

## VGL SERVICES LIMITED

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017



<b>CONTENTS</b>	<b>Page(s)</b>
Directors and Other Information	3
Director's Report	4 - 5
Independent Auditors' Report to the Members of VGL Services Limited	6 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 15

## **VGL SERVICES LIMITED**

(Registered number 07882020)

### **DIRECTORS 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  
1 Embankment Place  
London  
WC2N 6RH

#### **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 2017**

The director presents his annual report and the audited financial statements of the company for the year ended 31 December 2017.

#### **Principal activities**

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

#### **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 ended 31 December 2017 or 2016.

#### **Directors**

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

- Prabhat Shah (resigned 11 September 2017)
- Felix Descamps (appointed 8 September 2017)

#### **Post balance sheet events**

The company did not have any post balance sheet events for the year ended 31 December 2017.

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

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 director is 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.

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

## **VGL SERVICES LIMITED**

(Registered number 07882020)

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

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

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

In the case of each director in office at the date the Director's 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.

#### **Small companies exemption**

These financial statements are prepared in accordance with the provision applicable to companies subject to the small companies regime.

#### **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

6 July 2018

## VGL SERVICES LIMITED

(Registered number 07882020)

### *Independent auditors' report to the members of VGL Services Limited*

#### **Report on the audit of the financial statements**

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##### **Opinion**

In our opinion, VGL Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2017; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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##### **Conclusions relating to going concern**

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

- 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 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

##### *Director's Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

## VGL SERVICES LIMITED

(Registered number 07882020)

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Director's Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of director's responsibilities set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' 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 auditors' 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

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.

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### **Other required reporting**

#### **Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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#### **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; take advantage of the small companies exemption in preparing the Director's Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



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

6 July 2018

**VGL SERVICES LIMITED**

(Registered number 07882020)

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
<b>TURNOVER</b>		6,156,597	5,233,913
Administrative expenses		<u>(5,727,718)</u>	<u>(5,374,903)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>4</b>	428,879	(140,990)
Tax on profit/(loss) on ordinary activities		<u>(117,454)</u>	<u>(2,361)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>311,425</u>	<u>(143,351)</u>
Other comprehensive income		<u>—</u>	<u>—</u>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE)</b>		<u><u>311,425</u></u>	<u><u>(143,351)</u></u>

All results shown above relate to continuing operations.



**BALANCE SHEET**


As at 31 December

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	5	<u>510,960</u>	<u>255,729</u>
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		288,609	422,506
Debtors: amounts falling due within one year	6	516,901	190,298
Debtors: amounts falling due after more than one year	7	<u>442,136</u>	<u>548,832</u>
		1,247,646	1,161,636
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(1,255,468)</u>	<u>(1,225,652)</u>
<b>NET ASSETS</b>		<u>503,138</u>	<u>191,713</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account		<u>503,137</u>	<u>191,712</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>503,138</u>	<u>191,713</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.

These financial statements are prepared in accordance with the provision applicable to companies subject to the small companies regime.

  
Felix Descamps  
Director  
6 July 2018

**VGL SERVICES LIMITED**

(Registered number 07882020)

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2017

	<b>Called Up Share Capital</b>	<b>Profit and Loss Account</b>	<b>Total Shareholders' Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 January 2016	1	335,063	335,064
Loss for the financial year	—	(143,351)	(143,351)
<b>Balance at 31 December 2016</b>	<b>1</b>	<b>191,712</b>	<b>191,713</b>
Balance at 1 January 2017	1	191,712	191,713
Profit for the financial year	—	311,425	311,425
<b>Balance at 31 December 2017</b>	<b>1</b>	<b>503,137</b>	<b>503,138</b>

## **VGL SERVICES LIMITED**

(Registered number 07882020)

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

#### **1. ACCOUNTING POLICIES**

##### **General Information**

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is Cannon Place 78 Cannon Street, London EC4N 6AF.

##### **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 as applicable to companies subject to small company regime of Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 Section 1A). The disclosure requirements of Section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

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 director to exercise judgement in the process of applying the company's accounting policies.

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 director has 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.

##### **Taxation**

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

## VGL SERVICES LIMITED

(Registered number 07882020)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

#### 2. ACCOUNTING POLICIES (continued)

##### *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	3 years
Office Equipment	3 years
Leasehold Improvements	5 years

#### 2. HOLDING COMPANY

The Company's ultimate controlling party is Pugnacious Endeavors Inc., a company registered in the United States of America. The Company consolidates into Pugnacious Endeavors Inc. 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 (including directors) by the company was:

	2017 Number	2016 Number
Operational support	21	20
Supply support	7	6
Technology	7	8
<b>Total</b>	<b>35</b>	<b>34</b>

**VGL SERVICES LIMITED**

(Registered number 07882020)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2017

**4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit/(loss) on ordinary activities before taxation for the year is after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Fee payable to the company's auditors for the audit of the company's financial statements	8,755	8,500

**5. TANGIBLE ASSETS**

	<b>Computer Equipment £</b>	<b>Office Equipment £</b>	<b>Leasehold Improvements £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2017	313,624	192,498	395,795	901,917
Additions	49,346	242,117	175,023	466,486
<b>At 31 December 2017</b>	<b>362,970</b>	<b>434,615</b>	<b>570,818</b>	<b>1,368,403</b>
<b>Accumulated depreciation</b>				
At 1 January 2017	289,578	144,283	212,327	646,188
Charge for the year	28,366	107,633	75,256	211,255
<b>At 31 December 2017</b>	<b>317,944</b>	<b>251,916</b>	<b>287,583</b>	<b>857,443</b>
<b>Net book value</b>				
<b>At 31 December 2017</b>	<b>45,026</b>	<b>182,699</b>	<b>283,235</b>	<b>510,960</b>
At 31 December 2016	24,046	48,215	183,468	255,729

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	223,235	—
Prepayments and accrued income	142,643	176,574
Other debtors	151,023	13,724
<b>Total</b>	<b>516,901</b>	<b>190,29</b>

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

Other debtors is made up of lease deposits for leases with an end date before 31 December 2018.

Prior year balances have been re-presented to align with current year.

**VGL SERVICES LIMITED**

(Registered number 07882020)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2017

**7. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other debtors	442,136	548,832
<b>Total</b>	<b>442,136</b>	<b>548,832</b>

Other debtors are made up of lease deposits for leases with an end date after 31 December 2018.

Prior year balances have been re-presented to align with current year.

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	80,773	3,799
Amounts owed to group undertakings	—	483,646
Other taxes and social security	63,768	6,594
Accruals and deferred income	1,110,927	731,613
<b>Total</b>	<b>1,255,468</b>	<b>1,225,652</b>

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

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

Prior year balances have been re-presented to align with current year.

**9. CALLED UP SHARE CAPITAL**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Authorised		
1 ordinary shares of £1 each (2016: 1)	1	1
Allotted and fully paid		
1 ordinary shares of £1 each (2016: 1)	1	1

**10. FINANCIAL COMMITMENTS**

The Company had commitments under non-cancellable operating leases of:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Operating Leases	2,464,174	2,486,919

**VGL SERVICES LIMITED**

(Registered number 07882020)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2017

**11. 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 or had the following balances with related parties consisting of entities controlled by Pugnacious Endeavors, Inc. and directors of Pugnacious Endeavors, Inc. and subsidiaries:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Recharge of expenses to fellow subsidiaries	6,156,597	5,223,913
Amounts owed by group undertakings	214,162	471,323
Amounts owed to group undertakings	(636,358)	(133,836)
Amounts owed to parent and fellow subsidiaries	198,961	146,159
Amounts paid to directors	108,838	162,448

**12. EVENTS AFTER THE BALANCE SHEET DATE**

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