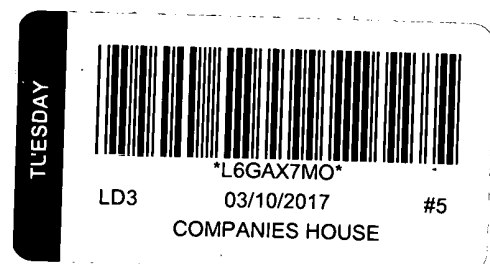


Company registration number: 07882020

VGL SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016



VGL SERVICES LIMITED
(Registered number 07882020)

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VGL SERVICES LIMITED

(Registered number 07882020)

DIRECTOR AND OTHER INFORMATION

BOARD OF DIRECTORS

Felix Descamps

SECRETARY AND REGISTERED OFFICE

Felix Descamps
Cannon Place
78 Cannon Street
London
EC4N 6AF

REGISTERED NUMBER: 07882020

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

SOLICITORS

CMS London LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

BANKERS

HSBC Bank Plc
Kensington Commercial Banking Centre
2nd Floor Space One,
1 Beadon Road
Hammersmith
London W6 0EA

VGL SERVICES LIMITED
(Registered number 07882020)

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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

Principal activities

The principal activity of the company is to provide operational, supply and technology support services.

Future developments

There are no planned changes to the current principal activities of the company and it is the intention of the director to continue these activities in the foreseeable future.

Dividends

There were no dividends proposed or paid during the year.

Director

The directors who served during the year and up to the date of signing the financial statements were as follows:

- Prabhat Shah (appointed on 23 March 2016 and resigned 11 September 2017)
- Felix Descamps (appointed on 8 September 2017)

Post balance sheet events

The company did not have any post balance sheet events for the year ended 31 December 2016.

Statement of director's responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

VGL SERVICES LIMITED
(Registered number 07882020)

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

Statement of director's responsibilities in respect of the financial statements (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.



Felix Descamps

Director

11 September 2017

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Independent auditors' report to the members of VGL Services Limited

Report on the financial statements

Our opinion

In our opinion, VGL Services Limited's financial statements (the "financial statements"):

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

What we have audited

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of VGL Services Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Brian Henderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2017

VGL SERVICES LIMITED
(Registered number 07882020)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Note	2016 £	2015 £
TURNOVER		5,233,913	4,704,305
Administrative expenses	4	<u>(5,374,903)</u>	<u>(4,573,413)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(140,990)	130,892
Tax on (loss)/profit on ordinary activities		<u>(2,361)</u>	<u>(26,178)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(143,351)</u>	<u>104,714</u>
Other comprehensive income		<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE (EXPENSE)/INCOME		<u><u>(143,351)</u></u>	<u><u>104,714</u></u>

All results shown above relate to continuing operations.

VGL SERVICES LIMITED
(Registered number 07882020)

BALANCE SHEET

As at 31 December

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	5	<u>255,729</u>	<u>258,829</u>
CURRENT ASSETS			
Debtors	6	810,086	241,914
Cash at bank and in hand		<u>422,506</u>	<u>236,219</u>
		1,232,592	478,133
CREDITORS: amounts falling due within one year	7	<u>(1,296,608)</u>	<u>(401,898)</u>
NET CURRENT ASSETS		<u>(64,016)</u>	<u>76,235</u>
CREDITORS: amounts falling due after more than one year		<u>—</u>	<u>—</u>
NET ASSETS		<u>191,713</u>	<u>335,064</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account		<u>191,712</u>	<u>335,063</u>
TOTAL SHAREHOLDERS' FUNDS		<u>191,713</u>	<u>335,064</u>

The notes on pages 11 to 15 are an integral part of these financial statements.

These financial statements on pages 8 to 15 were approved by the Board of Directors and signed on behalf of the Board of Directors.


Felix Descamps

Director

1 September 2017

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VGL SERVICES LIMITED
(Registered number 07882020)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Called Up Share Capital	Profit and Loss Account	Total Shareholders' Funds
	£	£	£
Balance at 1 January 2015	1	230,349	230,350
Profit for the financial year	—	104,714	104,714
Balance at 31 December 2015	1	335,063	335,064
Balance at 1 January 2016	1	335,063	335,064
Loss for the financial year	—	(143,351)	(143,351)
Balance at 31 December 2016	1	191,712	191,713

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The entity financial statements comply with Financial Reporting Standard 102 Section 1A Small Entities, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 1A) and the Companies Act 2014.

The entity financial statements have been prepared under the historic cost convention.

The preparation of financial statements in conformity with FRS 102 1A requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The financial statements are presented in British Pound Sterling.

The significant accounting policies adopted by the company are set forth below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Revenue recognition

Turnover derives from the provision of operational, supply, and technology support services to group companies. Turnover is stated at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities and is recognised in accordance with the performance of service. The company recognises turnover when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for the company's activity.

Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments with original maturities of three months or less when purchased and are mainly comprised of bank deposits, certificates of deposit and money market funds.

VGL SERVICES LIMITED
(Registered number 07882020)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision is made for deferred tax on gains recognised on revaluing property to its market value unless the company has a binding contract, at the balance sheet date, to sell the revalued assets.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses are dealt with through the profit and loss account.

Tangible assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost comprises cost of purchase together with any related costs of acquisition and installation. Depreciation on tangible fixed assets is calculated to write off their cost over their expected useful lives by equal instalments.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight-line basis as follows:

Computer Equipment	33.3%
Office Equipment	33.3%
Leasehold Improvements	14.6%

VGL SERVICES LIMITED
(Registered number 07882020)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

2. HOLDING COMPANY

The company's ultimate controlling party is Pugnacious Endeavors Inc., a company registered in the United States of America. Its registered address is National Registered Agents, Inc., 160 Greentree Drive, Suite 101, City of Dover, County of Kent, DE 19904, United States of America.

3. EMPLOYEE INFORMATION

The average number of persons employed by the company was:

	2016 Number	2015 Number
Operational support	19	15
Supply support	6	4
Technology	7	5
Total	32	24

The director is not remunerated for his role as a director.

4. OPERATING (LOSS)/PROFIT

	2016 £	2015 £
Operating (loss)/profit for the year is after changing:		
Fee payable to the company's auditors for the audit of the company's financial statements	8,500	6,000

5. TANGIBLE ASSETS

	Computer Equipment £	Office Equipment £	Leasehold Improvements £	Total £
Cost				
At 1 January 2016	299,360	180,085	245,559	725,004
Additions	14,265	12,413	150,235	176,913
At 31 December 2016	313,624	192,498	395,794	901,917
Accumulated depreciation				
At 1 January 2016	220,845	85,141	160,189	466,175
Charge for the year	68,733	59,142	52,138	180,013
At 31 December 2016	289,578	144,283	212,327	646,188
Net book value				
At 31 December 2016	24,046	48,215	183,468	255,729
At 31 December 2015	78,515	94,944	85,370	258,829

VGL SERVICES LIMITED
(Registered number 07882020)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

6. DEBTORS

	2016	2015
	£	£
Other debtors	—	9,221
Prepayments and accrued income	810,086	232,693
Total	810,086	241,914

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	3,799	35,191
Amounts owed to group undertakings	483,646	163,266
Other taxes and social security	704,943	176,686
Accruals and deferred income	104,220	26,755
Total	1,296,608	401,898

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Tax and social insurance are payable at various dates over the coming months in accordance with the applicable statutory provisions.

8. CALLED UP SHARE CAPITAL

	2016	2015
	£	£
Authorised		
1 ordinary shares of £1 each (2015: 1)	1	1
Allotted and fully paid		
1 ordinary shares of £1 each (2015: 1)	1	1

VGL SERVICES LIMITED
(Registered number 07882020)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

9. RELATED PARTY TRANSACTIONS

All companies which are ultimately controlled by Pugnacious Endeavors, Inc. (see note 2) are considered related parties. Related parties also comprise of the company's shareholders and directors who have the ability to significantly influence the company's financial and operating decisions.

During the year, the company carried out the following transactions with related parties consisting of entities controlled by Pugnacious Endeavors, Inc.:

Fellow subsidiary	2016	2015
	£	£
Recharge of expenses to fellow subsidiaries	5,223,913	4,704,305
Amounts owed by group undertakings	682,059	(852,557)
Amounts owed to group undertakings	(59,175)	(241,486)
Amounts owed to parent and fellow subsidiaries	146,159	(222)

10. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events impacting the company since the balance sheet date.