

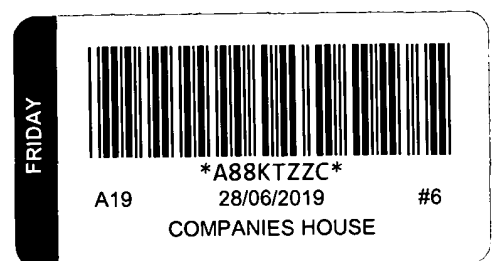
Globalwebindex Holdings Limited

Report and Financial Statements

Year Ended

31 December 2018

Company Number 10290233



Globalwebindex Holdings Limited

Report and financial statements
for the year ended 31 December 2018

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Directors

T Smith
S Hedencrona
A Little
J Franks
S Rowley
R Shah

Registered office

25 Farringdon Street, London, England, EC4A 4AB

Company number

10290233

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Globalwebindex Holdings Limited

Strategic report for the year ended 31 December 2018

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the company is market research, supplying businesses with global and local data on consumer behaviours. Our mission is to give every business on the planet the chance to benefit from our insight, driving revenue growth in more strategic and exciting ways.

Review of the business and future developments

The results for the year are set out on page 8. The financial year ended 31 December 2018 was transformative for the Group as outside investment was received in the company's Series A funding. This has facilitated significant investment in the core product, infrastructure and people.

Group revenue for the year has increased by 30% to £15,157k (2017: £11,623k).

The geographical split of revenue was in line with expectations as the Group began to reap the rewards of its growing North American presence. North America is still our largest market accounting for 54% (2017: 53%) of Group Turnover, while the United Kingdom accounts for 25% (2017: 26%).

Loss before tax was £6,176k (2017: Profit £596k) due to the significant investment to enable future growth.

Operating expenses, excluding amortisation grew to £17,268k (2017: £9,625k). The Group's EBITDA was in a loss position of £4,100k (2017: profit £720k) as a result of continued investment in operational expansion. The Group grew headcount to 140 people (2017: 88) with focus on the sales and marketing organisation as well as expanding the global reach of the company, with new offices being opened in Greece.

In addition to organisational investment, GWI grew its core survey to include 45 countries (2017: 42) with a panel of 22 million (2017: 18 million).

Deferred income in terms of subscriptions to the Group increased to £6,395k in 2018 (2017: £5,034k) which will be released to the Statement of Comprehensive Income during the year ending 31 December 2019.

The balance of cash as at the year-end was £8,346k (2017: £73k) which provides the resource for continuing investment into 2019, with additional offices opened in the Czech Republic and further planned expansion into North America and APAC as well new product offerings.

The Group had a negative net churn, being the effect of all growth and lapsed value from existing client base of 18% (2017: 45%) on all subscription bookings throughout 2018, indicating exceptionally strong renewal and growth rates on the existing contract base.

Globalwebindex Holdings Limited

Strategic report for the year ended 31 December 2018 (*continued*)

Key performance indicators

The company uses a range of financial and non-financial performance measures to monitor and manage its business effectively. The key financial indicators (KPI) are turnover, gross profit, operating profit, EBITDA and net assets. These KPIs indicate the volume of business the company has undertaken as well as the efficiency and profitability of this business.

The key financial performance indicators for the year ended 31 December 2018 are set out below:

	2018 £'000	2017 £'000
Turnover	15,157	11,623
Gross profit	12,936	10,246
Operating (loss)	(5,785)	(335)
EBITDA	(4,100)	720
Net assets / (liabilities)	9,287	(53)

Principal risks and uncertainties

The Group uses various financial instruments including cash, asset financing and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the business to a number of financial risks, which are described in more detail below. The main risks arising from the Group's financial instruments are currency risk, credit risk, cash flow and interest rate risk and liquidity risk. The directors' review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Currency risk

The Group trades internationally and is exposed to movements in exchange rates. The Finance Director monitors and minimises as far as possible the net exposure on a daily basis.

Credit risk

The Group's principal credit risk relates to the recovery of amounts from trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and credit checks on new customers. Credit limits are reviewed on a regular basis. Debts are actively chased by the credit control department.

Liquidity risk

The business monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Approval

This strategic Report was approved by order of the Board on 27th June 2019.


T Smith (Jun 27, 2019)

T Smith
Director

Globalwebindex Holdings Limited

Report of the directors for the year ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Directors

The directors who served the company during the year were as follows:

T Smith
S Hedencrona
A Little
J Franks (Appointed 26 June 2018)
R Shah (Appointed 26 June 2018)

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

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

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. They 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.

Post balance sheet events

Material post balance sheet events are disclosed in note 23 of the consolidated financial statements.

Globalwebindex Holdings Limited

Report of the directors for the year ended 31 December 2018 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board


Tom Smith (Jun 27, 2019)

T Smith
Director

Date: 27.06.2019

Globalwebindex Holdings Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GLOBALWEBINDEX HOLDINGS LIMITED

Opinion

We have audited the financial statements of Globalwebindex Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2018 which comprise the consolidated statement of comprehensive income, consolidated and company statement of financial position, consolidated and company statement of changes in equity, consolidated statement of cash flows 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of the Group's loss 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.

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 the 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 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.

Globalwebindex Holdings Limited

Independent auditor's report (*continued*)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's 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.

Globalwebindex Holdings Limited

Independent auditor's report (*continued*)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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.

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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Nicole Martin (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

Date: 27th June 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Globalwebindex Holdings Limited

Consolidated statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	15,157,205	11,623,247
Cost of sales		(2,220,881)	(1,377,634)
Gross profit		12,936,324	10,245,613
Administrative expenses		(18,721,287)	(10,580,222)
Operating loss	4	(5,784,963)	(334,609)
Interest receivable and similar income		10,167	1,834
Interest payable and similar charges	7	(401,445)	(263,423)
Loss on ordinary activities before taxation		(6,176,241)	(596,198)
Taxation on ordinary activities	8	337,340	(819)
Loss for the financial year		(5,838,901)	(597,017)
Other comprehensive income		(368)	(810)
Total comprehensive loss for the year		(5,839,269)	(597,827)

All amounts relate to continuing activities.

The notes on pages 16 to 33 form part of these financial statements.

Globalwebindex Holdings Limited

Consolidated statement of financial position at 31 December 2018

Company number 10290233	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	9		7,664,822		5,394,936
Tangible assets	10		766,528		790,425
			<u>8,431,350</u>		<u>6,185,361</u>
Current assets					
Debtors	12	5,245,797		5,389,751	
Cash at bank and in hand		8,346,418		73,582	
		<u>13,592,215</u>		<u>5,463,333</u>	
Creditors: amounts falling due within one year	13	(9,620,719)		(9,144,151)	
Net current assets/(liabilities)			<u>3,971,496</u>		<u>(3,680,818)</u>
Total assets less current liabilities			<u>12,402,846</u>		<u>2,504,543</u>
Creditors: amounts falling due after more than one year	14	(3,116,224)		(2,557,201)	
Net assets / (liabilities)			<u><u>9,286,622</u></u>		<u><u>(52,658)</u></u>
Capital and reserves					
Called up share capital	16		8,678		6,843
Share premium account	18		15,205,751		16,092
Foreign exchange reserve	18		(1,178)		(810)
Profit and loss account	18		(5,926,629)		(74,783)
			<u><u>9,286,622</u></u>		<u><u>(52,658)</u></u>
Shareholders' funds / (deficit) – equity			<u><u>9,286,622</u></u>		<u><u>(52,658)</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 27.06.2019.


Tom Smith (Jun 27, 2019)

T Smith
Director

The notes on pages 16 to 33 form part of these financial statements.

Globalwebindex Holdings Limited

Consolidated statement of changes in equity For the year ended 31 December 2018

	Share capital £	Share premium account £	Foreign exchange reserves £	Profit and loss reserves £	Total equity £
At 1 January 2018	6,843	16,092	(810)	(74,783)	(52,658)
Comprehensive income for the year					
Loss for the year	-	-	-	(5,838,901)	(5,838,901)
Currency translation differences	-	-	(368)	-	(368)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	-	-	(368)	(5,838,901)	(5,839,269)
Contributions by and distributions to owners					
Share based payment debit	-	-	-	(12,945)	(12,945)
Issue of share capital	1,835	15,189,659	-	-	15,191,494
	<u>1,835</u>	<u>15,189,659</u>	<u>-</u>	<u>(12,945)</u>	<u>15,178,549</u>
Total contributions by and distributions to owners	1,835	15,189,659	-	(12,945)	15,178,549
	<u>8,678</u>	<u>15,205,751</u>	<u>(1,178)</u>	<u>(5,926,629)</u>	<u>9,286,622</u>
At 31 December 2018	8,678	15,205,751	(1,178)	(5,926,629)	9,286,622

The notes on pages 16 to 33 form part of these financial statements.

Globalwebindex Holdings Limited

Consolidated statement of changes in equity For the year ended 31 December 2017

	Share capital £	Share premium account £	Foreign exchange reserves £	Profit and loss reserves £	Total equity £
At 1 January 2017 (unaudited and restated)	6,191	3,262	-	608,781	618,234
Comprehensive income for the year					
Loss for the year	-	-	-	(597,017)	(597,017)
Currency translation differences	-	-	(810)	-	(810)
Total comprehensive income for the year	-	-	(810)	(597,017)	(597,827)
Contributions by and distributions to owners					
Dividends	-	-	-	(100,000)	(100,000)
Share based payment credit	-	-	-	13,453	13,453
Issue of share capital	652	12,830	-	-	13,482
Total contributions by and distributions to owners	652	12,830	-	(86,547)	(73,065)
At 31 December 2017	6,843	16,092	(810)	(74,783)	(52,658)

The notes on pages 16 to 33 form part of these financial statements.

Globalwebindex Holdings Limited

Consolidated statement of cash flows for the year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
Loss for the financial year	(5,838,901)	(597,017)
Adjustments for:		
Depreciation of intangible fixed assets	231,661	99,742
Amortisation of intangible fixed assets	1,453,362	954,792
Amortisation for capitalised debt issue costs	30,000	22,500
Taxation (refund) / expense	(337,340)	819
Net interest payable	401,445	262,023
Share based payment charges	(12,945)	13,453
Increase / (Decrease) in trade and other debtors	441,510	(3,356,656)
Increase in trade and other creditors	1,044,203	4,133,162
Foreign exchange	12,369	(10,193)
Cash from operations		
Interest paid	(214,849)	(137,323)
Net cash generated from operating activities	(2,789,485)	1,385,302
Cash flows from investing activities		
Purchases of tangible fixed assets	(207,764)	(734,871)
Purchases of intangible assets	(3,723,248)	(2,694,915)
Net cash from investing activities	(3,931,012)	(3,429,786)
Cash flows from financing activities		
Issue of share capital	15,191,495	13,482
Equity dividends paid	-	(100,000)
Net bank loans (repaid)/received	(185,426)	2,200,000
Debt issue costs incurred	-	(90,000)
Net cash used in financing activities	15,006,069	2,023,482
Net increase / (decrease) in cash and cash equivalents	8,285,572	(21,002)
Cash and cash equivalents at beginning of year	73,582	97,739
Foreign exchange gains and losses	(12,736)	(3,155)
Cash and cash equivalents at end of year	8,346,418	73,582
Cash and cash equivalents comprise:		
Cash at bank and in hand	8,346,418	73,582

The notes on page 16 to 33 form part of these financial statements.

Globalwebindex Holdings Limited

Company statement of financial position at 31 December 2018

<i>Company number 10290233</i>	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	11		37,797		11,390
Current assets					
Debtors	12	10,183,717		2,938,399	
Cash at bank and in hand		7,396,656		176	
		<u>17,580,373</u>		<u>2,938,575</u>	
Creditors: amounts falling due within one year	13	<u>(261,211)</u>		<u>(617,720)</u>	
Net current assets			<u>17,391,162</u>		<u>2,320,855</u>
Total assets less current liabilities			<u>17,356,959</u>		<u>2,332,245</u>
Creditors: amounts falling due after more than one year	14		<u>(3,116,224)</u>		<u>(2,557,201)</u>
Net assets/(liabilities)			<u>14,240,735</u>		<u>(224,956)</u>
Capital and reserves					
Called up share capital	16		8,678		6,843
Share premium account	18		15,205,751		16,092
Profit and loss reserves	18		(973,694)		(247,891)
Shareholders' funds / (deficit) – equity			<u>14,240,735</u>		<u>(224,956)</u>

The loss of the company for the year was £725,803 (2017: £90,326).

The financial statements were approved by the Board of Directors and authorised for issue on 27.06.2019.


Tom Smith (Jun 27, 2019)

T Smith
Director

The notes on pages 16 to 33 form part of these financial statements.

Globalwebindex Holdings Limited

Company statement of changes in equity For the year ended 31 December 2018

	Share capital £	Share premium account £	Profit and loss reserves £	Total equity £
At 1 January 2018	6,843	16,092	(247,891)	(224,956)
Comprehensive income for the year				
Loss for the year	-	-	(725,803)	(725,803)
Total comprehensive income for the year	-	-	(725,803)	(725,803)
Contributions by and distributions to owners				
Issue of share capital	1,835	15,189,659	-	15,191,494
Total contributions by and distributions to owners	1,835	15,189,659	-	15,191,494
At 31 December 2018	8,678	15,205,751	(973,694)	14,240,735

The notes on pages 16 to 33 form part of these financial statements.

Globalwebindex Holdings Limited

Company statement of changes in equity For the year ended 31 December 2017

	Share capital £	Share premium account £	Profit and loss reserves £	Total equity £
At 1 January 2017 (Unaudited)	6,191	3,262	(57,565)	(48,112)
Comprehensive income for the year				
Loss for the year	-	-	(90,326)	(90,326)
Total comprehensive income for the year	-	-	(90,326)	(90,326)
Contributions by and distributions to owners				
Dividends	-	-	(100,000)	(100,000)
Issue of share capital	652	12,830	-	13,482
Total contributions by and distributions to owners	652	12,830	(100,000)	(86,518)
At 31 December 2017	6,843	16,092	(247,891)	(224,956)

The notes on pages 16 to 33 form part of these financial statements.

Globalwebindex Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies

Company information

Globalwebindex Holdings Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard ('FRS 102') the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. This is the first period of accounts for the entity.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Group management to exercise judgement in applying the Group's accounting policies. These critical accounting estimates and judgements are discussed in more detail below.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidation statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control access ceases.

Turnover

Turnover represents amounts receivable in respect of subscriptions and data licenses, net of VAT.

Subscription revenue is recognised proportionately over the subscription period for the services sold.

In addition, the company licences data, limiting the use of the data to a predetermined contract term period. Revenue is recognised pro-rata over the term of the contract when the service is provided.

Globalwebindex Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Research data	-	straight line over 12 years
Website development	-	straight line over 2 years
Software	-	straight line over 3 years

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	-	20% on reducing balance
Computer equipment	-	33% on cost
Motor vehicles	-	15% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Globalwebindex Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Impairment of fixed assets (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end 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 have been affected. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Globalwebindex Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Financial instruments (continued)

Classification of financial liabilities

Financial liabilities and equity instruments 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 company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Share-based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the company's estimate of shares or options that will eventually vest.

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.

Globalwebindex Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Intangible and tangible fixed assets are amortised and depreciated respectively over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provision does not match the level of debts which ultimately prove to be uncollectable.

When determining whether there are indicators of impairment of the company's investment in its subsidiary and the group's tangible and intangible assets, factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

3 Turnover

The turnover is wholly attributable to the company's main activities. An analysis of turnover by geographical destination is as follows:

	2018 £	2017 £
United Kingdom	3,738,886	3,066,073
North America	8,201,614	6,176,767
Europe	1,944,571	1,178,887
Rest of the World	1,272,134	1,201,520
	<hr/>	<hr/>
	15,157,205	11,623,247
	<hr/>	<hr/>

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

4 Operating loss

	2018 £	2017 £
This is arrived at after charging / (crediting):		
Depreciation of tangible fixed assets	231,661	99,742
Amortisation of intangible assets	1,453,362	954,792
Fees payable to the company's auditor for the following services:		
- Audit of the group and company's annual accounts	40,000	24,500
- Account preparation services	5,000	4,500
- Tax compliance	6,000	6,200
Exchange differences	(192,963)	205,698
Share based payment	(12,945)	13,453
Operating lease rentals - land and buildings	1,079,363	658,415
	<u> </u>	<u> </u>

5 Employees

	2018 £	2017 £
Staff costs (including directors) consist of:		
Wages and salaries	9,620,220	5,396,349
Social security costs	1,046,223	571,093
Cost of defined contribution pension scheme	135,945	60,152
Share based payments	(12,945)	13,453
	<u> </u>	<u> </u>
	<u>10,789,443</u>	<u>6,041,047</u>

The average number of employees (including directors) during the year was as follows:

	2018 Number	2017 Number
Employees	140	88
	<u> </u>	<u> </u>

6 Directors' remuneration

	2018 £	2017 £
Directors' emoluments	1,193,224	794,389
Cost of defined contribution pension scheme	16,423	17,402
	<u> </u>	<u> </u>
	<u>1,209,647</u>	<u>811,791</u>

The amounts set out above include remuneration in respect of the highest paid director as follows:

Emoluments	514,092	413,808
Cost of defined contribution pension scheme	10,150	15,917
	<u> </u>	<u> </u>

4 directors were included in the company's defined contribution pension scheme (2017 - 2).

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

7 Interest payable and similar charges	2018 £	2017 £
On bank loans and overdrafts	401,445	262,051
Interest paid on discounting facilities	-	1,372
	401,445	263,423
8 Taxation on loss on ordinary activities	2018 £	2017 £
<i>UK corporation tax</i>		
Current tax on profits of the year	(74,117)	-
Adjustments in respect of prior periods	(243,472)	-
	(317,589)	-
Total UK corporation tax		
<i>Foreign tax</i>		
Current tax on foreign income for the year	3,996	819
	(313,593)	819
Total current tax		
<i>Deferred tax</i>		
Origination and reversal of timing differences	(23,747)	-
	(337,340)	819
Taxation on loss on ordinary activities		

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

8 Taxation on loss on ordinary activities (continued)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(6,176,241)	(596,198)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	(1,173,486)	(144,768)
Effects of:		
Fixed asset differences	42,699	9,602
Expenses not deductible for tax purposes	73,564	42,964
Income not taxable for tax purposes	(1,525)	(92,534)
Other permanent differences	(97,676)	(26,589)
Additional deduction for R&D expenditure	(54,893)	(193,622)
Surrender of tax losses for R&D tax credit refund	23,002	-
Adjustments to tax charge in respect of previous periods	(243,472)	-
Adjustments to deferred tax	93,958	40,683
Deferred tax not recognised	1,000,489	335,083
Total tax charge for period	(337,340)	819

9 Intangible fixed assets

	Software £	Research data £	Website development £	Total £
<i>Cost</i>				
At 1 January 2018	-	5,570,440	2,370,152	7,940,592
Additions	14,575	2,469,064	1,239,609	3,723,248
At 31 December 2018	14,575	8,039,504	3,609,761	11,663,840
<i>Amortisation and impairment</i>				
At 1 January 2018	-	956,636	1,589,020	2,545,656
Amortisation charged for the year	2,806	558,580	891,976	1,453,362
At 31 December 2018	2,806	1,515,216	2,480,996	3,999,018
<i>Carrying amount</i>				
At 31 December 2018	11,769	6,524,288	1,128,765	7,664,822
At 31 December 2017	-	4,613,804	781,132	5,394,936

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 *(continued)*

9 Intangible fixed assets *(continued)*

Company

The company did not have any intangible fixed assets.

10 Tangible fixed assets

Group	Motor vehicles £	Computer equipment £	Leasehold improvements £	Total £
<i>Cost</i>				
At 1 January 2018	73,942	272,898	629,421	976,261
Additions	-	169,000	38,764	207,764
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	73,942	441,898	668,185	1,184,025
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2018	17,559	101,976	66,301	185,836
Depreciation charged in the year	8,457	104,962	118,242	231,661
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	26,016	206,938	184,543	417,497
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Carrying amount</i>				
At 31 December 2018	47,926	234,960	483,642	766,528
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	56,383	170,922	563,120	790,425
	<hr/>	<hr/>	<hr/>	<hr/>

Company

The company did not have any tangible fixed assets.

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

11 Fixed asset investments

	2018
Company	£
Investments	37,797
	<hr/>
Movement in fixed asset investments	Shares in group undertakings
Cost or valuation	
At 1 January 2018	11,390
Additions	26,407
	<hr/>
At 31 December 2018	37,797
	<hr/>

On 04 May 2018, the company acquired 30,000 Ordinary €1.00 share in Globalwebindex Hellas Limited for consideration of €30,000, which represented 100% of the ordinary share capital of the company.

The company has the following subsidiary undertakings:

Name	Class of shares held	%	Nature of business	Registered office
Trendstream Limited	Ordinary	100	Technology	25 Farringdon Street, London, England, EC4A 4AB
Globalwebindex Limited	Ordinary	100	Dormant	25 Farringdon Street, London, England, EC4A 4AB
Globalwebindex Inc.	Ordinary	100	Technology	22 W 38 th Street, New York, 10018
Globalwebindex Labs Limited	Ordinary	100	Technology	25 Farringdon Street, London, England, EC4A 4HB
Globalwebindex Hellas	Ordinary	100	Technology	Ermou 56, Athina 105 63, Greece

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

12 Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	3,400,936	4,055,371	-	-
Amounts owed by group undertakings	-	-	10,106,899	2,912,825
Prepayments and accrued income	654,372	586,781	-	-
Taxation and social security	281,380	-	35,212	2,639
Other debtors	909,109	723,852	41,606	22,935
	<u>5,245,797</u>	<u>5,366,004</u>	<u>10,183,717</u>	<u>2,938,399</u>
Amounts falling due after more than one year				
Deferred tax assets	-	23,747	-	-
	<u>5,245,797</u>	<u>5,389,751</u>	<u>10,183,717</u>	<u>2,938,399</u>

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2018 £	Assets 2017 £
Balances:		
Accelerated capital allowances	-	23,747
	<u>-</u>	<u>23,747</u>
Movements in the year:		2018 £
Assets at 1 January 2018		23,747
Credit to profit and loss		(23,747)
		<u>-</u>
Asset at 31 December 2018		<u>-</u>

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

13 Creditors: amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	2,027,117	2,676,839	-	11,624
Pension payable	13,495	8,100	-	-
Other creditors	49,714	61,942	-	-
Accruals and deferred income	7,441,381	5,771,376	18,936	-
Amounts owed to group undertakings	-	-	170,128	6,096
Bank loans and overdrafts	72,147	600,000	72,147	600,000
Taxation and social security	16,865	25,894	-	-
	<u>9,620,719</u>	<u>9,144,151</u>	<u>261,211</u>	<u>617,720</u>

The bank overdrafts are secured by a floating charge over the assets of the group and the company.

14 Creditors: amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans and overdrafts	<u>3,116,224</u>	<u>2,557,201</u>	<u>3,116,224</u>	<u>2,557,201</u>

The maturity of Bank loans and overdrafts are as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
In one year or less, or on demand	72,147	600,000	72,147	600,000
In more than two years but not more than five years	<u>3,116,224</u>	<u>2,557,201</u>	<u>3,116,224</u>	<u>2,557,201</u>
	<u>3,188,371</u>	<u>3,157,201</u>	<u>3,188,371</u>	<u>3,157,201</u>

The bank overdrafts are secured by a floating charge over the assets of the group and the company.

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

15 Financial instruments

The Group's and Company's financial instruments may be analysed as follows:

	Group 2018 £	Group 2017 £
Financial assets		
Financial assets measured at amortised cost	12,788,031	4,903,443
Financial liabilities		
Financial liabilities measured at amortised cost	(6,112,620)	(6,363,017)

Financial assets measured at amortised cost comprise cash, trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report.

16 Share capital

	2018 £	2017 £	2018 Number	2017 Number
Ordinary share capital <i>Issued and fully paid</i>				
'A' ordinary shares of 0.1p each	5,536	3,300	5,536,300	3,300,000
'B' ordinary shares of 0.1p each	-	2,700	-	2,700,000
'C' ordinary shares of 0.1p each	335	497	334,500	497,000
'D' ordinary shares of 0.1p each	-	2	-	2,000
'E' ordinary shares of 0.1p each	-	2	-	2,000
'F' ordinary shares of 0.1p each	-	2	-	2,000
'G' ordinary shares of 0.1p each	711	340	711,400	340,000
Preferred Shares of 0.1p each	2,096	-	2,096,000	-
	<u>8,678</u>	<u>6,843</u>		

Globalwebindex Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

16 Share capital (continued)

During the current year, a number of shares were reclassified from ordinary shares to preferred shares following the purchase of these shares by SG Growth Partners III Offshore AIV, LP and SG Growth Partners IV Offshore AIV, LP.

On 26 February 2018 the Company issued 16,000 'G' ordinary shares with a nominal value of 0.1 p each, for consideration of 3.0p per share.

On 26 February 2018 the Company issued 131,000 'G' ordinary shares with a nominal value of 0.1 p each, for consideration of 4.0p per share.

On 26 February 2018 the Company issued 90,800 'G' ordinary shares with a nominal value of 0.1 p each, for consideration of 4.3p per share.

On 21 June 2018 the Company issued 8,000 'G' ordinary shares with a nominal value of 0.1 p each, for consideration of 0.1p per share.

On 26 June 2018 the Company issued 1,310,000 preferred shares with a nominal value of 0.1 p each, for consideration of £11.58 per share.

On 19 July 2018 the Company issued 9,000 'G' ordinary shares with a nominal value of 0.1 p each, for consideration of 4.3p per share.

On 15 October 2018 the Company issued 96,000 'G' ordinary shares with a nominal value of 0.1 p each, for consideration of 4.0p per share.

On 15 October 2018 the Company issued 174,400 'G' ordinary shares with a nominal value of 0.1 p each, for consideration of 4.3p per share.

The share class rights are set out below:

A ordinary shares have attached to them full voting rights, dividend and capital distribution (including winding up) rights; they do not confer any rights of redemption.

C ordinary shares shall rank *pari passu* with the A ordinary shares save that they carry no voting rights.

G ordinary shares have attached to them full voting rights, dividend and capital distribution (including winding up) rights; they do not confer any rights of redemption.

The preferred shares shall carry a right to receive a dividend. The shares shall carry full rights, as respect capital, to participate in distribution (including winding up). The shares carry full voting rights. The shares are non-redeemable and not to be redeemed.

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

17 Share-based payment transactions

During the year ended 31 December 2013, the Company established an Enterprise Management Incentive (EMI) scheme for employees of the company. Up to September 2016 the company issued share options to employees in the Company, however following a group restructure in the year ended 31 December 2017 the options are in the name of the parent, Globalwebindex Holdings Limited, but the charge has continued to be shown within Trendstream Limited where all employees are based.

The principal terms of the options are:

- Options will expire ten years after grant date
- The range of exercise prices of the options are from £0.0108 to £0.043
- The options vest in equal increments between 2 and 5 years

Movement in the EMI Share options and their weighted average exercise price are as follows:

	2018 Number	2017 Number	2018 £	2017 £
Outstanding 1 January	2,282,000	2,282,000	0.01	0.01
Granted	173,000	-	0.01	-
Exercised	(1,177,200)	-	0.04	-
Forfeited	(16,500)	-	0.02	-
Expired	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at 31 December	1,261,300	2,282,000	0.01	0.01

In accordance with the FRS 102 the fair value of these options has been accounted for, using the Black Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options.

Total credit of £12,945 related to equity settled share based payment transactions were recognised in the year (2017: charges of £13,453).

18 Reserves

The company's reserves are as follows:

<i>Called up share capital</i>	Called up share capital reserve represents the nominal value of the shares issued.
<i>Share premium</i>	The share premium account includes the premium on issue of equity shares, net of any issue costs.
<i>Foreign exchange reserve</i>	Gains or losses arising in retranslation of the net assets of the overseas operations into sterling.
<i>Retained earnings</i>	Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

19 Commitments under operating leases

Lessee

The group had minimum lease payments under non-cancellable operating leases in relation to land and buildings as set out below:

	2018 £	2017 £
Within one year	1,292,150	713,586
Between two and five years	3,445,864	3,744,318
Later than 5 years	3,007,680	3,867,480
	<u>7,745,694</u>	<u>8,325,384</u>

The company had no commitments under non-cancellable operating leases as at the balance sheet date.

20 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 "Related Party Disclosures" paragraph 33.1A not to disclose transactions with certain Group companies on the grounds that 100% of the voting rights in the company are controlled by Globalwebindex Holdings Limited.

The following transactions took place between the group and its Directors and their related persons during the year:

	2018 £	2017 £
Net movement in short-term receivable balances	210,317	2,572
Interest receivable on outstanding advances	7,678	1,560
Dividends paid on the same terms as the other shareholders	-	(100,000)
	<u>217,995</u>	<u>(95,868)</u>

The following receivable balances relating to transactions with Directors were included in the consolidated balance sheet at 31 December:

	2018 £	2017 £
T Smith loan account	206,241	(2,610)
S Hendenrona loan account	35,436	34,490
A Little loan account	16,759	9,467
J Franks	906	-
	<u>269,342</u>	<u>41,347</u>

The Directors are the key management personnel of the company and Group.

Globalwebindex Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

21 Ultimate parent company

The ultimate controlling party is T Smith as a result of his majority shareholding.

22 Contingent liability

As part of the financing agreement entered into by the Group, an exit fee is required to be paid either on an exit event (flotation, change of control, or asset sale) or after five years from the date of the financing agreement. This exit fee shall be calculated by reference to the equity value of the Group at the date of the exit event or after five years. The exit fee shall not be more than £3,000k, dependent on the value of the Group.

The directors are of the opinion that there is a possibility that no payout will be made as this is determined on future Group performances and there are still 3 years remaining before the Group is due to make the payment, if at all. Furthermore, this is based on an equity value determined by an independent firm of Chartered Accountants and due to current loss making position it is hard to determine the value of the company.

23 Subsequent events

No subsequent events have occurred between the balance sheet date and the date of approval of these financial statements.