Registered number: 10637354

# ATLAS ACQUISITION CORP. LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE PERIOD ENDED 31 JULY 2018

## ATLAS ACQUISITION CORP. LIMITED

### COMPANY INFORMATION

| | |
|---|---|
| **Directors** | A Porter (appointed 24 February 2017, resigned 6 December 2018)<br>J Janik (appointed 7 December 2018) |
| **Company secretary** | L Fese (appointed 7 December 2018) |
| **Registered number** | 10637354 |
| **Registered office** | 100 New Bridge Street<br>London<br>EC4V 6JA |
| **Independent auditor** | Grant Thornton UK LLP<br>Chartered Accountants & Senior Statutory Auditor<br>Benham 5<br>Southampton Science Park<br>Chilworth<br>Southampton<br>Hampshire<br>SO16 7QJ |

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# GROUP STRATEGIC REPORT
# FOR THE PERIOD ENDED 31 JULY 2018

## Introduction

The company was incorporated on 24 February 2017.

The strategic report for the period ended 31 July 2018 is set out below.

## Business review

The Avantida Group has three major sales products; reUse, DepotX and CertiWeight. For the period ended 31 July 2018, reUse, DepotX and CertiWieght contributed 50%, 15% and 20% to revenues, respectively.

Currently all revenue is generated from the European market. During this fiscal period, Avantida rolled out an expansion plan with the focus on growth in North America. Our sales team, together with supporting functional groups, is targeting the ocean carriers in order to launch in the North American region over the next several months.

Development resources for the period were heavily invested in the reUse and DepotX products to get them ready for the North American market launch, as well as on upgrading the functionality of the prodcuts to better reach our customers' demands. The expansion plan and required resources are the main drivers to the high negative result for the period.

## Principal risks and uncertainties

The biggest risk is that the investments in reUse and DepotX will not pay off in the next fiscal period and the current loss will grow.

## Financial key performance indicators

Gross margin was $4.75 million for the fiscal period, which was 0.15 m$ below budget, mainly because of slower increase in reUse transactions.

EBITDA was $(0.6) million, which was in line with budget.

## Other key performance indicators

The daily average transactions for reUse went up from 683 per day in March 2017 to 1,364 per day in July 2018.

For DepotX the average daily transactions went up from 103 per day in March /2017 to 209 per day in July 2018.

This report was approved by the board and signed on its behalf.

J Janik
Director

Date: 25 March 2019

## DIRECTOR'S REPORT
## FOR THE PERIOD ENDED 31 JULY 2018

The director presents his report and the financial statements for the period ended 31 July 2018.

**Principal activity**

Atlas Acquisition Corp. Limited is a holding company for the Avantida Group of companies which are detailed in note 11 to the accounts. The Avantida Group provides an online platform offering services that aim to transform traditional container logistics processes.

**Results and dividends**

The loss for the period, after taxation, amounted to $2,013,747.

No dividends have been paid or declared during the period.

**Director**

The director who served during the period was:

A Porter (appointed 24 February 2017, resigned 6 December 2018)

J Janik was appointed as a director on 7 December 2018.

**Director's responsibilities statement**

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DIRECTOR'S REPORT (CONTINUED)
## FOR THE PERIOD ENDED 31 JULY 2018

### Future developments

The roll outs in North America and Asia are our key objectives for the coming year. Success is dependent on the extensive use and focus of resources from our development and sales teams.

Successful roll-outs are expected to bring break-even results over the next year, again, dependent on the success of our additional investments in the roll-outs.

### Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

### Post balance sheet events

During October 2018, the Group capitalised a new office located in Chennai, India. The facility is to be utilised to host a client services department to service customers of Inttra Inc. There have been no other significant events affecting the Group since the year end.

### Auditor

Grant Thornton UK LLP were appointed as auditor during the period by the Board. They will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**J Janik**
Director

Date: 25 March 2019

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ATLAS ACQUISITION CORP. LIMITED

### Opinion

We have audited the financial statements of Atlas Acquisition Corp. Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 31 July 2018, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Balance sheets, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 July 2018 and of the Group's loss for the period 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.

### Basis for opinion

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 opinion.

### Who we are reporting to

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.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ATLAS ACQUISITION CORP. LIMITED (CONTINUED)

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

**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 Group strategic report and the Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ATLAS ACQUISITION CORP. LIMITED (CONTINUED)

**Matter on which we are required to report by the Companies Act 2006**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's report.

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

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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 for the financial statements**

As explained more fully in the Director's responsibilities statement on page 2, 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 Group's and the parent 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 intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ATLAS ACQUISITION CORP. LIMITED (CONTINUED)

**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. This description forms part of our Auditor's report.

Grant Thornton UK LLP

Amanda James FCCA (Senior statutory auditor)
for and on behalf of
**Grant Thornton UK LLP**
Chartered Accountants
Statutory Auditor
Southampton
Date: 29 March 2019

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## FOR THE PERIOD ENDED 31 JULY 2018

| | Note | 2018<br>$ |
|---|---|---|
| Turnover | 4 | 22,478,497 |
| Cost of sales | | (17,725,309) |
| **Gross profit** | | 4,753,188 |
| Administrative expenses | | (6,598,623) |
| **Operating loss** | 5 | (1,845,435) |
| Interest payable and expenses | | (154,555) |
| **Loss before taxation** | | (1,999,990) |
| Tax on loss | 8 | (13,757) |
| **Loss for the financial period** | | (2,013,747) |
| Foreign exchange movements on translation | | (165,963) |
| **Other comprehensive income for the period** | | (165,963) |
| **Total comprehensive income for the period** | | (2,179,710) |
| **Loss for the period attributable to:** | | |
| Owners of the parent Company | | (2,013,747) |

There were no recognised gains and losses for 2018 other than those included in the consolidated statement of comprehensive income.

The notes on pages 14 to 29 form part of these financial statements.

## CONSOLIDATED BALANCE SHEET
## AS AT 31 JULY 2018

| | Note | | 2018 $ |
|---|---|---|---|
| **Fixed assets** | | | |
| Intangible assets | 9 | | 6,330,476 |
| Tangible assets | 10 | | 148,554 |
| | | | 6,479,030 |
| **Current assets** | | | |
| Debtors: amounts falling due within one year | 12 | 1,239,815 | |
| Cash at bank and in hand | | 1,259,828 | |
| | | 2,499,643 | |
| Creditors: amounts falling due within one year | 13 | (6,217,196) | |
| **Net current liabilities** | | | (3,717,553) |
| Creditors: amounts falling due after more than one year | | | (4,941,048) |
| **Net liabilities** | | | (2,179,571) |
| **Capital and reserves** | | | |
| Called up share capital | 16 | | 139 |
| Foreign exchange reserve | 17 | | (165,963) |
| Profit and loss account | 17 | | (2,013,747) |
| | | | (2,179,571) |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25|3|19

**J Janik**
Director

The notes on pages 14 to 29 form part of these financial statements.

## COMPANY BALANCE SHEET
## AS AT 31 JULY 2018

| | Note | | 2018 $ |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | 11 | | 5,924,632 |
| **Current assets** | | | |
| Debtors: amounts falling due within one year | 12 | 139 | |
| Creditors: amounts falling due within one year | 13 | (1,121,173) | |
| **Net current liabilities** | | | (1,121,034) |
| Creditors: amounts falling due after more than one year | | | (4,941,048) |
| **Net liabilities** | | | (137,450) |
| **Capital and reserves** | | | |
| Called up share capital | 16 | | 139 |
| Loss for the period | | (137,589) | |
| Profit and loss account carried forward | | | (137,589) |
| | | | (137,450) |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25|3|19

J Janik
Director

The notes on pages 14 to 29 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE PERIOD ENDED 31 JULY 2018

| | Called up share capital | Foreign exchange reserve | Profit and loss account | Total equity |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Loss for the period | - | - | (2,013,747) | (2,013,747) |
| Foreign exchange on translation | - | (165,963) | - | (165,963) |
| Shares issued during the period | 139 | - | - | 139 |
| **At 31 July 2018** | 139 | (165,963) | (2,013,747) | (2,179,571) |

The notes on pages 14 to 29 form part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY
## FOR THE PERIOD ENDED 31 JULY 2018

| | Called up share capital | Profit and loss account | Total equity |
|---|---|---|---|
| | $ | $ | $ |
| Loss for the period | - | (137,589) | (137,589) |
| Shares issued during the period | 139 | - | 139 |
| **At 31 July 2018** | 139 | (137,589) | (137,450) |

The notes on pages 14 to 29 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE PERIOD ENDED 31 JULY 2018

| | 2018<br>$ |
|---|---|
| **Cash flows from operating activities** | |
| Loss for the financial period | (2,013,747) |
| **Adjustments for:** | |
| Amortisation of intangible assets | 1,185,025 |
| Depreciation of tangible assets | 35,431 |
| Interest charge | 154,555 |
| Taxation charge | 13,757 |
| Increase in debtors | (1,239,815) |
| Increase in creditors | 11,158,244 |
| Corporation tax paid | (13,757) |
| Foreign exchange movements on translation | (165,963) |
| **Net cash generated from operating activities** | 9,113,730 |
| **Cash flows from investing activities** | |
| Purchase of intangible fixed assets on acqusition of subsidaries | (7,515,501) |
| Purchase of tangible fixed asset on acqusition of subsidaries | (183,985) |
| **Net cash from investing activities** | (7,699,486) |
| **Cash flows from financing activities** | |
| Issue of ordinary shares | 139 |
| Interest charge | (154,555) |
| **Net cash used in financing activities** | (154,416) |
| **Net increase in cash and cash equivalents** | 1,259,828 |
| Cash and cash equivalents at beginning of period | - |
| **Cash and cash equivalents at the end of period** | 1,259,828 |
| **Cash and cash equivalents at the end of period comprise:** | |
| Cash at bank and in hand | 1,259,828 |

The notes on pages 14 to 29 form part of these financial statements.

## 1. General information

Atlas Acquisition Corp. Limited ('the Company') is a private company limited by shares, incorporated in England and Wales. The address of its registered office is 100 New Bridge Street, London, EC4V 6JA.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

### 2.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group and Company will continue in operational existence for the forseeable future. The directors are aware of their duty to present a balanced assessment of the group and company's financial position and prospects and in concluding that it is appropriate to adopt the going concern basis they have had regard to the fact that the Group has reported a loss of $2,013,747 and there are net current liabilities of $3,717,553 at 31 July 2018.

The Group and Company's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1. The group and company are able to meet their day-to-day working capital requirements and the directors believe, with the support if its parent undertaking, that adequate funding will be available to meet liabilities as they fall due. The directors have prepared forecasts covering the next twelve months which are based on prudent market data and past experience, taking account of reasonably forseeable changes in market conditions and company performance. The parent company has also confirmed the loan facility will not be called upon for repayment for a period of at least twelve months from the date of approval of the financial statements.

## 2. Accounting policies (continued)

### 2.4 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

### 2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

### 2.6 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## 2. Accounting policies (continued)

### 2.7 Pensions

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

### 2.8 Taxation

Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

### 2.9 Intangible assets

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

| | | | |
|---|---|---|---|
| Software | - | 10 | years |
| Developed technology | - | 7 | years |
| Trademarks | - | 5 | years |
| Goodwill | - | 10 | years |

## 2. Accounting policies (continued)

### 2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|---|---|
| Leasehold improvements | - over the life of the lease |
| Other office equipment | - 20% |
| Furniture and fixtures | - 20% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

### 2.11 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

### 2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

### 2.14 Creditors

Short term creditors are measured at the transaction price.

### 2.15 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an

## 2. Accounting policies (continued)

### 2.15 Financial instruments (continued)

impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

### 2.16 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is USD.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into USD at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

## 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements requires management to note judgements and estimates that affect the reported amount of assets and liabilities at the balance sheet date and the reported profits during the financial year.

The following judgements and estimates have been made in these financial statements:

**Useful economic life of intangible assets**
Management have provided in these financial statements the estimated life of the acquired intangible assets, goodwill and internally generated intangible assets.

**Useful economic life of tangible assets**
Management have provided in these financial statements the estimated residual value of useful economic life of tangible fixed assets.

## 4. Turnover

The whole of the turnover is attributable to principal activity of the Group.

All turnover arose within Europe.

## 5. Operating loss

The operating loss is stated after charging:

| | 2018 $ |
|---|---|
| Depreciation of tangible fixed assets | 35,431 |
| Amortisation of intangible fixed assets, including goodwill | 1,185,025 |
| Exchange differences arising from foreign currency transactions | 47,925 |

## 6. Auditor's remuneration

| | 2018 $ |
|---|---|
| Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements | 36,500 |
| **Fees payable to the Group's auditor and its associates in respect of:** | |
| Accounting services | 3,400 |
| Taxation compliance services | 4,600 |
| | 8,000 |

Auditor's remuneration for the company was $16,400.

## 7. Employees

Staff costs were as follows:

| | Group 2018 $ | *Group 2017 $* | Company 2018 $ | *Company 2017 $* |
|---|---|---|---|---|
| Wages and salaries | **3,239,062** | - | - | - |
| Social security costs | **370,347** | - | - | - |
| Cost of defined contribution scheme | **34,875** | - | - | - |
| | **3,644,284** | - | - | - |

The average monthly number of employees, including the director, during the period was as follows:

| | 2018 No. |
|---|---|
| Directors | **1** |
| Employees | **31** |
| | **32** |

The Company has no employees other than the directors, who did not receive any remuneration.

## 8. Taxation

| | 2018 $ |
|---|---|
| **Corporation tax** | |
| Current tax on profits for the year | **13,757** |
| **Total current tax** | **13,757** |

## 8. Taxation (continued)

### Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

| | 2018 |
|---|---|
| | $ |
| Loss on ordinary activities before tax | (1,999,990) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% | (379,998) |
| **Effects of:** | |
| Foreign taxation adjustments | 393,755 |
| **Total tax charge for the period** | **13,757** |

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

## 9. Intangible assets

**Group and Company**

| | Software<br>$ | Developed technology<br>$ | Trademarks<br>$ | Goodwill<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Additions | 1,451,689 | 634,620 | 211,540 | 5,217,652 | 7,515,501 |
| At 31 July 2018 | 1,451,689 | 634,620 | 211,540 | 5,217,652 | 7,515,501 |
| **Amortisation** | | | | | |
| Charge for the year | 222,753 | 140,126 | 65,392 | 756,754 | 1,185,025 |
| At 31 July 2018 | 222,753 | 140,126 | 65,392 | 756,754 | 1,185,025 |
| **Net book value** | | | | | |
| At 31 July 2018 | 1,228,936 | 494,494 | 146,148 | 4,460,898 | 6,330,476 |

## 10. Tangible fixed assets

**Group**

| | Plant and machinery $ |
|---|---|
| **Cost or valuation** | |
| Acquisition of subsidiary | 183,985 |
| At 31 July 2018 | 183,985 |
| **Depreciation** | |
| Charge for the period on owned assets | 35,431 |
| At 31 July 2018 | 35,431 |
| **Net book value** | |
| At 31 July 2018 | 148,554 |

## 11. Fixed asset investments

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| Name | Class of shares | Holding | Principal activity |
|---|---|---|---|
| Avantida NV | Ordinary | 100 % | Online platform service |
| Avantida Poland Sp Zoo | Ordinary | 100 % | Online platform service |
| Avantida e-Logistics SA | Ordinary | 100 % | Online platform service |

| Name | Registered location |
|---|---|
| Avantida NV | Belgium |
| Avantida Poland Sp Zoo | Poland |
| Avantida e-Logistics SA | Spain |

**Company**

| | Investments in subsidiary companies $ |
|---|---|
| **Cost or valuation** | |
| Additions | 5,924,632 |
| At 31 July 2018 | 5,924,632 |
| **Net book value** | |
| At 31 July 2018 | 5,924,632 |

## 12. Debtors

| | Group 2018 $ | Company 2018 $ |
|---|---|---|
| Trade debtors | 765,320 | - |
| Other debtors | 412,328 | 139 |
| Prepayments and accrued income | 62,167 | - |
| | 1,239,815 | 139 |

Included within other debtors is £100 of unpaid share capital, which has been translated to US Dollars on 24 February 2017 to $139.

## 13. Creditors: Amounts falling due within one year

| | Group 2018 $ | Company 2018 $ |
|---|---|---|
| Customer deposits | 1,100,930 | - |
| Trade creditors | 1,611,456 | - |
| Amounts owed to group undertakings | 1,114,659 | 1,121,173 |
| Other creditors | 290,019 | - |
| Accruals and deferred income | 2,100,132 | - |
| | 6,217,196 | 1,121,173 |

## 14. Creditors: Amounts falling due after more than one year

| | Group 2018 $ | Company 2018 $ |
|---|---|---|
| Amounts owed to group undertakings | 4,941,048 | 4,941,048 |

The principle value of the loan provided by Inttra International Inc is $4,803,459. Interest accrues annually at a rate of 2.05% and the loan is due to mature on 8 March 2022.

## 15. Financial instruments

| | Group 2018 $ | Company 2018 $ |
|---|---|---|
| **Financial assets** | | |
| Financial assets measured at fair value through profit or loss | 1,259,828 | - |
| Financial assets that are debt instruments measured at amortised cost | 1,239,815 | 139 |
| Financial assets that are equity instruments measured at cost less impairment | - | - |
| | 2,499,643 | 139 |
| **Financial liabilities** | | |
| Financial liabilities measured at amortised cost | (10,057,313) | (6,062,221) |

Financial assets measured at fair value through profit or loss comprise cash at bank and hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors and prepayments and accrued income.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals and deferred income and amounts owed to group undertakings.

## 16. Share capital

| | 2018 $ |
|---|---|
| **Allotted, called up and fully paid** | |
| 100 Ordinary shares of $1.39 each | 139 |

The company was incorporated on 24 February 2017 at which point 100 ordinary shares of £1 each were issued.

## 17. Reserves

### Foreign exchange reserve

Includes the foreign exchange differences on consolidation of foreign subsidiaries.

### Profit and loss account

Includes all current and prior period retained profits and losses.

## 18. Business combinations

Atlas Acqusition Corp. Limited acquired 100% of the issued share capital of Avantida NV on 9 March 2017. The results have been accounted for using acquisition accounting.

Acquisition of Avantida NV

**Recognised amounts of identifiable assets acquired and liabilities assumed**

| | Book value<br>$ | Fair value adjustment<br>$ | Fair value<br>$ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible | 37,179 | - | 37,179 |
| Intangible | 1,451,689 | - | 1,451,689 |
| | 1,488,868 | - | 1,488,868 |
| **Current assets** | | | |
| Debtors | 598,018 | - | 598,018 |
| Cash at bank and in hand | 572,801 | - | 572,801 |
| **Total assets** | 2,659,687 | - | 2,659,687 |
| **Creditors** | | | |
| Due within one year | (2,592,102) | - | (2,592,102) |
| Due more than one year | (206,765) | - | (206,765) |
| **Total identifiable net liabilities** | (139,180) | - | (139,180) |
| Intangible assets acquired (breakdown below) | | | 6,063,812 |
| **Total purchase consideration** | | | 5,924,632 |

Goodwill was acquired of $5,217,652, Developed technology was acquired of $634,620 and Trademarks were acquired of $211,540.

**Consideration**

| | $ |
|---|---|
| Cash | 4,803,459 |
| Contingent consideration | 1,121,173 |
| **Total purchase consideration** | 5,924,632 |

**18. Business combinations (continued)**
**Cash outflow on acquisition**

| | $ |
|---|---|
| Purchase consideration settled in cash, as above | **5,924,632** |
| Less: Cash and cash equivalents acquired | **(572,801)** |
| **Net cash outflow on acquistion** | **5,351,831** |

The results of Avantida NV since its acquisition are as follows:

| | Current period since acquisition $ |
|---|---|
| Turnover | **22,478,497** |
| *Loss for the period* | **(1,876,158)** |

**19. Pension commitments**

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contribution payable are charged to the profit and loss accounts and amounts payable in the year were $34,875. There were no contributions outstanding at the period end.

**20. Commitments under operating leases**

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

**21. Related party transactions**

The group is exempt under FRS 102 paragraph 33.7 from disclosing any transactions or balances between wholly owned group entities that have been eliminated on consolidation.

At 31 July 2018 there is an amount owed to Inttra Inc of $6,055,707.

**22. Controlling party**

The Group and Company's immediate parent undertaking and controlling party is Inttra International Inc. The ultimate parent undertaking and controlling party is E2open LLC following the acqusition of Inttra Inc on 27 November 2018.

Inttra International Inc is the smallest group to consolidate, E2open LLC is the largest group to consolidate Atlas Acqusition Corp. Limited.