
CONVIVA LTD

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2017



CONVIVA LTD

COMPANY INFORMATION

Directors Scott Michael Gibson
Hui Zhang

Registered number 08301909

Registered office Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
England
GL50 2QJ

Independent auditor Randall & Payne LLP
Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

CONVIVA LTD

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CONVIVA LTD
REGISTERED NUMBER: 08301909

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

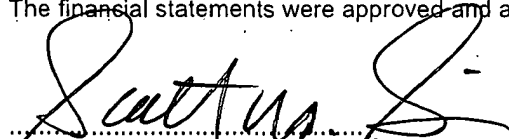
	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	4,533	1,805
		<u>4,533</u>	<u>1,805</u>
Current assets			
Debtors: amounts falling due within one year	6	468,277	372,017
Cash at bank and in hand		97,190	200,390
		<u>565,467</u>	<u>572,407</u>
Creditors: amounts falling due within one year	7	(274,503)	(359,509)
Net current assets		<u>290,964</u>	<u>212,898</u>
Total assets less current liabilities		<u>295,497</u>	<u>214,703</u>
Net assets		<u><u>295,497</u></u>	<u><u>214,703</u></u>
Capital and reserves			
Called up share capital		100	100
Equity settled share based payments	9	14,316	4,707
Profit and loss account		281,081	209,896
Shareholder's funds		<u><u>295,497</u></u>	<u><u>214,703</u></u>

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:



Scott Michael Gibson
 Director

Date: **JUNE 21, 2018**

The notes on pages 2 to 9 form part of these financial statements.

CONVIVA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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, England, 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 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 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.

CONVIVA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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
Office equipment	- at varying rate

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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

2.10 Finance costs

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

2.11 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.

CONVIVA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 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.

2.15 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.

CONVIVA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.16 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 11 (2016: 15).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2017	2,592	-	2,592
Additions	-	3,541	3,541
At 31 December 2017	<u>2,592</u>	<u>3,541</u>	<u>6,133</u>
Depreciation			
At 1 January 2017	787	-	787
Charge for the year on owned assets	527	286	813
At 31 December 2017	<u>1,314</u>	<u>286</u>	<u>1,600</u>
Net book value			
At 31 December 2017	<u>1,278</u>	<u>3,255</u>	<u>4,533</u>
At 31 December 2016	<u>1,805</u>	<u>-</u>	<u>1,805</u>

6. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	409,796	288,408
Other debtors	41,777	34,066
Prepayments and accrued income	12,369	45,376
Deferred taxation	4,335	4,167
	<u>468,277</u>	<u>372,017</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	34,681	8,928
Corporation tax	21,790	21,158
Other taxation and social security	35,464	110
Accruals and deferred income	182,568	329,313
	<u>274,503</u>	<u>359,509</u>

8. Deferred taxation

	2017 £	2016 £
At beginning of year	4,167	(7,306)
Charged to profit or loss	168	11,473
At end of year	<u>4,335</u>	<u>4,167</u>

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(771)	(307)
Short term timing differences	5,106	4,474
	<u>4,335</u>	<u>4,167</u>

9. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

10. 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 £26,078 (2016 - £37,648). Contributions totalling £3,721 (2016 - £110) were payable to the fund at the reporting date and are included in creditors.

11. 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.

12. 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.

13. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed on 26/04/18 by Russel Byrd FCA FCCA (Senior statutory auditor) on behalf of Randall & Payne LLP.