

Registered number: 07446749

## BLIPPAR.COM LTD

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012



**BLIPPAR COM LTD**

**COMPANY INFORMATION**

**Directors**

A Mitra  
O Tayeb  
A Graham (appointed 18 December 2012)  
J Simpson (appointed 18 December 2012)  
S Spencer (appointed 18 December 2012)

**Company secretary**

A Graham

**Registered number**

07446749

**Registered office**

6th Floor  
Weston House  
246 High Holborn  
London  
WC1V 7EX

**Independent auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

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**BLIPPAR COM LTD**

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## **BLIPPAR COM LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2012**

The directors present their report and the financial statements for the year ended 30 November 2012

#### **Principal activities**

The principal activity of the company continued to be the provision of an image-recognition platform for smart devices targeted specifically at brand and media to consumer interaction, along with additional design and public relations advice

#### **Directors**

The directors who served during the year and up until the date of this report were as follows

A Mitra  
O Tayeb  
A Graham  
J Simpson  
S Spencer

#### **Future outlook**

The directors are confident of the future trading performance of the company, as it continues to grow its customer and user base whilst developing its technology and application features

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

On 28 February 2013, the entire ownership interest of Blippar LLC was transferred to Blippar com Ltd for nil consideration

In June 2013, further Loan Notes to the sum of £820,000 were arranged with the existing investor. This has resulted in the conversion of the year end Loan Note balance of £201,445 into Preferred Shares

#### **Qualifying third party indemnity provisions**

During the year and up to the date of this report, qualifying third party indemnity insurance was maintained for the directors

#### **Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the company continues in operational existence for a period of at least 12 months from the balance sheet date

The company has made a loss for the year of £117,244 (period to 30 November 2011 £35,994 profit), and the balance sheet shows net liabilities of £80,250 as at 30 November 2012 (2011 £36,994 net assets). Included within liabilities are loans from directors of £141,334 (2011 £87,000)

The directors have reviewed the budget and cash flow forecasts and the associated risks and sensitivities. They have also considered the advanced nature of further ongoing fundraising and have received assurances from the holders of the convertible loan notes that they anticipate triggering the equity conversion as opposed to seeking repayment of the loan.

Based on the evidence available they have therefore concluded that the company is able to meet its external liabilities as they fall due and that the going concern basis of preparation is therefore appropriate

**BLIPPAR COM LTD**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

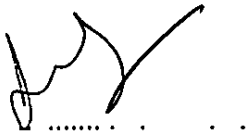
**Provision of information to auditors**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 30 August 2013 and signed on its behalf



.....  
**A Mitra**  
Director

**BLIPPAR.COM LTD**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing 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 prepared the 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 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 judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

## **BLIPPAR.COM LTD**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLIPPAR COM LTD**

We have audited the financial statements of Blippar com Ltd for the year ended 30 November 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


**BLIPPAR COM LTD**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLIPPAR COM LTD**

**Matters on which we are required to report by exception**

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

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



**Simon O'Brien** (Senior statutory auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

29 August 2013



**BLIPPAR COM LTD**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

		<b>Year ended 30 November 2012 £</b>	<b>Unaudited Period to 30 November 2011 £</b>
	<b>Note</b>		
<b>TURNOVER</b>	1,2	<b>935,815</b>	<b>152,942</b>
Cost of sales		<b>(287,656)</b>	<b>(13,214)</b>
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		<b>648,159</b>	<b>139,728</b>
Administrative expenses		<b>(759,370)</b>	<b>(95,434)</b>
		<hr/>	<hr/>
<b>OPERATING (LOSS)/PROFIT</b>	3	<b>(111,211)</b>	<b>44,294</b>
Interest receivable and similar income		<b>88</b>	<b>11</b>
Interest payable and similar charges		<b>(14,432)</b>	<b>-</b>
		<hr/>	<hr/>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(125,555)</b>	<b>44,305</b>
Tax on (loss)/profit on ordinary activities	5	<b>8,311</b>	<b>(8,311)</b>
		<hr/>	<hr/>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	10	<b>(117,244)</b>	<b>35,994</b>
		<hr/>	<hr/>

The notes on pages 8 to 12 form part of these financial statements

**BLIPPAR COM LTD**  
**REGISTERED NUMBER. 07446749**

**BALANCE SHEET**  
**AS AT 30 NOVEMBER 2012**

	Note	£	2012 £	£	Unaudited 2011 £
<b>FIXED ASSETS</b>					
Tangible assets	6		16,833		2,873
<b>CURRENT ASSETS</b>					
Debtors	7	526,768		160,506	
Cash at bank in hand		4,504		46,876	
			<u>531,272</u>	<u>207,382</u>	
<b>CREDITORS. amounts falling due within one year</b>	8	(628,355)		(173,261)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(97,083)</u>		34,121
<b>NET (LIABILITIES)/ASSETS</b>			<u>(80,250)</u>		<u>36,994</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		1,000		1,000
Profit and loss account	10		(81,250)		35,994
<b>TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS</b>			<u>(80,250)</u>		<u>36,994</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 August 2013

.. ..  
  
**A Mitra**  
 Director

The notes on pages 8 to 12 form part of these financial statements

## **BLIPPAR.COM LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012**

#### **1 ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008)

The principal accounting policies, which have been applied consistently throughout the year, are set out below

##### **1.2 Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the company continues in operational existence for a period of at least 12 months from the balance sheet date

The company has made a loss for the year of £117,244 (period to 30 November 2011 £35,994 profit), and the balance sheet shows net liabilities of £80,250 as at 30 November 2012 (2011 £36,994 net assets) Included within liabilities are loans from directors of £141,334 (2011 £87,000)

The directors have reviewed the budget and cash flow forecasts and the associated risks and sensitivities They have also considered the advanced nature of further ongoing fundraising and have received assurances from the holders of the convertible loan notes that they anticipate triggering the equity conversion as opposed to seeking repayment of the loan

Based on the evidence available they have therefore concluded that the company is able to meet its external liabilities as they fall due and that the going concern basis of preparation is therefore appropriate

##### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts Specific streams of income are recognised as follows -

License revenue is recognised on a straight line basis over the life of a campaign  
Design and Technology revenue is booked at the completion of the build  
Marker revenue is recognised on a straight line basis over the life of a campaign

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Office equipment	-	25% - Straight line basis
Computer equipment	-	25% - Straight line basis

# BLIPPAR COM LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

### 1. ACCOUNTING POLICIES (continued)

#### 1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

#### 1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

### 2. TURNOVER

31.9% of the company's turnover (2011 - NIL) is attributable to geographical markets outside the United Kingdom

### 3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	Year ended 30 November 2012 £	Unaudited Period to 30 November 2011 £
Depreciation of tangible fixed assets - owned by the company	3,421	957
Auditors' remuneration	10,000	-
	<u>13,421</u>	<u>957</u>

### 4. DIRECTORS' REMUNERATION

	Year ended 30 November 2012 £	Unaudited Period to 30 November 2011 £
Aggregate emoluments	104,000	2,503
	<u>104,000</u>	<u>2,503</u>

**BLIPPAR.COM LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

**5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

	Year ended 30 November 2012 £	Unaudited Period to 30 November 2011 £
UK corporation tax charge on (loss)/profit for the year/period	<u>(8,311)</u>	<u>8,311</u>

**6. TANGIBLE ASSETS**

	Office equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 December 2011	-	3,830	3,830
Additions	2,051	15,330	17,381
At 30 November 2012	<u>2,051</u>	<u>19,160</u>	<u>21,211</u>
<b>Depreciation</b>			
At 1 December 2011	-	957	957
Charge for the year	152	3,269	3,421
At 30 November 2012	<u>152</u>	<u>4,226</u>	<u>4,378</u>
<b>Net book value</b>			
At 30 November 2012	<u>1,899</u>	<u>14,934</u>	<u>16,833</u>
At 30 November 2011	<u>-</u>	<u>2,873</u>	<u>2,873</u>

**7. DEBTORS**

	2012 £	Unaudited 2011 £
Trade debtors	348,789	147,776
Other debtors	177,979	12,730
	<u>526,768</u>	<u>160,506</u>

**BLIPPAR.COM LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2012**

**8. CREDITORS:**  
**Amounts falling due within one year**

	2012 £	Unaudited 2011 £
Other loans	201,445	-
Trade creditors	109,341	11,410
Corporation tax	-	8,311
Other taxation and social security	85,522	23,488
Other creditors	232,047	130,052
	<u>628,355</u>	<u>173,261</u>

The balance of other loans of £201,445 is the amount due to Qualcomm Incorporated (Qualcomm). The loan consists of the initial capital transferred of \$300,000 and interest accrued at a rate of 8% per annum. The loan, including accrued interest, is repayable on demand. During the time the loan remains outstanding, the lender shall have the right, but not the obligation, to convert the loan into "Preferred Shares". Please also refer to note 12.

**9. CALLED UP SHARE CAPITAL**

	2012 £	Unaudited 2011 £
<b>Allotted, called up and fully paid</b>		
100,000 (2011: 1,000) Ordinary shares of £0.01 (2011: £1) each	<u>1,000</u>	<u>1,000</u>

During the year the company sub-divided its share capital into 100,000 ordinary shares of £0.01.

**10. PROFIT AND LOSS ACCOUNT**

	£
At 1 December 2011	35,994
Loss for the year	(117,244)
	<u>(81,250)</u>
At 30 November 2012	<u>(81,250)</u>

## **BLIPPAR.COM LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012**

#### **11. RELATED PARTY TRANSACTIONS**

During the year, Omar Tayeb, a director and shareholder of the company, made a loan of £nil (2011 £43,500) to the company, and withdrew a cash amount of £2,833 (2011 £nil). The balance at the year end therefore is £40,667 owed by the company. This loan is payable within one year and is interest free.

During the year, Ambarish Mitra, a director and shareholder of the company, made a loan of £nil (2011 £43,500) to the company, and withdrew a cash amount of £2,833 (2011 £nil). The balance at the year end therefore is £40,667 owed by the company. This loan is payable within one year and is interest free.

During the year, Andrew Graham, an acting director of the company, made a loan of £60,000 to the company. The balance at the year end is £60,000. The loan is payable within one year and is interest free.

Blippar Com Ltd is related to Blippar LLC, a company incorporated in the USA, by virtue of Andrew Graham's ownership in his position as acting director. Please refer to note 12.

During the year, the company made payments of £21,379 (2011 £nil) on behalf of Blippar LLC. Blippar LLC received cash on behalf of the company of £41,400 (2011 £nil) from customers of the UK entity. The company received £52,093 (2011 £nil) of cash transfers from Blippar LLC, and provided services including labour and access to technology with a value of £137,914 (2011 £nil) to Blippar LLC. At the year end, the total balance owing by Blippar LLC to the company in relation to these transactions was £147,174 (2011 £nil), taking into account a foreign exchange loss of £1,426 (2011 £nil). This balance is included within other debtors due within one year, and does not bear interest.

#### **12. POST BALANCE SHEET EVENTS**

On 28 February 2013, the entire ownership interest of Blippar LLC was transferred to Blippar com Ltd for nil consideration.

In June 2013, further Loan Notes to the sum of £820,000 were arranged with the existing investor. This has resulted in the conversion of the year end Loan Note balance of £201,445 (note 8) into Preferred Shares.

#### **13. CONTROLLING PARTY**

In the opinion of the directors, there is no single controlling party.