

**WorldAware Holdings Limited**  
(formerly known as red24 Limited)

**REPORT AND  
FINANCIAL STATEMENTS**

For the year ended  
31 December 2017

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Company Registration No. SC086069

# WorldAware Holdings Limited

## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2017

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# WorldAware Holdings Limited

## OFFICERS AND PROFESSIONAL ADVISERS

Year ended 31 December 2017

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### DIRECTORS

MJ Briskey  
DB McIndoe  
ES Ryan

### REGISTERED OFFICE

94 c/o Miler & Bryce Limited  
Floor 4, Ocean Point 1  
94 Ocean Drive, Leith  
Edinburgh  
Scotland  
EH6 6JH

### ADMINISTRATIVE OFFICE

28 Lime Street  
London  
EC3M 7HR

### BANKERS

HSBC Bank plc  
26-28 Broad Street  
Reading  
Berkshire  
RG1 2BU

### SOLICITORS

DLA Piper  
3 Noble Street  
London  
EC2V 7EE

### INDEPENDENT AUDITOR

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

# WorldAware Holdings Limited

## DIRECTORS' REPORT

Year ended 31 December 2017

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The Directors present their report and the audited financial statements of WorldAware Holdings Limited ("the Company") and of the group for the year ended 31 December 2017.

On 25 June 2018, red24 Limited changed its name to WorldAware Holdings Limited. The ultimate parent company, iJET Inc, changed its name to WorldAware Inc. Subsidiaries within the group are now known by the brand name WorldAware.

The Company has, in accordance with section 414c of the Companies Act, set out in the Strategic Report information regarding key performance indicators, principal risks and uncertainties, and future developments that would otherwise have been set out in the Directors' Report.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

WorldAware is a risk management group (the "Group") that provides a range of business support services, offering preventative and reactive advice to help organisations and individuals to avoid or manage security, employment and business risks to themselves, their families and their businesses. Its products and services are either sold business to business or distributed through leading international financial service companies.

The Company acts as a holding company. The principal activities of its wholly-owned trading subsidiaries are the provision of security risk management and other assistance services. These activities are expected to continue for the foreseeable future.

A fair review of the business, and its future prospects, including consideration of the principal risks facing the group and a review of our performance against financial key performance indicators is contained in the Strategic Report on pages 5 to 7.

### RESULTS FOR THE YEAR

The financial result for the year ended 31 December 2017 and the comparative result for the period ended 31 December 2016 are set out on page 12. No interim dividend for year ending 2017 (9 months to 31 December 2016: £145,150) was paid during the year. Following a review of the business, results have been impacted by impairment of intangibles on previous acquisitions and software due to a business downturn and the withdrawal of our Travel Tracker product.

### DIRECTORS

The directors of the Company who held office during the year and up to the date of this report were as follows:

MJ Briskey

DB McIndoe

JM Rose (Resigned 28 March 2018)

ES Ryan

MSH Worsley-Tonks (Appointed 28 December 2017, resigned 31 July 2018)

### DIRECTORS' AND OFFICERS LIABILITY INSURANCE

During the year the Company has maintained insurance to indemnify the directors against potential claims arising from the performance of their duties.

# WorldAware Holdings Limited

## DIRECTORS' REPORT

Year ended 31 December 2017

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### **EQUAL OPPORTUNITIES**

The group endorses and supports the principles of equal employment opportunities. It is the policy of the group to provide equal employment opportunities to all qualified individuals, which ensures that all employment decisions are made, subject to legal obligations, on a non-discriminatory basis.

### **DISABLED EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that the training, career development and promotion opportunities of disabled persons should, as far as possible, be identical with those of other employees.

### **PRODUCT DEVELOPMENT**

The group invests in its products and services on a continuous basis to ensure that its offerings remain at the forefront of those on offer in the market place.

### **FINANCIAL INSTRUMENTS**

Details of the financial instruments of the Company and its subsidiary undertakings are contained in note 25.

### **EMPLOYEE PARTICIPATION**

The group values the involvement of its employees and keeps them informed of matters affecting them and on the various factors affecting the performance of the group.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board

*MJ Briskey*

**MJ Briskey**

**Director**

20 December 2018

# WorldAware Holdings Limited

## STRATEGIC REPORT

Year ended 31 December 2017

The Directors present their strategic report for the year ended 31 December 2017.

## REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

On 15 December 2016, the entire issued share capital was acquired by iJET International Inc. by a court sanctioned scheme of arrangement for a consideration of 26p per share. As a result of this acquisition, the company, previously listed on the AIM market of the London Stock Exchange was delisted and re-registered as a private limited company by the name of red24 Limited; the accounting reference period changed from 31 March to 31 December to align with iJET's financial year. On 25 June 2018 the Company changed its name from red24 Limited to WorldAware Holdings Limited.

### Key performance indicators

The key performance indicators ("KPIs") for the group are those that communicate the financial performance and strength of the group, as a whole, to shareholders. A summary of the KPI's is as follows (derived from continuing operations only):

	Year ended 31 December 2017 £'000	9 months ended 31 December 2016 £'000
<b>Financial</b>		
Revenue	5,905	5,423
Gross profit	4,284	3,976
Operating loss before exceptional items*	(1,535)	(278)
Available cash	1,107	2,942

\* Exceptional items are detailed in note 7 and include transaction costs and currency movements, the amortisation of acquired intangibles and provision for acquisition earn out payments.

### Outlook

WorldAware is a risk management group that provides a range of security and business support services. Our streams of revenue include travel assistance, including accident and healthcare, special risks, consulting, product safety and corporate investigation and screening. The majority of our products and services, as in previous years, support the insurance industry. We will continue to grow the business as part of an enlarged group following the iJET strategy of integrated risk management.

### Business model

The heart of our business operation is our 24/7 Crisis Response Management Centre ("CRM") and iJET Labs in Cape Town and the Global Intelligence Operations Centre in Annapolis, USA and a significantly enhanced group of products for travel risk management. Across the group clients are offered escalating levels of assistance that are appropriate to the risk they face.

### Travel assistance

Travel assistance for direct enterprise customers is less of a focus since that is WorldAware Inc's (formerly known as iJET International Inc.) primary business. Any business we would have pursued in travel assistance is now covered by WorldAware, Inc.. The Travel Tracker application previously offered has been discontinued, as clients were migrated to the Worldcue platform. As a result, the group has recognized an impairment charge of £143k. Any new clients would have signed a contract with WorldAware Inc. We still see strong demand globally for a Travel Risk Management solution.

# WorldAware Holdings Limited

## STRATEGIC REPORT

Year ended 31 December 2017

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### Special risks

Our special risks business had a relatively flat year in terms of crisis-incident response, relative to prior-year 2016 which was an exceptional year. We responded to short-term incidents in Africa, Europe and the Americas. The retainer ACV base is in decline; 30% reduction in the last two-years, which has made the service line more dependent on crisis-response revenue. However, that said, the division has done well to show the growth it has in a challenging market.

### Consulting and response

There has been a downturn in the number of incident and evacuations during the reporting period which has reduced the revenue in the division quite significantly. Similar to the special risks division there is increasingly a greater reliance on response work to generate revenue.

### Investigations

This division is a Singapore based investigations business that specialises in employment screening and business investigations. The past year has been challenging for the division due to the downturn in the local economy. The ongoing reluctance of companies to hire staff has severely impacted the investigations division, especially around the area of employment screening. As a result of this and a recognition that it is not a core business of the overall group, the division was closed in April 2018, which led to the decision to write off the net book value of intangible assets amounting to £338,083.

### Product safety

WorldAware Product-Risks Team has shown continued growth of non-crisis, (pre-incident), consultancy services in 2017. This has been led by the US practice group which was built around a newly acquired team in 2016. While the underwriter ACV retainer base has only had marginal growth, the focus has been on improving utilization of pre-incident consultancy funds available across the underwriter base. We had to recruit and replace UK-ROW team members in Q4-2017 which slowed down UK-ROW revenue for that closing period; but the practice is stable for continued growth in 2018.

### Principal risks and uncertainties

The principal risks and uncertainties which could have a material effect on the group have been identified and set out in a risk register which assesses each risk for the likelihood of its occurrence and the potential impact on the group.

The Board regularly review the group's exposure to currency risk, which is one of the key risks impacting the group. The longer term currency presents an on-going challenge for the group; the economic environment, which remains a challenging one as many governments struggle with debt constraints, will determine the relative value of currencies - not least sterling, which is our functional and reporting currency.

Over the period the risks and uncertainties that are largely within the control of the group, have been categorised into strategic, operational, financial and administrative risks. These include the maintenance of the group's competitive position to ensure the achievement and collection of sufficient revenue to meet the group's objectives. The group maintains significant cash reserves both to mitigate against the possibility of periods of reduced working capital and to ensure adequate working capital is available to meet any sudden increase in the level of response work clients may require. Internally we have worked hard, and with some success, to broaden the customer base and reduce dependence on key accounts. Other normal business risks include dependence on the continued availability of key personnel to ensure that our clients receive the level of service they are entitled to expect, and the ability of the group to continue to provide that level of service. The reputation of the group is critical to its continued success and it works hard to develop and protect that reputation by ensuring that it only associates itself with activities that are appropriate for a business in its sector

# WorldAware Holdings Limited

## STRATEGIC REPORT

Year ended 31 December 2017

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### **Business Ethics**

The Board is committed to maintaining high ethical standards across the group and expect the same commitment from our staff, customers and suppliers. Our reputation is vital to our continued business success and we do not tolerate any form of bribery, corruption or fraud. We have anti-bribery policies in place of which all employees are made aware when they join as well as through the group intranet and through training.

### **Health and safety**

The Board are committed to providing a safe workplace for all our staff and to ensure that our services are provided in a way that delivers our services safely for clients and staff, including contractors. Responsibility for health and safety rests with the Chief Executive.

On behalf of the Board

*MJ Briskey*

**MJ Briskey**

**Director**

20 December 2018



# WorldAware Holdings Limited

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

### Year ended 31 December 2017

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The Directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The Directors have elected under company law to prepare the group and company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position of the group and the company and the financial performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing each of the group and company financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with IFRSs adopted by the EU;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

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

# WorldAware Holdings Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLDWARE HOLDINGS LIMITED

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### Opinion

We have audited the financial statements of WorldAware Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the consolidated statement of comprehensive income, the consolidated and parent company balance sheets, the consolidated and parent company statements of changes in equity, the cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 December 2017 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# WorldAware Holdings Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLDWARE HOLDINGS LIMITED

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### **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

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

## WorldAware Holdings Limited

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLDWARE HOLDINGS LIMITED

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#### Use of our report

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

*RSM UK Audit LLP*

DAVID CLARK (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street, London, EC4A 4AB

20 December 2018

**WorldAware Holdings Limited**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2017**

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	Notes	Year ended 31 December 2017 £	9 months ended 31 December 2016 £
Revenue	3	5,904,916	5,423,425
Cost of sales		(1,620,589)	(1,447,824)
<b>Gross profit</b>		<b>4,284,327</b>	<b>3,975,601</b>
Administrative expenses	4	(5,820,268)	(4,253,513)
Operating loss before exceptional items		(1,535,941)	(277,912)
Exceptional items	7	(480,600)	(636,786)
<b>Operating loss</b>		<b>(2,016,541)</b>	<b>(914,698)</b>
Finance income	8	8,410	24,157
Finance costs	9	(21,315)	(11,537)
<b>Loss before tax</b>		<b>(2,029,446)</b>	<b>(902,078)</b>
Tax (expense) / credit	10	(17,275)	13,082
<b>Loss for the year attributable to the owners of the parent</b>		<b>(2,046,721)</b>	<b>(888,966)</b>
<b>Other comprehensive income for the year net of tax</b>			
Items that may be subsequently reclassified to profit or loss:			
(Losses) / gains on property revaluation		(24,880)	44,379
Currency translation differences	21	(20,073)	258,540
<b>Total comprehensive income for the year attributable to owners of the parent</b>		<b>(2,091,674)</b>	<b>(586,077)</b>

# WorldAware Holdings Limited

## BALANCE SHEET

As at 31 December 2017

Company number SC086069

	Notes	Group 31 December 2017 £	Group 31 December 2016 £	Company 31 December 2017 £	Company 31 December 2016 £
<b>NON-CURRENT ASSETS</b>					
Intangible assets	12	172,156	796,053	723	5,393
Property, plant & equipment	13	1,034,125	993,886	-	-
Investment in group companies	14	-	-	672,746	672,747
Deferred tax assets	15	66,802	74,111	41,500	41,500
Trade and other receivables	16	-	-	-	840,578
		<u>1,273,083</u>	<u>1,864,050</u>	<u>714,969</u>	<u>1,560,218</u>
<b>CURRENT ASSETS</b>					
Trade and other receivables	16	1,123,814	1,264,493	1,580,851	386,439
Cash and cash equivalents	17	1,107,122	2,942,348	324,267	1,351,711
		<u>2,230,936</u>	<u>4,206,841</u>	<u>1,905,118</u>	<u>1,738,150</u>
<b>TOTAL ASSETS</b>		<u>3,504,019</u>	<u>6,070,891</u>	<u>2,620,087</u>	<u>3,298,368</u>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	18	1,198,356	1,617,976	483,217	1,049,721
Corporation tax		25,728	65,709	-	-
Borrowings	19	21,722	21,141	-	-
		<u>1,245,806</u>	<u>1,704,826</u>	<u>483,217</u>	<u>1,049,721</u>
<b>NET CURRENT ASSETS</b>		<u>985,130</u>	<u>2,502,015</u>	<u>1,421,901</u>	<u>688,429</u>
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities	15	12,870	8,970	-	-
Borrowings	19	119,424	139,502	-	-
		<u>132,294</u>	<u>148,472</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>1,378,100</u>	<u>1,853,298</u>	<u>483,217</u>	<u>1,049,721</u>
<b>NET ASSETS</b>		<u>2,125,919</u>	<u>4,217,593</u>	<u>2,136,870</u>	<u>2,248,647</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20	505,334	505,334	505,334	505,334
Share premium account	21	380,902	380,902	380,902	380,902
Other reserves	21	272,220	317,173	-	-
Retained earnings	21	967,463	3,014,184	1,250,634	1,362,411
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<u>2,125,919</u>	<u>4,217,593</u>	<u>2,136,870</u>	<u>2,248,647</u>

The financial statements on pages 12 to 42 were approved and authorised for issue by the Board of Directors on 20 December 2018. The accompanying notes are an integral part of these financial statements. The company's total comprehensive income for the year was a loss of £111,777 (9 month period ended 31 December 2016: loss of £525,068).

Signed on behalf of the Board of Directors

*Mike Briskey*  
 M J Briskey  
 Director

# WorldAware Holdings Limited

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
Balance at 1 April 2016	494,834	258,652	(89,469)	3,866,038	4,530,055
Loss for the period	-	-	-	(888,996)	(888,996)
Gains on property revaluation	-	-	44,379	-	44,379
Currency translation differences	-	-	258,540	-	258,540
<b>Total comprehensive income for the period</b>	-	-	<b>302,919</b>	<b>(888,996)</b>	<b>(586,077)</b>
<b>Transactions with owners</b>					
Own shares sold	-	-	130,843	155,172	286,015
Share options exercised	10,500	122,250	(27,120)	27,120	132,750
Dividends paid	-	-	-	(145,150)	(145,150)
<b>Total transactions with owners</b>	<b>10,500</b>	<b>122,250</b>	<b>103,723</b>	<b>37,142</b>	<b>273,615</b>
Balance at 31 December 2016	505,334	380,902	317,173	3,014,184	4,217,593
Loss for the year	-	-	-	(2,046,721)	(2,046,721)
Gains on property revaluation	-	-	(24,880)	-	(24,880)
Currency translation differences	-	-	(20,073)	-	(20,073)
<b>Total comprehensive income for the year</b>	-	-	<b>(44,953)</b>	<b>(2,046,721)</b>	<b>(2,091,674)</b>
Balance at 31 December 2017	505,334	380,902	272,220	967,463	2,125,919

# WorldAware Holdings Limited

## STATEMENT OF CHANGES IN EQUITY

### For the year ended 31 December 2017

#### COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
Balance at 1 April 2016	494,834	258,652	(103,723)	1,850,337	2,500,100
Loss for the period	-	-	-	(525,068)	(525,068)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(525,068)</b>	<b>(525,068)</b>
<b>Transactions with owners</b>					
Own shares sold	-	-	130,843	155,172	286,015
Share options exercised	10,500	122,250	(27,120)	27,120	132,750
Dividends paid	-	-	-	(145,150)	(145,150)
<b>Total transactions with owners</b>	<b>10,500</b>	<b>122,250</b>	<b>103,723</b>	<b>37,142</b>	<b>273,615</b>
Balance at 31 December 2016	505,334	380,902	-	1,362,411	2,248,647
Loss for the year	-	-	-	(111,777)	(111,777)
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(111,777)</b>	<b>(111,777)</b>
Balance at 31 December 2017	505,334	380,902	-	1,250,634	2,136,870



# WorldAware Holdings Limited

## CASH FLOW STATEMENTS

For the year ended 31 December 2017

	Notes	Group Year ended 31 December 2017 £	Group 9 months ended 31 December 2016 £	Company Year ended 31 December 2017 £	Company 9 months ended 31 December 2016 £
<b>Cash used in operating activities</b>	22	(1,672,184)	(174,548)	(1,027,444)	(134,827)
<b>Investing activities</b>					
Interest received		8,410	24,157	-	1,465
Sale of held for sale investment		-	125,000	-	125,000
Purchase of intangible assets		(1,005)	(95,958)	-	-
Purchase of property, plant & equipment		(170,523)	(62,619)	-	-
<b>Net cash (used in)/generated from investing activities</b>		<u>(163,118)</u>	<u>(9,420)</u>	<u>-</u>	<u>126,465</u>
<b>Financing activities</b>					
Shares issued		-	132,750	-	132,750
Dividends paid		-	(145,150)	-	(145,150)
Interest paid		(21,315)	(11,537)	-	-
Sale of own shares		-	286,015	-	286,015
Bank loans repaid		(19,448)	(6,959)	-	-
<b>Net cash (used in)/generated financing activities</b>		<u>(40,763)</u>	<u>255,119</u>	<u>-</u>	<u>273,615</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(1,876,065)	71,151	(1,027,444)	265,253
Cash and cash equivalents at the beginning of the year		2,942,348	2,830,585	1,351,711	1,086,458
Effect of foreign exchange rate changes		40,839	40,612	-	-
<b>Cash and cash equivalents at the end of the year</b>		<u>1,107,122</u>	<u>2,942,348</u>	<u>324,267</u>	<u>1,351,711</u>

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

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

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#### General information

WorldAware Holdings Limited is a company incorporated in the United Kingdom under the Companies Act.

The principal activities of the Company and its subsidiaries ("the Group") are set out in the strategic report on pages 5 to 7.

#### 1 Accounting policies

##### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the International Financial Report Interpretations Committee ("IFRIC") interpretations as adopted by the European Union ("EU") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost basis, except for land and buildings which have been measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.
- The principal accounting policies adopted are set out below.

##### Basis of consolidation

The consolidated financial statements include the financial statements of the company and all of the entities controlled by the company (its subsidiaries) made up to 31 December; in 2016, the accounting reference point was changed from 31 March to align with the parent company's financial year. Control is obtained when the company has exposure or rights to the variable returns from the involvement in the investee entity and the ability to affect those returns through its power over the investee. The acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition is measured as the cash paid and the fair value of other assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange of contracts. Costs directly attributable to the acquisition are expensed as incurred.

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

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#### **Accounting policies (continued)**

##### **Basis of consolidation (continued)**

The results of subsidiaries sold or acquired are included in the consolidated income statement up to, or from, the date control passes. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The company has not presented its own income statement as permitted by Section 408 of the Companies Act 2006. The loss for the year ended 31 December 2017 was £111,777 (9 month period ended 31 December 2016: loss, £525,068).

##### **Going concern**

The accounts are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have taken into account relevant available information about the future including profit and cash forecasts for the next two financial years and the assumptions on which they are based. The parent company, WorldAware Inc will continue to provide financial investment to support the growth of the group.

##### **Revenue recognition**

Revenue represents the fair value of the consideration received or receivable in respect of services provided in the normal course of business, net of discounts, value added tax and other sales related taxes. Sales of services are recognised when the services have been provided, services invoiced in advance are treated as deferred income and income is accrued where services have been provided but not yet invoiced.

Interest income is accrued on a time-apportioned basis. Dividend income is accounted for when received.

##### **Cost of sales, gross profit and operating profit**

Cost of sales represent the fair value of costs directly incurred in the supply of goods sold and services provided. Costs are recognised at the time when the goods have been supplied or the services have been provided. Costs relating to still to be provided services are carried forward in other receivables to the extent it is considered probable they will be recovered.

Gross profit is defined as revenue recognised less cost of sales.

Operating profit is arrived at after deducting all administrative expenses from gross profit, including restructuring and impairment costs, but before finance income and finance costs.

##### **Borrowing costs**

All borrowing costs are recognised in the income statement in the period in which they are incurred. Interest costs are accrued on a time basis by reference to the principal outstanding at the effective interest rate applicable.

##### **Taxation**

The tax credit or expense represents the sum of the current tax expense and deferred tax.

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

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#### **Accounting policies (continued)**

#### **Taxation (continued)**

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statements because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using the applicable rate for the period the taxable profits are earned in.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is provided on temporary timing differences arising on investments in subsidiary companies, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

#### **Intangible assets**

Goodwill acquired, being the excess of the cost of acquisition over the fair value of net assets, including any intangible assets identified, is capitalised. Goodwill is not amortised but is tested at least annually for impairment and carried at cost less accumulated impairment provisions.

Goodwill is allocated to cash generating units for the purposes of impairment testing. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, then any goodwill is considered to be impaired. Impairment losses recognised for goodwill are not reversed in subsequent periods.

The recoverable amounts of the cash generating units are determined from value in use calculations. The group prepares cash flow forecasts from the most recent financial budgets approved by management. The cash flows are discounted at an appropriate interest rate, based on the likely cost of loan capital, to determine value in use.

Other intangible assets include intellectual properties and those intangibles identified in assessing the fair value of assets acquired in a business combination, including customer lists.

Intellectual properties, including computer software licences, training courses, websites and trademarks are capitalised at cost and are amortised on a straight-line basis over their estimated useful economic lives of between two and four years.

Identified, acquired intangibles, other than customer relationships, are amortised on a straight-line basis over their estimated useful economic lives, not exceeding ten years. Customer lists are amortised on a discounted cash flow basis over ten years.

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

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#### Accounting policies (continued)

##### Investment

A trade investment is an entity over which the group does not have significant influence and that is neither a subsidiary, an associate nor a joint venture. Such investments are initially measured at fair value, to which transaction costs are added. Such assets are financial assets and any gain or loss arising on remeasurement is recognised in profit and loss.

##### Property, plant & equipment and depreciation

Land and buildings held for use in the provision of services, or for administrative purposes, are initially valued at cost, including transaction costs. Subsequent to initial measurement land and buildings are revalued regularly and held in the balance sheet at the revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation. A gain or loss arising from a change in fair value is included in a revaluation reserve in the period in which it arises.

Plant and equipment is valued at cost less accumulated depreciation and less provisions for impairment. Depreciation is provided at the following annual rates in order to write off each asset, on a straight-line basis, over its estimated useful life:

Buildings	3% per annum
Fixtures, fittings and equipment	16.67% to 50% per annum
Computers and Office equipment	20% to 25% per annum
Motor vehicles	20% per annum

The depreciation charge is time apportioned in the year of acquisition and disposal of assets. Freehold land is not depreciated.

##### Product development

Product development is written off to the income statement as incurred unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

##### Foreign currency translation

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of each group company are expressed in sterling, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions expressed in currencies other than the entity's functional currency (foreign currencies) are translated at rates of exchange approximating to those ruling at the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at rates ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit or loss before tax for the period.

In presenting the consolidated financial statements the assets and liabilities of the overseas subsidiary are translated at the rate ruling at the balance sheet date. The results of the overseas subsidiary have been translated at the average exchange rate ruling during the period.

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

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Differences arising on retranslation are added to or deducted from the group's translation reserve.

#### **Accounting policies (continued)**

##### **Financial assets**

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". These receivables are initially recognised at fair value and subsequently measured at their amortised cost using the effective interest rate method less any provision for impairment.

Financial assets are assessed for indications of impairment at each balance sheet 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 of the asset have been impacted. For trade and other receivables the carrying amount is reduced by an allowance reflecting the impairment. When a trade receivable is uncollectible it is written off against the allowance, subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance are reflected in the income statement.

Cash and cash equivalents comprise cash in hand and on demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### **Financial liabilities and equity**

Financial liabilities and equity 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 group after deducting all its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the transaction. At the date of issue, the fair value of the liability is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or upon the instrument reaching maturity. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised in equity through other reserves and is not subsequently re-measured.

Other financial liabilities are initially measured at fair value, net of transaction costs, and subsequently at amortised cost using the effective interest method. Interest bearing bank loans and overdrafts together with obligations under finance leases are classified as "Borrowings".

##### **Net cash**

Net cash is defined as the excess of cash and cash equivalents over borrowings.

##### **Investments**

Non-current investments representing investments in subsidiary undertakings are valued at cost less any provision for impairment in the value of the investment.

Held-for-sale investments that do not have a quoted market price are held at fair value, where that can be reliably measured, otherwise they are held at cost less any identified impairment losses at the end of each reporting period.

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

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#### Accounting policies (continued)

##### Dividends

Dividend payments are recognised as liabilities once they are appropriately authorised and no longer at the discretion of the company.

##### Share based payments

The group issues equity-settled share based payments to certain employees. Equity settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight line basis over the vesting period, based on the group's estimate of options that will eventually vest. Fair value is measured by use of the Black Scholes model. The assumptions underlying the number of awards expected to vest are subsequently adjusted to reflect conditions prevailing at the balance sheet date. At the vesting date of an award, the cumulative expense is adjusted to take account of the awards that actually vest.

##### Leased assets and obligations

An asset is acquired when substantially all the risks and rewards are transferred and is capitalised as an asset under a finance lease with the corresponding liability to the finance company included in trade and other payables. Depreciation on assets held under finance leases is provided in accordance with the policy noted above. Finance lease payments are treated as consisting of capital and interest elements and the interest is charged to the income statement on a constant rate basis over the period of the agreement. Finance charges are charged directly to income. All other leases are operating leases.

Rentals receivable or payable under operating leases are credited or charged to the income statement on a straight line basis over the lease term.

##### Adoption of new and revised Standards

No new accounting standards, or amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2017, have had a material impact on the Group or the parent company.

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

At the date of authorisation of these financial statements, The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective had not yet been adopted by the EU:

IFRS 9	<i>Financial Instruments</i>
IFRS 16	<i>Leases</i>
IFRS 2 (amendments)	<i>Classification and Measurement of Share-based Payment Transactions</i>
IAS 7 (amendments)	<i>Disclosure Initiative</i>
IAS 12 (amendments)	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as noted below:

- IFRS 9 will impact both the measurement and disclosures of financial instruments; and
- IFRS 16 will have impact on the reported assets, liabilities, income statement and cash flows of the Group. Furthermore, extensive disclosures will be required by IFRS 16.

## 2 Critical accounting judgements and key sources of estimation uncertainty

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# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

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Estimates and judgements are evaluated on a continual basis and are based on historical experience together with expectations of future events believed to be reasonable at the time. In considering the possible impairment of intangible assets and in recognising deferred tax assets, estimates of future revenues are particularly critical. The directors have prepared forecasts of revenues and expenses covering the next two financial years to assist in the making of estimates and judgements.

In the process of applying the group's accounting policies, which are described in note 1, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

#### Estimation uncertainty – Intangible assets

The Group depends on its intangible assets to generate revenue and invests to develop and maintain those assets. New intangible assets are recognised on the balance sheet and tested annually for impairment, as described further in note 12. Estimates supporting these impairment tests are based on future revenue projections and discount rates and are inherently uncertain.

The group recognises acquired intangible assets acquired as part of a business combination at fair value at the date of acquisition. The determination of those fair values and the useful economic life of those assets is based upon management's judgement and includes assumptions on the timing of future cash flows to be generated by those assets.

### 3 Revenue

The group recognises five streams of revenue each of which is supported by the Crisis Response Management Centre (CRM) in Cape Town.

	Year ended 31 December 2017 £	9 months to 31 December 2016 £
Travel Assistance	1,449,388	1,405,470
Special Risks	1,153,923	1,417,273
Consultancy & Response	517,414	178,814
Product Safety	2,089,234	1,716,699
Investigations	694,957	705,169
	<u>5,904,916</u>	<u>5,423,425</u>

### 4 Administrative expenses

Year ended	9 months to 31
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# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

	31 December 2017 £	December 2016 £
Staff costs	3,897,665	2,866,855
Other administrative costs	1,396,480	1,083,965
Amortisation of software development	98,480	104,004
Amortisation and impairment of other intangibles	41,829	-
Depreciation of property, plant and equipment	121,148	83,745
Operating lease rentals - land and buildings	262,735	107,066
- equipment	1,931	7,878
Total administrative expenses	<u>5,820,268</u>	<u>4,253,513</u>
Fees payable to the auditor for the audit of the company and group annual accounts	40,000	28,000
Audit of the company's subsidiaries pursuant to legislation	23,000	18,000
Fees payable to the auditor and their associates for other services:		
Other services pursuant to legislation	<u>1,025</u>	<u>5,000</u>
<b>5 Employees</b>	<b>Year ended 31 December 2017</b>	<b>9 months to 31 December 2016</b>
	<b>£</b>	<b>Number</b>
(a) Average monthly number of employees of the group, including executive directors, during the period:		
Consultants and sales	7	7
Office and management	92	88
	<u>99</u>	<u>95</u>
	<b>Year ended 31 December 2017</b>	<b>9 months to 31 December 2016</b>
	<b>£</b>	<b>£</b>
(b) Staff costs including executive directors:		
Wages and salaries	3,556,025	2,525,871
Social security costs	213,494	191,741
Pension and medical benefits	128,146	149,243
Employee costs in administrative expenses	<u>3,897,665</u>	<u>2,866,855</u>

## 6 Directors' emoluments

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

The total emoluments of the directors, who are considered to be the key management personnel, were as follows:

	Year ended 31 December 2017 £	9 months to 31 December 2016 £
Salaries, fees and bonuses	-	282,773
Social security costs	-	30,975
Compensation for loss of office	-	60,000
	<u>-</u>	<u>373,748</u>

Emoluments in respect of the highest paid director amounted to:

	Year ended 31 December 2017 £	9 months to 31 December 2016 £
Salaries, fees and bonuses	-	133,017
Social security costs	-	17,687
	<u>-</u>	<u>150,704</u>

The highest paid director exercised no share options during the year (2016: 750,000 at a price of 26p following the offer by WorldAware Inc. (formerly iJet International Inc.).

MJ Briskey, DB McIndoe, JM Rose and ES Ryan are compensated by the parent company, WorldAware Inc.

## 7 Exceptional items

Exceptional items are those which, in the management's judgement, need to be disclosed separately by virtue of their size or incidence in order for the reader to obtain a proper understanding of the financial information.

### Exceptional charges/(credits)

	Year ended 31 December 2017 £	9 months to 31 December 2016 £
Foreign currency movements	-	(91,178)
Transaction costs on acquisition of IJET Inc.	-	671,081
Amortisation of acquired intangibles	338,083	56,883
Impairment of intangibles due to withdrawal of product	142,517	
	<u>480,600</u>	<u>636,786</u>

## 8 Finance income

	Year ended 31 December 2017 £	9 months to 31 December 2016 £
Bank and other interest receivable	<u>8,410</u>	<u>24,157</u>

## 9 Finance costs

Year	9 months to 31
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**WorldAware Holdings Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2017**

	ended 31 December 2017 £	December 2016 £
Interest on bank loans	<u>21,315</u>	<u>11,537</u>

**10 Taxation**

**(a) Analysis of income tax charge for the year/period**

	Year ended 31 December 2017 £	9 months to 31 December 2016 £
Current tax		
United Kingdom	-	62,111
- adjustments to prior periods	-	(16,111)
	<u>-</u>	<u>46,000</u>
Overseas	<u>6,380</u>	<u>(8,812)</u>
	6,380	37,188
Deferred tax:		
United Kingdom	(23,130)	-
Overseas	<u>34,025</u>	<u>(50,270)</u>
	<u>17,275</u>	<u>(13,082)</u>

**(b) Factors affecting the income tax charge for the year/period**

The charge/(credit) for the year /(period) can be reconciled to the loss per the income statement as follows:

	Year ended 31 December 2017 £	9 months to 31 December 2016 £
Loss before taxation	<u>(2,029,446)</u>	<u>(902,078)</u>
Loss on ordinary activities multiplied by the effective standard rate of corporation tax in the UK of 19.25% (period ended 31 December 2016: 20%)	(390,668)	(180,416)
Effects of:		
Permanent differences	199,053	137,374
Temporary differences	28,206	11,193
Utilisation of tax losses not previously recognised	(398)	(14,564)
Tax losses not recognised	165,769	17,144
Adjustments to prior periods	-	(16,111)
Difference in overseas tax rates	15,313	32,298
Income tax charge/(credit)	<u>17,275</u>	<u>(13,082)</u>

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### 10 Taxation (continued)

##### (c) Factors affecting tax charge for future years

The company has capital losses for tax purposes at 31 December 2017 of £605,994 (9 month period ending 31 December 2016: £605,994) available to carry forward against future capital gains and excess management expenses of £690,147 (9 month period ending 31 December 2016: £619,370), subject to acceptance by H M Revenue & Customs.

The group and the company have potential deferred tax assets not included in the financial statements as recovery is not sufficiently certain, as follows:

	Group		Company	
	Year ended 31 December 2017 £	9 months to 31 December 2016 £	Year ended 31 December 2017 £	9 months to 31 December 2016 £
Tax losses carried forward:				
Capital losses	115,139	103,019	115,139	103,019
Management expenses	91,684	70,001	90,797	70,001
Trading losses	304,817	40,234	-	-
	<u>511,640</u>	<u>213,254</u>	<u>205,936</u>	<u>173,020</u>

The potential deferred tax asset in respect of trading losses is recoverable against future profits from the same trade.

#### 11 Dividends per share

	Year ended 31 December 2017 £	9 months to 31 December 2016 £
The following dividends per share were paid by the group:		
Interim dividend	<u>-</u>	<u>0.30p</u>

The interim dividend for the period ended 31 December 2016 was paid on 14 September 2016 at a total cost of £145,150.

#### 12 Intangible assets

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

Group	Goodwill £	Customer Relationships on acquisition £	Other intangibles on acquisition £	Software development £	Total £
<b>Cost</b>					
At 1 April 2016	137,556	237,034	216,894	547,833	1,139,317
Foreign currency adjustment	-	20,307	18,581	10,577	49,465
Additions	-	-	-	95,958	95,958
At 31 December 2016	137,556	257,341	235,475	654,368	1,284,740
At 1 January 2017	137,556	257,341	235,475	654,368	1,284,740
Foreign currency adjustment	-	(2,772)	(2,536)	983	(4,325)
Disposals	-	-	-	(22,248)	(22,248)
Additions	-	-	-	1,005	1,005
At 31 December 2017	137,556	254,569	232,939	634,108	1,259,172
<b>Amortisation and impairment</b>					
At 1 April 2016	-	31,631	15,815	269,827	317,273
Foreign currency adjustment	-	2,967	1,484	6,076	10,527
Amortisation charge for the period	-	16,477	40,406	104,004	160,887
At 31 December 2016	-	51,075	57,705	379,907	488,687
Foreign currency adjustment	-	(535)	(645)	848	(332)
Amortisation charge for the year	-	20,212	21,617	98,480	140,309
Impairment charge	-	163,366	174,717	142,517	480,600
Disposals	-	-	-	(22,248)	(22,248)
At 31 December 2017	-	234,118	253,394	599,504	1,087,016
<b>Carrying amount</b>					
At 31 December 2017	137,556	-	-	34,600	172,156
At 31 December 2016	137,556	206,266	177,770	274,461	796,053
At 1 April 2016	137,556	196,417	210,065	278,006	822,044

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### Intangible assets (continued)

The carrying amount of goodwill relates to the special risks business.

Intangible assets arising on acquisition represent customer relationships and other intangibles (operating licences, supply networks and systems) with a remaining average amortisation period of 4 years.

The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Charges for amortisation and impairment of goodwill and other intangible assets are included within administrative expenses, except for amortisation of intangibles recognised on acquisition, which is shown as an exceptional item.

The recoverable amounts of the cash generating units are determined from value in use calculations. The group prepares cash flow forecasts from the most recent financial budgets approved by management. The cash flows are then discounted at an appropriate interest rate to determine value in use.

Company	Intellectual Property £	Total £
<b>Cost</b>		
At 1 April 2016	70,231	70,231
Additions	-	-
At 31 December 2016	70,231	70,231
Additions	-	-
At 31 December 2017	70,231	70,231
<b>Amortisation and impairment</b>		
At 1 April 2016	54,654	54,654
Amortisation charge for the period	10,184	10,184
At 31 December 2016	64,838	64,838
Amortisation charge for the year	4,670	4,670
At 31 December 2017	69,508	69,508
<b>Carrying amount</b>		
At 31 December 2017	723	723
At 31 December 2016	5,393	5,393
At 1 April 2016	15,577	15,577

At 31 December 2017 the group had no capital commitments (9 month period ended 31 December 2016: nil).

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

Group	Land and buildings £	Computer and office equipment £	Fixtures, fittings and equipment £	Total £
At 1 April 2016	588,682	2,885	362,346	953,913
Foreign currency adjustment	159,705	665	57,434	217,804
Additions	-	-	62,619	62,619
Revaluation	26,266	-	-	26,266
At 31 December 2016	774,653	3,550	482,399	1,260,602
Foreign currency adjustment	10,809	6,512	1,113	18,434
Additions	-	136,030	34,493	170,523
Revaluation	(43,245)	-	-	(43,245)
At 31 December 2017	742,217	146,092	518,005	1,406,314
<b>Depreciation</b>				
At 1 April 2016	-	2,860	180,966	183,826
Foreign currency adjustment	-	291	16,967	17,258
Charge for the period	18,113	171	65,461	83,745
Revaluation	(18,113)	-	-	(18,113)
At 31 December 2016	-	3,322	263,394	266,716
Foreign currency adjustment	-	2,717	(27)	2,690
Charge for the year	18,365	87,258	15,525	121,148
Revaluation	(18,365)	-	-	(18,365)
At 31 December 2017	-	93,265	278,924	372,189
<b>Carrying amount</b>				
At 31 December 2017	742,217	52,795	239,081	1,034,125
At 31 December 2016	774,653	228	218,638	993,886
At 1 April 2016	588,682	24	181,380	770,087

The depreciation has been charged to administrative expenses.

The group's freehold property was valued on 1 January 2018 by Pears Property Group, Cape Town, independent valuers, at Rand 13,656,818 (£819,314) compared to its historic cost of Rand 11,135,165 (£658,839).

#### 14 Investment in group companies

	Company £
Investments in subsidiary companies:	
Cost	
At 31 December 2016 and 31 December 2017	1,927,338
Impairment provisions	
At 31 December 2016 and 31 December 2017	1,254,592
Net book amount	
At 31 December 2016 and 31 December 2017	672,746

#### Investment in group companies (continued)

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

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The subsidiary companies at 31 December 2017 and their activities during the year were:

Name of Subsidiary	Registered Office	Country of incorporation	% held	Activity
WorldAware Limited (formerly known as red24 Operations Limited)	28 Lime Street, London, EC3M 7HR	UK	100%	Crisis management services
WorldAware Solutions (Pty) Limited (formerly known as red24 CRM (Pty) Limited)	2201 ABSA Centre Heerengracht, Cape Town 8001	South Africa	100%	Crisis management services
red24 Sales Limited	28 Lime Street, London, EC3M 7HR	UK	100%	Dormant
red24 Inc	185 Admiral Cochrane Drive, Suite 300, Annapolis, MD 21401, USA	USA	100%	Crisis management services
Red24 Asia Pacific Pte Limited	70 Anson Road, #15-01 Hub Synergy Point, Singapore 079905	Singapore	100%	Holding company
*WorldAware Pte Limited (formerly known as Red24 Pte. Ltd)	70 Anson Road, #15-01 Hub Synergy Point, Singapore 079905	Singapore	*100%	Investigations
*Red 24 (HK) Limited	Level 3, Three Pacific Place, 1 Queen's Road East, Hong Kong	Hong Kong	*100%	Investigations
Green 24 Limited	28 Lime Street, London, EC3M 7HR	UK	100%	Dormant
Silvermine Properties (Pty) Limited	Block A, The Terraces, Steenberg Office Park, West Lake, 7945	South Africa	100%	Property ownership
The red24 Employees' Share Trust	19-21 Broad Street, St Helier, Jersey, Channel Islands JE1 3PB	Jersey	100%	Employee equity participation

All subsidiaries are directly held except for \* which are direct subsidiaries of Red24 Asia Pacific Pte Limited.

**Investment in group companies (continued)**



# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

The company's investment in red24 CRM (Pty) Limited includes R1,300,000 (£77,883) 5% convertible redeemable cumulative preference shares of R1 each. The company has waived its right to the dividend due on these shares up to 31 December 2016. For the year to 31 December 2017 this would have amounted to R65,000 (£3,900).

Green 24 Limited and red24 Sales Limited have taken the audit exemption under section 479a of the Companies Act 2006.

Each year the company reviews the carrying value of the investment in each subsidiary against the amount estimated to be recoverable from that subsidiary, if recovery is not reasonably foreseeable then the investment is considered impaired and a charge made.

#### 15 Deferred tax

The deferred tax assets and liabilities represent the following:

	Group			Company
	Total	Tax losses	Temporary	Tax losses
	£	carried forward	differences	carried forward
	£	£	£	£
At 1 April 2016	(5,263)	93,145	(98,408)	41,500
Foreign currency adjustment	20,134	4,417	15,717	-
Income statement (charge)/credit	50,270	91,104	(40,834)	-
At 31 December 2016	65,141	188,666	(123,525)	41,500
Foreign currency adjustment	(22,104)	669	(22,773)	-
Income statement (charge)/credit	10,895	(147,835)	158,730	-
At 31 December 2017	53,932	41,500	12,432	41,500
Assets	66,802	41,500	25,302	41,500
Liabilities	(12,870)	-	(12,870)	-
	53,932	41,500	12,432	41,500

The deferred tax assets recognised in respect of tax losses carried forward represent £41,500 (2016: £41,500) relating to UK companies and charge of £147,835 (2016 credit: £91,102) relating to overseas companies. Tax losses, which may be carried forward indefinitely, are recoverable against future profits from the same trade and in the country in which they were incurred.

#### 16 Trade and other receivables

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

	Group		Company	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	£	£	£	£
Current assets:				
Trade receivables (i)	534,895	860,661	-	-
Provisions for impairment (ii)	(8,182)	(8,147)	-	-
	526,713	852,514	-	-
Due from group undertakings (iii)	213,793	-	1,569,879	335,269
Other receivables	89,060	115,983	-	14,658
Prepayments and accrued income	294,248	295,996	10,972	36,512
	1,123,814	1,264,493	1,580,851	386,439
Non-current assets:				
Due from subsidiary undertakings (iii)	-	-	-	840,578
	-	-	-	840,578

- (i) The average credit period on sales of services is 33 days (9 month period ended 31 December 2016: 57 days). Trade receivables over 60 days at the balance sheet date are provided for on estimated irrecoverable amounts.

The carrying value of trade and other receivables is considered to be the same as their fair value.

Included in trade receivables are receivables with a carrying amount of £354,789 (9 month period ended 31 December 2016: £707,620) that are designated in foreign currencies, of which £297,567 (9 month period ended 31 December 2016: £636,095) are designated in US dollars and £57,222 (9 month period ended 31 December 2016: £71,525) in other currencies.

Included in trade receivables are debtors with a carrying amount of £440,145 (2016: £257,834) which are overdue at the balance sheet date for which the group has not provided as there has not been a significant change in credit quality and the group believes that these amounts are still recoverable. The group does not hold any collateral over these balances. The ageing of amounts past due date but not impaired is as follows:

	31 December 2017	31 December 2016
	£	£
30-60 days	205,969	60,609
60-90 days	169,266	111,127
90-120 days	58,682	63,547
120+ days	6,228	22,551

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

(ii) Movement in the allowances against trade and other receivables:

	Group Trade receivables		Company Due from subsidiary undertakings	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	£	£	£	£
Balance at 1 April	8,147	8,262	-	-
Increase/(decrease) in provision	35	(115)	-	-
Balance at 31 December	8,182	8,147	-	-

(iii) With the exception of the loan made to Silvermine Properties (Pty) Ltd to purchase the property the amounts due from subsidiary companies are unsecured and interest to 31 December 2017 has been waived. There are no fixed terms for repayment. £403,101 (9 month period ended 31 December 2016: £364,381) was due to the company from Silvermine Properties (Pty) Ltd and this loan is denominated in Rand and bears interest at 10.25% per annum. The amount due from group undertakings is the amount due from the ultimate parent company, WorldAware Inc (£213,793).

**17 Cash and cash equivalents**

	Group		Company	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	£	£	£	£
Cash and cash equivalents	1,107,122	2,942,348	324,267	1,351,711

Cash and cash equivalents comprise cash held in short-term bank deposits with a maturity of three months or less. The carrying amount of these assets approximated to their fair value. Repatriation of funds to the UK is subject to South African exchange control legislation; at 31 December 2017 £55,816 (9 month period ended 31 December 2016: £313,602) was held with banks in South Africa.

**18 Trade and other payables due within one year**

	Group		Company	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	£	£	£	£
Trade payables	321,981	714,030	6,480	542,646
Due to subsidiary companies	-	-	354,787	394,065
Other taxation and social security	291,780	110,856	58,950	9,684
Accruals and deferred income	547,961	793,090	63,000	103,326
Other payables	36,634	-	-	-
	1,198,356	1,617,976	483,217	1,049,721

The average credit period taken on purchases of services is 39 days (9 month period ended 31 December 2016: 76 days). The carrying value of trade and other payables is considered to be the same as their fair value.

Included in group trade payables are payables with a carrying amount of £166,506 (9 month period ended 31 December 2016: £80,723) that are designated in foreign currencies, of which £41,749 (9 month period ended 31 December 2016: £58,338) are designated in US dollars and £124,757 (9 month period ended 31 December 2016: £22,385) in other currencies.

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### 19 Borrowings

Due within one year	Group		Company	
	31 December 2017 £	31 December 2016 £	31 December 2017 £	31 December 2016 £
Bank loan	21,722	21,141	-	-
<hr/>				
Due after more than one year	Group		Company	
	31 December 2017 £	31 December 2016 £	31 December 2017 £	31 December 2016 £
Bank loan	119,423	139,502	-	-
<hr/>				

The carrying value of borrowings are considered to be the same as their fair value.

The loan is secured by a fixed charge over the land and buildings of Silvermine Properties (Pty) Limited. The loan is being repaid by fixed instalments of R44,703 (£2,609) (9 month period ended 31 December 2016: R48,878 - £2,892) per calendar month; the fixed instalments are inclusive of interest. The interest charged on the loan is 0.25% per annum over the prime rate of Standard Bank of South Africa.

#### 20 Share capital

AUTHORISED		
	Number	£
Number of shares		
Ordinary shares of 1p each		
31 December 2017	75,000,000	750,000

ISSUED & FULLY PAID		
	Number	£
Number of shares		
Ordinary shares of 1p each		
At 31 December 2016 and 31 December 2017	50,533,355	505,334

At 31 December 2017

There is a single class of ordinary shares all with equal rights. There are no restrictions on the distribution of dividends and the repayment of capital.

On 15 December 2016, following an offer by iJET International Inc. to acquire the entire issued share capital of the company, 750,000 options were exercised at 10.5p per share and 300,000 options were exercised at 18p per share. The total consideration received for these shares was £132,750, £122,250 of which was allocated to share premium.

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### 21 Other reserves

Group	Revaluation reserve £	Translation reserve £	Own share reserve £	Share option reserve £	Total £
1 April 2016	70,052	(55,798)	(130,843)	27,120	(89,469)
Own shares sold	-	-	130,843	-	130,843
Share options exercised	-	-	-	(27,120)	(27,120)
Revaluation of property	44,379	-	-	-	44,379
Exchange difference on translation of overseas operations	-	258,540	-	-	258,540
31 December 2016	114,431	202,742	-	-	317,173
Revaluation of property	(24,880)	-	-	-	(24,880)
Exchange difference on translation of overseas operations	-	(20,073)	-	-	(20,073)
31 December 2017	89,551	182,669	-	-	272,220

#### Company

	Own share reserve £	Share option reserve £	Total £
1 April 2016	(130,843)	27,120	(103,723)
Own shares sold	130,843	-	130,843
Share options exercised	-	(27,120)	(27,120)
31 December 2016	-	-	-
31 December 2017	-	-	-

The revaluation reserve arises from the adjustment to fair value of group property. The translation reserve arises from currency differences arising on the retranslation of foreign currency balances as explained in note 1; there is no tax effect.

The share premium reserve records the premium above the par value of the shares paid on the issue of shares by the company, less the costs of the issue of shares.

Retained earnings is the balance of profit retained by the group and company and is the company's distributable reserve.

On 15 December 2016, the entire issued share capital of the company was acquired by iJET International Inc. by court sanctioned scheme of arrangement for a consideration of 26p per share. At this point the Employee Benefit Trust held 1,100,000 shares, which were sold for a total consideration of £286,015. The original cost of these shares of £130,843 has been removed from the own share reserve, and the surplus of £155,172 has been credited directly to retained earnings.

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### 22 Notes to the cash flow statement

##### Cash generated from operating activities

	Group 31 December 2017 £	Group 31 December 2016 £	Company 31 December 2017 £	Company 31 December 2016 £
<b>Operating activities</b>				
Loss before tax	(2,029,446)	(902,078)	(111,777)	(525,068)
Adjustments for:				
Finance income	(8,410)	(24,157)	-	(1,465)
Finance costs	21,315	11,537	-	-
Depreciation and amortisation	742,057	244,632	4,670	10,184
Exchange gains	-	(52,077)	-	-
Operating cash flows before movements in working capital	(1,274,484)	(722,143)	(107,107)	(516,349)
Decrease/(increase) in receivables	87,958	153,485	(353,833)	(126,243)
Increase/(decrease) in payables	(419,620)	448,821	(566,504)	507,765
Cash used in operations	(1,621,442)	(119,837)	(1,027,444)	(134,827)
Income taxes paid	(50,742)	(54,711)	-	-
<b>Cash used in operating activities</b>	<b>(1,672,184)</b>	<b>(174,548)</b>	<b>(1,027,444)</b>	<b>(134,827)</b>

#### 23 Operating lease commitments

At 31 December 2017 the group was committed to making minimum lease payments under non-cancellable operating leases as follows:

	Group			
	Office equipment		Land and buildings	
	31 December 2017 £	31 December 2016 £	31 December 2017 £	31 December 2016 £
Within one year	-	1,635	181,903	168,880
Between one and two years	-	-	161,506	146,096
Between two and five years	-	-	229,073	256,900
	-	1,635	572,482	571,876

Operating leases represent rental payments payable by the group for its UK office property and items of office equipment. The average contractual life of these leases is three years. One property lease extends to March 2026, with a rent review in March 2021, otherwise the rents are fixed.

#### 24 Related party transactions

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### Relationships

Holding company/shareholder

WorldAware Incorporated (formerly known as iJet International Incorporated)

During the year (2016: period) the company entered into the following transactions with its subsidiaries:

	31 December 2017	31 December 2016
	£	£
Management charges receivable	240,000	540,000
Licence fee receivable	120,000	90,000
Amounts due from group undertakings at year end	1,569,879	1,175,947
Amounts owed to group undertakings at year end	243,963	394,065

The management charges reflect a charge to partly recover the time of the group directors and the cost of central services such as administrative offices, the conduct of the audit and the maintenance of professional insurances.

#### 25 Financial instruments and risk summary

##### (a) Financial risk policies and objectives

The group's financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, and loans. Details of the significant accounting policies in relation to these financial assets and liabilities are disclosed in note 1 to the financial statements.

All financial assets are categorised as loans and receivables as follows:

	Group		Company	
Non-current financial assets:	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	£	£	£	£
Trade and other receivables	-	-	-	840,578
	-	-	-	840,578
<b>Current financial assets:</b>				
Trade and other receivables	973,930	968,497	1,569,879	349,927
Cash and cash equivalents	1,107,122	2,942,348	324,267	1,351,711
	2,081,052	3,910,845	1,894,146	1,701,638
<b>Total</b>	<b>2,081,052</b>	<b>3,910,845</b>	<b>1,894,146</b>	<b>2,542,216</b>

#### Financial instruments and risk summary (continued)

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### (a) Financial risk policies and objectives (continued)

All financial liabilities are categorised at amortised cost as follows:

Current financial liabilities:	Group		Company	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	£	£	£	£
Trade and other payables	321,981	714,030	65,430	946,393
Accruals	130,101	489,215	63,000	-
Bank loan	21,722	21,141	-	-
	<u>473,804</u>	<u>1,224,386</u>	<u>128,430</u>	<u>946,393</u>
<b>Non-current financial liabilities:</b>				
Bank loan	119,423	139,502	-	-
<b>Total</b>	<u>593,227</u>	<u>1,363,888</u>	<u>128,430</u>	<u>946,393</u>

The Board's principal objective in managing its financial assets and liabilities is to ensure that the operating units have sufficient working capital for their day-to-day needs. Surplus cash is maintained on call deposits with the clearing bankers to the operating units, as the group is not yet sufficiently cash generative to warrant a separate treasury function or take advantage of greater returns that may be available from other sources or maturities. The group does derive income in overseas currencies, principally the US dollar, and does incur expenses in overseas currencies, principally the staff costs of its overseas in South Africa, Singapore and the United States.

#### (b) Capital risk management

The directors consider the company's capital comprises its share capital and reserves and bank and other loans. In general the group finances its operations from equity share issues and from the retention of profits. To ensure that equity markets remain open to the group as a source of capital, the market price of the group's shares is regularly reviewed by the Board, to check it remains above par value. The group's investment in South Africa includes the property there; this purchase was financed through a combination of retained earnings and locally sourced bank finance to act as a hedge against country and currency risk.

#### (c) Foreign currency risk and sensitivity

The group has six overseas subsidiaries whose functional currencies are not sterling and which do not generate sufficient local currency revenue to cover their operating costs, which are predominantly in their functional currency. In addition the group undertakes sale and purchase transactions denominated in foreign currencies, principally US-dollars and euros, hence exposures to exchange rate fluctuations arise. The carrying amount of the group's foreign currency denominated financial assets and financial liabilities at the reporting date is as follows:

	Assets		Liabilities	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	£	£	£	£
Rand	55,816	395,657	221,059	203,979
Dollar	615,139	1,203,317	40,577	71,551
Other currencies	152,690	319,460	90,692	74,758
	<u>823,645</u>	<u>1,918,434</u>	<u>352,328</u>	<u>350,288</u>

#### Financial instruments and risk summary (continued)



# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

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#### (c) Foreign currency risk and sensitivity (continued)

The company's only exposure to foreign currencies is the intercompany loan to Silvermine Properties of £150,643 (9 month period ended 31 December 2016: £158,462) which is denominated in Rand. All other transactions are in Sterling.

The group's exposure to the Rand is such that were the Rand to appreciate by 10% against sterling the cost of its operations in South Africa would rise by £171,283 (9 month period ended 31 December 2016: £153,406), this would be mitigated by a rise in the value in the group's Rand assets, principally the office building, of £99,545 (9 month period ended 31 December 2016: £118,606).

The Singapore dollar is RISQ's functional currency and the majority of its revenues are denominated in US dollars; were the Singapore dollar to depreciate by 10% against the US dollar then the cost of the operation there would decrease by £91,097 (9 month period ended 31 December 2016: £74,430).

The group's exposure to the euro arises from sales to and purchases from Eurozone countries and is such that were the euro to depreciate by 10% against sterling profit would be reduced by £82,076 (9 month period ended 31 December 2016: £69,964).

The group's exposure to the US dollar arises both from dollar denominated sales and purchases and from the operating expenses of the US subsidiary. Such that were the dollar to depreciate by 10% against sterling gross profit would be reduced by £72,756 (9 month period ended 31 December 2016: £93,216) but this would be mitigated by a reduction in operating costs of £79,787 (9 month period ended 31 December 2016: £56,200).

The Board are aware that these are significant risks and the impact of currency movements on earnings cannot be reliably forecast and remains an area of uncertainty.

#### (d) Market risk

The group's activities expose it to the financial risks of changes in foreign currency exchange rates (see section (c)) and interest rates (see section (g)). As explained above, the group has, for the present, accepted exposure to these risks

#### (e) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which regularly reviews the short, medium and long term funding and liquidity requirements. As a general principle the board consider that equity remains the most appropriate source of funds for the business and endeavours to maintain access to equity capital markets to fund medium and long term liquidity requirements. However, where significant overseas investments are contemplated an evaluation of currency, country and other risk factors are taken into account and opportunities to finance a proportion of that investment locally will be considered. Financial assets are maintained on short term deposit to assist with the management of day-to-day working capital requirements.

#### (f) Fair value of financial instruments

There is no material difference between the fair value and carrying value of financial assets and liabilities.

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### (g) Interest rate risk

The group has financial assets of £1,936,688 at 31 December 2017 (9 month period ended 31 December 2016: £3,910,845) comprising cash deposits and trade and other receivables. Trade and other non-interest bearing receivables have been excluded from the following tables as they are non-interest bearing.

The interest rate profile of the group's financial assets, excluding trade and other receivables was:

Group	Floating rate deposits 31 December 2017 £	Average rate 9 months to 31 December 2017	Floating rate deposits 31 December 2016 £	Average rate 9 months to 31 December 2016
Currency				
Sterling	651,605	0.5%	1,818,062	0.1%
Rand	55,816	7.24%	332,169	6%
United States Dollar	317,572	0%	567,222	0%
Euro	38,375	0%	174,908	0%
Singapore Dollar	43,239	0%	49,987	0%
Australian Dollar	515	0%	-	0%
	<u>1,107,122</u>		<u>2,942,348</u>	
Company				
Sterling	324,267	0.1%	1,351,711	0.1%
Rand	400,229	10.25%	364,381	10.5%
	<u>724,496</u>		<u>1,716,092</u>	

The group has financial liabilities of £704,051 (9 month period ended 31 December 2016: £1,363,887).

The interest rate profile of the group's financial liabilities, excluding trade and other payables, at 31 December 2017 was:

Group	Floating rate liabilities £	Fixed rate liabilities £	Total financial liabilities £	Average rate of floating rate liabilities
Currency				
Rand bank loan	<u>141,145</u>	-	<u>141,145</u>	<u>11.0%</u>

The interest rate profile of the group's financial liabilities, excluding trade and other payables, at 9 month period ended 31 December 2016:

Group	Floating rate liabilities £	Fixed rate liabilities £	Total financial liabilities £	Average rate of floating rate liabilities
Currency				
Rand bank loan	<u>160,643</u>	-	<u>160,643</u>	<u>11.0%</u>

The following table details the remaining contractual maturity for the group's financial liabilities. The table is based on the earliest date on which the group can be required to pay. The table includes both principal cash flows and interest, or an estimate of interest for floating rate instruments and excludes trade and other payables as the contractual maturities are all due within one year of the balance sheet date.

# WorldAware Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### (g) Interest rate risk (continued)

Group	Due within one year	Due in one to two years	Due in two to five years	Due in over five years	Total
	£	£	£	£	£
<b>31 December 2017</b>					
Floating rate bank loan	23,949	24,056	88,820	6,547	141,145
- Average rate 10.25%					
	<u>23,949</u>	<u>24,056</u>	<u>88,829</u>	<u>6,547</u>	<u>141,145</u>
<b>31 December 2016</b>	£	£	£	£	£
Floating rate bank loan	21,141	22,997	78,118	40,334	162,590
- Average rate 9.25%					
	<u>21,141</u>	<u>22,997</u>	<u>78,118</u>	<u>40,334</u>	<u>162,590</u>

#### (h) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a credit policy of only dealing with creditworthy counterparties as a means of mitigating this risk. The group's exposure to credit risk is monitored on a monthly basis and remedial action taken where appropriate.

The group endeavours to ensure a spread of customers to avoid the risks associated with concentration of credit. At the balance sheet date three customers accounted for 27% (9 month period ended 31 December 2016: 26.6%) of the group's trade and other receivables, one customer accounted for more than 10%. These receivables are within their trading terms but nonetheless present an ongoing risk. The group tries to mitigate this risk by gaining new customers at a faster rate than the business with the existing three customers.

The group's maximum exposure to credit risk on its financial assets is £1,936,688 (2016: £3,910,845). For the company its maximum exposure, excluding amounts due from subsidiaries, is £324,267 (9 month period ended 31 December 2016: £1,366,369). The group does not hold any collateral against these financial assets.

#### 26 Post Balance Sheet Event

On 25 September 2018, an application was made under s1003 of the Companies Act 2006 to strike off Green24 Limited and red24 Sales Limited after meeting the criteria set.

#### 27 Ultimate Parent Undertaking

Control is vested in the ultimate parent undertaking, WorldAware Inc. (formerly iJET International Inc), a company incorporated in the United States of America. Copies of the parent's group accounts are available from the company's offices at 185 Admiral Cochrane Drive, Suite 300, Annapolis MD21401, United States of America.