Registered number: 08301909

CONVIVA LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF CONVIVA LTD

We have audited the financial statements of Conviva LTD for the year ended 31 December 2016, which comprise the Statement of financial position and the related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 1, 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). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF CONVIVA LTD (CONTINUED)

Opinion on other matter 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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Russel Byrd

Russel Byrd FCA FCCA (Senior statutory auditor)

for and on behalf of
Randall & Payne LLP

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA
Date: 29th September 2017

CONVIVA LTD
REGISTERED NUMBER: 08301909

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets	5		1,805		2,333
			1,805		2,333
Current assets					
Debtors: amounts falling due within one year	6	372,017		265,618	
Cash at bank and in hand	7	200,390		161,396	
		572,407		427,014	
Creditors: amounts falling due within one year	8	(359,509)		(316,879)	
Net current assets			212,898		110,135
Total assets less current liabilities			214,703		112,468
Provisions for liabilities					
Deferred tax	9	-		(7,306)	
			-		(7,306)
Net assets			214,703		105,162
Capital and reserves					
Called up share capital			100		100
Equity settled share based payments			4,707		-
Profit and loss account			209,896		105,062
Shareholder's funds			214,703		105,162

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S M Gibson

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016**

Director

Date: 16/9/2017

The notes on pages 5 to 12 form part of these financial statements.

1. General information

Conviva LTD is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is Carrick House, Lypiatt Road, Cheltenham, Gloucestershire, United Kingdom, GL50 2QJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least twelve months from the date of signing this report.

The company relies on the continued support from its ultimate parent company Conviva, Inc., which has confirmed that it will continue to provide this for the foreseeable future. On that basis, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The company is contracted by its ultimate parent company, Conviva, Inc. to deliver sales and marketing services under an intercompany agreement. The company is remunerated by its parent for these services.

2.4 Tangible fixed assets

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

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

Fixtures and fittings	- 5 years

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

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

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

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

2.7 Financial instruments

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

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

2. Accounting policies (continued)

2.11 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors concluded that, due to the nature of the business, there are no critical accounting judgements or key sources of estimation uncertainty that are required to be disclosed here.

4. Employees

The average monthly number of employees, including directors, during the year was 15 *(2015 - 12)*.

5. *Tangible fixed assets*

	Fixtures and fittings £
Cost or valuation	
At 1 January 2016	**2,592**
At 31 December 2016	**2,592**
Depreciation	
At 1 January 2016	**259**
Charge for the year on owned assets	**528**
At 31 December 2016	**787**
Net book value	
At 31 December 2016	**1,805**
At 31 December 2015	*2,333*

6. Debtors

	2016 £	*2015* £
Amounts owed by group undertakings	**288,408**	*216,157*
Other debtors	**34,066**	*31,023*
Prepayments and accrued income	**45,376**	*18,438*
Deferred taxation	**4,167**	*-*
	372,017	*265,618*

7. Cash and cash equivalents

	2016 £	*2015* £
Cash at bank and in hand	**200,390**	*161,396*
	200,390	*161,396*

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	8,928	76,574
Corporation tax	21,158	27,539
Other taxation and social security	110	-
Other creditors	-	3,000
Accruals and deferred income	329,313	209,766
	359,509	316,879

9. Deferred taxation

	2016 £	2015 £
At beginning of year	(7,306)	-
Charged to profit or loss	11,473	(7,306)
At end of year	4,167	(7,306)

The deferred taxation balance is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(307)	420
Short term timing differences	4,474	(7,726)
	4,167	(7,306)

10. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

11. Share based payments

The company participates in a share option scheme for all employees. Options are exercisable on the shares of the ultimate parent company at a price equal to the estimated fair value of the ultimate parent company's shares on the date of the grant.

The vesting period is four years. If the options remain unexercised after a period of ten years from the date of the grant the options expire. Options are forfeited if the employee leaves the company before the options vest.

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £37,648 (2015 - £18,911). Contributions totalling £110 (2015 - £nil) were payable to the fund at the reporting date and are included in creditors.

13. Related party transactions

The company has taken advantage of the exemption available under section 33.1A of Financial Reporting Standard 102, not to disclose transactions with other wholly owned members of this group.

14. Controlling party

The company is a wholly owned subsidiary of Conviva Inc., a company incorporated in the United States of America.

The smallest group in which the results of the company are consolidated is that headed by Conviva, Inc. The registered office of Conviva, Inc. is 989 E Hillsdale Blvd, Ste.400, Foster City, California 94404, United States of America.

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.