

VCCP Holdings Limited
Unaudited financial statements
for the year ended 31 December 2018

Registered number: 07873955



VCCP Holdings Limited

Unaudited financial statements for the year ended 31 December 2018

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VCCP Holdings Limited

Officers and professional advisors

Directors

C J Satterthwaite (resigned 28 February 2018)
D Crowther

Company Secretary

T G Tolliss

Registered Office

PO Box 70693
62 Buckingham Gate
London
United Kingdom
SW1P 9ZP

VCCP Holdings Limited

Strategic Report

The Company's business activities together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006. For the year ended 31 December 2018 the Company has taken advantage of the section 479A exemption to have an audit.

Principal activities

The Company's principal activity is that of a holding Company for certain subsidiaries of the VCCP sub-group and therefore its principal return is by way of dividend income from these investments.

Review of the business

There has not been any significant change in the Company's principal activity in the period under review. In 2018, the investments performed well. On 1 Jan 2018, the Company acquired Pure Media Group Limited from another Chime Group Company. This was part of a strategy to enhance the media capabilities of its subsidiaries.

Key performance indicators

Chime Group Holdings Limited manages its operations on a divisional basis. For this reason the Company's Directors do not believe that the performance indicators for the Company (or discussion thereof) are necessary or appropriate for an understanding of the development, performance or position of the business. The performance of Chime, which includes the Company, is discussed in the Chime Group Holdings Limited Annual Report, which does not form part of this report.

Principal risks and uncertainties

The Directors consider the principal risks and uncertainties facing the Company to be consistent with those reported within the consolidated Group accounts of Chime Group Holdings Limited ("Chime") (the largest group for which the group financial statements are prepared and of which the group is a member). In addition to the general economic and competitive risks affecting the business, the Directors consider that the principal risks impacting the Company are credit risk and liquidity risk. The Directors do not consider interest rate risk and currency risk to be a significant concern for the Company.

The policies for managing these risks are reviewed and agreed annually by Chime.

Credit risk

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. A provision for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit worthiness of customers is assessed and monitored on an on-going basis. If necessary, credit insurance or payments in advance are sought. Debtors are reviewed regularly as part of financial management reviews. Where deemed necessary, finance managers will review any proposal for further commitments to a client where payments are outstanding.

Liquidity risk

The Company, together with the ultimate parent company and certain other companies in the Chime Group Holdings Limited group ("Chime"), has given an unlimited cross-guarantee in favour of its bankers. The Company operates under Chime's banking facility.

Chime has a committed facility of £289.5m (2017: £289.5m) with a syndicate of banks. £34.5m matures in August 2023 and £255.0m matures in August 2024. Chime manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. At 31 December 2018, Chime had borrowings net of cash of £180.9m (2017: £241.4m) and the undrawn committed facility was therefore £34.5m (2017: £24.0m).

Cash flow movements are monitored to ensure that sufficient financial resources are available. The Group has seen an increase in client pressure to extend credit terms and the resulting terms are closely monitored.

VCCP Holdings Limited

Strategic Report (continued)

Future developments

The Directors do not anticipate any major changes in the foreseeable future.

Approval

Approved by the Board and signed on its behalf by:



D Crowther

Director

13 September 2019

VCCP Holdings Limited

Directors' Report

The Directors present their annual report and the unaudited financial statements for the year ended 31 December 2018.

For the year ended 31 December 2018 the Company has taken advantage of the section 479A exemption to have an audit.

Review of the business and future developments

This is discussed in detail in the Strategic Report on pages 2 and 3.

Results and dividends

The Company's Income statement is set out on page 6 and shows a profit after taxation for the year ended 31 December 2018 of £10,173,264 (2017: £6,900,796). Dividends of £nil (2017: £nil) have been paid in the year.

Directors and their interests

The Directors who served throughout the year and to the date of this report are as shown on page 1. None of the Directors held any interests in the shares of the Company at 1 January 2018 or 31 December 2018.

Creditor payment terms

The Company's policy on suppliers is that they will be paid in accordance with agreed terms and conditions.

Risk management

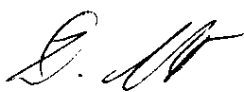
This is discussed in detail in the Strategic Report on pages 2 and 3.

Going concern

The financial statements have been prepared on the going concern basis, see note 2 for details.

Directors' indemnities

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and Company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company. Chime Group Holdings Limited, has purchased and maintains Directors' and officers' insurance cover against legal liabilities and costs for claims in connection with any act or omission by its Directors or officers in the execution of their duties, on behalf of this Company.



D Crowther

Director

13 September 2019

VCCP Holdings Limited

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

VCCP Holdings Limited

Income Statement For the year ended 31 December 2018

	Notes	2018 £	2017 £
Administrative expenses		-	(100)
Operating result/loss		<u>-</u>	<u>(100)</u>
Income from shares in group undertakings		12,612,862	9,449,980
Finance costs (net)	5	-	84
Profit on ordinary activities before taxation	4	<u>12,612,862</u>	<u>9,449,964</u>
Tax charge on profit on ordinary activities	6	(2,439,598)	(2,549,168)
Profit for the financial year attributable to the owners of the Company		<u>10,173,264</u>	<u>6,900,796</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

VCCP Holdings Limited

Statement of comprehensive income For the year ended 31 December 2018

	Year ended 2018	Year ended 2017
	£	£
Profit for the year	<u>10,173,264</u>	<u>6,900,796</u>
Total Comprehensive income for the period attributable to the Owners of the Company	<u><u>10,173,264</u></u>	<u><u>6,900,796</u></u>

The notes on pages 10 to 18 form an integral part of these financial statements.

VCCP Holdings Limited

Balance Sheet As at 31 December 2018

	Notes	2018 £	2017 £
Non-current assets			
Investments in subsidiaries	7	14,266,903	13,528,773
Deferred tax assets	14	480,317	379,465
		<u>14,747,220</u>	<u>13,908,238</u>
Current assets			
Trade and other receivables	8	23,486,928	15,710,457
		<u>23,486,928</u>	<u>15,710,457</u>
Total assets		<u>38,234,148</u>	<u>29,618,695</u>
Current liabilities			
Deferred consideration		(346)	(346)
Corporation Tax		(2,731,121)	(2,773,301)
		<u>(2,731,467)</u>	<u>(2,773,647)</u>
Net current assets		<u>20,755,461</u>	<u>12,936,810</u>
Non-current liabilities			
Trade and other payables	9	(17,908,635)	(13,609,837)
Deemed remuneration liability	13	(236,284)	(6,050,713)
		<u>(18,144,919)</u>	<u>(19,660,550)</u>
Total Liabilities		<u>(20,876,386)</u>	<u>(22,434,197)</u>
Net Assets		<u>17,357,762</u>	<u>7,184,498</u>
Equity			
Share capital	10	624	624
Retained earnings		17,357,138	7,183,874
Equity attributable to owners of the Company		<u>17,357,762</u>	<u>7,184,498</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

For the year ended 31 December 2018 the Company was entitled to exemption under s479a of the Companies Act 2006. No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements of VCCP Holdings Limited, (registered number 07873955) were signed on behalf of the Board of Directors on 13 September 2019.



D Crowther
Director

VCCP Holdings Limited

Statement of Changes in Equity For the year ended 31 December 2018

	Called up Share Capital £	Profit and Loss account £	Total £
Balance at 1 January 2017	624	283,078	283,702
Profit for the period	-	6,900,796	6,900,796
Total comprehensive profit for the period	-	6,900,796	6,900,796
Dividends	-	-	-
Balance at 31 December 2017	624	7,183,874	7,184,498
Profit for the period	-	10,173,264	10,173,264
Total comprehensive profit for the period	-	10,173,264	10,173,264
Dividends	-	-	-
Balance at 31 December 2018	624	17,357,138	17,357,762

The notes on pages 10 to 18 form an integral part of these financial statements.

VCCP Holdings Limited

Notes to the unaudited financial statements

For the year ended 31 December 2018

1. General information

VCCP Holdings Limited is a private company incorporated, domiciled and registered in England in the UK. The registered number is 07873955 and the registered address is PO Box 70693, 62 Buckingham Gate, London, United Kingdom SW1P 9ZP. The nature of the Company's operations and its principal activities are set out in the Strategic Report and Directors' Report on pages 2 to 4.

These unaudited financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of Chime Group Holdings Limited ("Chime").

2. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2018 the Company has prepared its financial statements in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

For the year ended 31 December 2018 the company has taken advantage of the section 479A exemption to have an audit.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

VCCP Holdings Limited

Notes to the unaudited financial statements

For the year ended 31 December 2018

2. Significant accounting policies (continued)

The principal accounting policies adopted are set out below.

Going concern

The Directors have prepared forecasts which indicate that the company has adequate resources to continue in operational existence for the foreseeable future. In preparing these forecasts the directors have taken into account the following key factors:

- The rate of growth of the UK and global economy on the company's business;
- Key client account renewals;
- The level of committed and variable costs; and
- Current new business targets compared to levels achieved in previous years.

The company, together with the ultimate parent company and certain other companies in the Chime Group Holdings Limited group ("Chime"), has given an unlimited cross-guarantee in favour of its bankers. The company operates under Chime's banking facility.

Chime has a committed facility of £289.5m (2017: £289.5m) with a syndicate of banks. £34.5m matures in August 2023 and £255.0m matures in August 2024. Chime manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. At 31 December 2018, Chime had borrowings net of cash of £180.9m (2017: £241.4m) and the undrawn committed facility was therefore £34.5m (2017: £24.0m).

Cash flow movements are monitored to ensure that sufficient financial resources are available. The Group has seen an increase in client pressure to extend credit terms and the resulting terms are closely monitored.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Foreign currencies

Transactions denominated in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in net profit or loss for the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as investments in equity securities classified as available for sale, are included in the fair value reserve in equity.

Operating (loss)/profit

Operating (loss)/profit is stated after charging restructuring costs but before investment income and finance costs.

VCCP Holdings Limited
Notes to the unaudited financial statements
For the year ended 31 December 2018

2. Significant accounting policies (continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deemed remuneration

These lump sum payments are dependent upon two factors; the individual members' or employees' of the company's subsidiaries continuing service within the business over the period between the original acquisition and the settlement date and the growth in the profitability of the subsidiary over the same period. As such, for accounting purposes, the anticipated settlement amount is recognised as deemed remuneration and spread across the accounting periods where the services are seen to have taken place. The liability for deemed remuneration payments to be made subsequent to the balance sheet date rests with the corporate member. To this end, the related provision is included within the VCCP Holdings Limited financial statements and is recharged to the individual subsidiaries via loans and debts owing to the corporate member.

VCCP Holdings Limited

Notes to the unaudited financial statements

For the year ended 31 December 2018

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash comprises cash, overdrafts and cash held on short-term deposit (up to three months).

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Deemed remuneration

Deemed remuneration represents payments made for the acquisition of or investment in companies and limited liability partnerships that are dependent on continuing employment, in accordance with the IFRS Interpretations Committee's interpretation of paragraph B55 of IFRS3 that this dependency means that they should be accounted for regardless of other factors.

The deemed remuneration charge arising in any one year therefore includes an element of judgement as to the expected performance of the underlying business across the relevant period and should cumulative performance fail to meet target at the settlement date, the ultimate cash payment could be lower than the cumulative charge, resulting in a true up in the final year. Equally, should absolute targets not be met, then the amount received by the individual members or the employees in final settlement may be nil.

4. Profit for the year

As the Company was entitled to an exemption from audit in 2018 (and 2017) no fees were payable for the audit of the Company's annual financial statements.

VCCP Holdings Limited
Notes to the unaudited financial statements
For the year ended 31 December 2018

5. Finance cost (net)

	Year ended 2018	Year ended 2017
Interest receivable		
Other interest receivable	-	84
	<u>-</u>	<u>84</u>

6. Tax

	Year ended 2018 £	Year ended 2017 £
Analysis of charge in year:		
Current tax:		
Corporation tax at 19% (2017: 19.25%)	2,731,121	2,593,697
Adjustments in respect of prior years	<u>(190,671)</u>	<u>(5,223)</u>
Deferred tax :		
Origination and reversal of timing differences	(22,949)	(39,069)
Adjustments in respect of prior years	<u>(77,903)</u>	<u>(238)</u>
	<u>2,439,598</u>	<u>2,459,168</u>

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	Year ended 2018 £	Year ended 2017 £
Profit before tax	<u>12,612,862</u>	<u>9,449,964</u>
Tax at the UK corporation tax rate of 19% (2017: 19.25%)	2,396,444	1,819,118
Effects of other permanent differences	325,895	721,213
Adjustments in respect of prior periods	(268,574)	(5,461)
Deferred tax asset arising on acquisition of trade	(15,091)	14,298
Difference between current and deferred tax rates	924	
	<u>2,439,598</u>	<u>2,549,168</u>

Corporation tax is calculated at 19 per cent (2017: 19.25%) of the estimated taxable profit for the year.

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. These will reduce the company's future current tax charge accordingly. The deferred tax balance at 31 December 2018 has been calculated based on these rates substantively enacted at the balance sheet date.

VCCP Holdings Limited
Notes to the unaudited financial statements
For the year ended 31 December 2018

7. Subsidiaries

	£
Carrying amount on 1 January 2018	13,528,773
Additions	1,099,097
Contribution to VCCP Group LLP	(360,967)
Carrying amount at 31 December 2018	<u>14,266,903</u>

Details of the Company's subsidiaries at 31 December 2018 are as follows:

Name	Place of incorporation and principal place of business %	Proportion of ownership interest %	Proportion of voting power held %
VCCP Blue Limited	England and Wales	100	100
VCCP Search Limited	England and Wales	100	100
VCCP Limited	England and Wales	100	100
Gulliford Consulting Limited	England and Wales	100	100
Tree (London) Limited	England and Wales	100	100
VCCP Group LLP	England and Wales	99.99	99.99
AdConnection Holdings Limited	England and Wales	100	100
Pure Media Group Limited	England and Wales	100	100

The investments in subsidiaries are all stated at cost less provision for impairment. All investments held are in ordinary shares.

On 1 Jan 2018, the share capital of Pure Media Group Limited was acquired by VCCP Holdings Limited. The trade and assets of Pure Media Group Limited were subsequently hived up into VCCP Holdings Limited and contributed at net book value to VCCP Group LLP on the same day.

8. Trade and other receivables

	2018 £	2017 £
Current assets:		
Amounts owed by group undertakings	<u>23,486,928</u>	<u>15,710,457</u>
	23,486,928	15,710,457

Intercompany balances are repayable on demand. No interest is charged on these balances.

9. Trade and other payables

	2018 £	2017 £
Non-current liabilities		
Amounts owed to group undertakings	<u>17,908,635</u>	<u>13,609,837</u>
	17,908,635	13,609,837

Intercompany balances are repayable on demand. No interest is charged on these balances.

VCCP Holdings Limited
Notes to the unaudited financial statements
For the year ended 31 December 2018

10. Share capital

	2018 £	2017 £
Authorised:		
624 ordinary shares of £1 each	<u>624</u>	<u>624</u>
Issued and fully paid:		
624 ordinary shares of £1 each	<u>624</u>	<u>624</u>

11. Contingent liabilities

The Company, together with the ultimate parent company and certain other companies in the Chime Group Holdings Limited group ("Chime"), has given an unlimited cross-guarantee in favour of its bankers. The Company operates under Chime's banking facility.

Chime has a committed facility of £289.5m (2017: £289.5m) with a syndicate of banks. £34.5m matures in August 2023 and £255.0m matures in August 2024. Chime manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. At 31 December 2018, Chime had borrowings net of cash of £180.9m (2017: £241.4m) and the undrawn committed facility was therefore £34.5m (2017: £24.0m).

Cash flow movements are monitored to ensure that sufficient financial resources are available. The Group has seen an increase in client pressure to extend credit terms and the resulting terms are closely monitored.

Deferred and contingent consideration

In addition to the potential deferred and contingent consideration provided £346 at 31 December 2018 (2017: £346) there was a maximum financial commitment of £nil (2017: £nil) undiscounted in respect of unprovided deferred contingent consideration payable in respect of acquisitions of subsidiary undertakings. The calculation of the deferred consideration liability requires estimates to be made regarding the forecast future performance of these businesses for the earnout period.

Deemed remuneration

There is no unprovided deemed remuneration provision in addition to the £0.2 million disclosed in note 14. The calculation of the deemed remuneration liability requires estimates to be made regarding the forecast future performance of these businesses for the period of service. Timing of payments is set out in the relevant share purchase or members agreements.

In addition to the £0.2 million (2017: £6.1 million) deemed remuneration provision, £0.2 million (2017: £3.1 million) will be expensed over the period of service based on the current fair value. In addition, an undiscounted amount of £nil (2017: £nil) would be charged under the earn-out agreements should maximum performance targets be met. The calculation of the deemed remuneration liability requires estimates to be made regarding the future financial performance of these businesses for the period of service. The unprovided deemed remuneration would become payable over periods from 2018 to 2021 and would be payable in cash/loan notes.

VCCP Holdings Limited
Notes to the unaudited financial statements
For the year ended 31 December 2018

12. Related party transactions

The following amounts were outstanding at the balance sheet date:

	Amounts owed to related parties		Amounts owed by related parties	
	2018	2017	2018	2017
	£	£	£	£
VCCP Group LLP	22,995,847	15,674,182	-	-
	<u>22,995,847</u>	<u>15,674,182</u>	<u>-</u>	<u>-</u>

VCCP Group LLP (99.99%) is a related party as Chime Group Holdings Limited is the majority shareholder. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. The costs of D Crowther were borne and not recharged by another group company during the current period.

13. Deemed Remuneration

Deemed remuneration depends on the future profits on the subsidiaries. Timing of payments is set out in the relevant share purchase or members agreements.

	2018	2017
	£	£
On 1 January	6,050,713	2,609,172
Increase in capital contribution for Deemed remuneration in the companies subsidiaries	860,372	3,441,541
Unwind Finance	90,188	-
Payments	<u>(6,764,989)</u>	<u>-</u>
At 31 December	<u>236,284</u>	<u>6,050,713</u>
Included in current liabilities	-	-
Included in non-current liabilities	236,284	6,050,713

VCCP Holdings Limited
Notes to the unaudited financial statements
For the year ended 31 December 2018

14. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting year.

	Accelerated tax depreciation	Short-term timing difference	Total
	£	£	£
At 1 January 2017	308,801	31,358	340,159
Charge to profit or loss	69,004	(29,698)	39,306
Transferred in from another Group company	-	-	-
At 31 December 2017	377,805	1,660	379,465
Charge to profit or loss	41,146	59,706	100,852
Transferred in from another Group Company	-	-	-
At 31 December 2018	418,951	61,366	480,317

15. Controlling party

The Company's immediate parent undertaking and its immediate controlling party is Chime Communications Limited, incorporated in the United Kingdom and registered in England and Wales. The Company's ultimate parent Company and controlling party is PM VII S.a.r.l, a Company incorporated and registered in Luxembourg.

The largest group for which the Group financial statements are prepared and of which the Group is a member is Chime Group Holdings Limited, which is incorporated in the United Kingdom and has a registered in England and Wales. The address of the registered office is 62 Buckingham Gate, London, United Kingdom, SW1E 6AJ.

The smallest group for which the Group financial statements are prepared and of which the Group is a member is Chime Group Limited which is incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is PO Box 70693, 62 Buckingham Gate, London, United Kingdom, SW1E 9ZP.

Copies of their financial statements are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.