilities of the trust as its own. Consideration paid by the ESOP scheme for shares of the company is deducted from equity. Finance costs and administrative expenses incurred by the company in relation to the ESOP are recognised on an accruals basis.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.15 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 are included in the income statement for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible Assets

Accounting for tangible assets involves the use of estimates and judgements for determining the useful lives over which these are to be depreciated and the existence and amount of any impairment.

Tangible assets are depreciated on a reducing balance or straight line basis over their estimated useful lives and taking into account their expected residual values. When the Company estimates useful lives, various factors are considered including expected technological obsolescence and the expected usage of the asset.

The Directors regularly review these asset lives and change them as necessary to reflect the estimated current remaining lives in light of technological changes, future economic utilisation and physical condition of the assets concerned. A significant change in asset lives can have a significant change on depreciation and amortisation charges for the period.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

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 will be required to settle the obligation and a reliable estimate of the amount can be made. This obligation may be legal or constructive deriving from regulations, contracts, normal practices or public commitments that lead third parties to reasonably expect that the Company will assume certain responsibilities. The amount of the provision is determined based on the best estimate of the outflow of resources required to settle the obligation, taking into account all available information.

No provision is recognised if the amount of liability cannot be estimated reliably. In this case, the relevant information is disclosed in the notes to the financial statements.

Given the uncertainties inherent in the estimates used to determine the amount of provision, actual outflows of resources may differ from the amounts recognised originally on the basis of the estimates.

3 Revenue

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

	2016	2015
	$	$
Revenue analysed by class of business		
Rendering of services	836,051	1,328,081

	2016	2015
	$	$
Revenue analysed by geographical market		
Luxembourg	836,051	1,328,081

4 Operating profit

	2016	2015
Operating profit for the year is stated after charging/(crediting):	$	$
Exchange gains	(132,620)	(30,623)
Fees payable to the company's auditor for the audit of the company's financial statements	10,704	14,426
Depreciation of owned property, plant and equipment	5,996	16,600
Loss on disposal of property, plant and equipment	64,405	-
Share-based payments	-	(100,437)
Operating lease charges	44,641	73,599

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to $132,620 (2015 - $30,623).

5 Employees

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

	2016	2015
	Number	Number
Administrative staff	3	7

5 Employees **(Continued)**

Their aggregate remuneration comprised:

	2016	2015
	$	$
Wages and salaries	500,811	777,316
Social security costs	53,059	93,759
Pension costs	14,389	28,532
	568,259	899,607

6 Director's remuneration

	2016	2015
	$	$
Remuneration for qualifying services	222,332	357,882
Company pension contributions to defined contribution schemes	11,017	20,328
	233,349	378,210

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2016	2015
	$	$
Remuneration for qualifying services	222,332	357,882
Company pension contributions to defined contribution schemes	11,017	20,328

7 Finance costs

	2016	2015
	$	$
Other interest	831	2,735

8 Taxation

	2016	2015
	$	$
Current tax		
UK corporation tax on profits for the current period	56,382	7,741

8 Taxation **(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016	2015
	$	$
Profit before taxation	212,283	142,828
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	42,457	28,566
Tax effect of expenses that are not deductible in determining taxable profit	5,876	(20,408)
Permanent capital allowances in excess of depreciation	631	(3,536)
Depreciation on assets not qualifying for tax allowances	1,133	3,320
Tax at marginal rate	(300)	290
Foreign exchange differences	(5,419)	(491)
Fixed asset loss on disposals	12,004	-
Taxation charge for the year	56,382	7,741

9 Property, plant and equipment

	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	$	$	$	$
Cost				
At 1 January 2016	41,882	30,598	21,293	93,773
Disposals	(34,913)	(25,507)	(17,750)	(78,170)
Exchange adjustments	(6,969)	(5,091)	(3,543)	(15,603)
At 31 December 2016	-	-	-	-
Depreciation and impairment				
At 1 January 2016	7,987	6,486	3,972	18,445
Depreciation charged in the year	2,678	1,957	1,361	5,996
Eliminated in respect of disposals	(8,967)	(7,093)	(4,485)	(20,545)
Exchange adjustments	(1,698)	(1,350)	(848)	(3,896)
At 31 December 2016	-	-	-	-
Carrying amount				
At 31 December 2016	-	-	-	-
At 31 December 2015	33,895	24,112	17,321	75,328

10 Trade and other receivables

	2016	2015
Amounts falling due within one year:	**$**	**$**
Amounts due from group undertakings	105,716	42,302
Other receivables	2,775	850,901
Prepayments and accrued income	1,413	29,996
	109,904	923,199

11 Current liabilities

	2016	2015
	$	**$**
Trade payables	1,091	36,041
Amounts due to group undertakings	-	329,254
Corporation tax	51,429	4,715
Other taxation and social security	-	80,281
Other payables	-	781,284
Accruals and deferred income	43,433	25,161
	95,953	1,256,736

12 Retirement benefit schemes

	2016	2015
Defined contribution schemes	**$**	**$**
Charge to profit or loss in respect of defined contribution schemes	14,389	28,532

13 Share capital

	2016	2015
	$	**$**
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1.68 each	168	168
	168	168

14 Retained earnings

	2016	2015
	$	$
At the beginning of the year	125,861	8,941
Profit for the year	155,901	135,087
Currency translation differences	(59,787)	(18,167)
At the end of the year	221,975	125,861

15 Operating lease commitments

Lessee

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

	2016	2015
	$	$
Within one year	-	74,264
Between two and five years	-	208,347
	-	282,611

16 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of services		Payments for services	
	2016	2015	2016	2015
	$	$	$	$
Entities with control, joint control or significant influence over the company	836,051	1,328,081	-	470,863

The following amounts were outstanding at the reporting end date:

	2016	2015
Amounts owed to related parties	$	$
Entities with control, joint control or significant influence over the company	-	226,947
Other related parties	-	60,005

16 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts owed by related parties	2016 Balance $
Entities with control, joint control or significant influence over the company	105,716

There were no amounts owed in the previous period.

17 Controlling party

The parent company of Viber UK Limited is Viber Media Ltd, a company incorporated in Cyprus. The ultimate parent company is Rakuten Inc, a company incorporated in Japan and listed on the Tokyo Stock Exchange. The financial statements of Rakuten Inc are publicly available from http://global.rakuten.com/corp/investors/documents/annual.html.

18 Cash generated from operations

	2016 $	2015 $
Profit for the year after tax	155,901	135,087
Adjustments for:		
Taxation charged	56,382	7,741
Finance costs	831	2,735
Loss on disposal of property, plant and equipment	76,720	-
Depreciation and impairment of property, plant and equipment	5,388	15,942
Movements in working capital:		
Decrease/(increase) in trade and other receivables	813,295	(781,226)
(Decrease)/increase in trade and other payables	(1,267,284)	911,584
Cash (absorbed by)/generated from operations	(158,767)	291,863