

**FLIPBOARD UK LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**FLIPBOARD UK LIMITED**

**COMPANY INFORMATION**

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<b>Director</b>	M S McCue
<b>Registered number</b>	08273855
<b>Registered office</b>	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
<b>Independent auditors</b>	F&L Corporate Reporting Services Limited

**FLIPBOARD UK LIMITED**

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BALANCE SHEET  
AS AT 31 DECEMBER 2019

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	Note	2019 £	As restated 2018 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	4	430,276	343,447
Cash at bank and in hand		13,623	32,791
		<u>443,899</u>	<u>376,238</u>
Creditors: amounts falling due within one year	5	(84,041)	(123,953)
<b>Net current assets</b>		<u>359,858</u>	<u>252,285</u>
<b>Total assets less current liabilities</b>		<u>359,858</u>	<u>252,285</u>
<b>Net assets</b>		<u><u>359,858</u></u>	<u><u>252,285</u></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Capital contribution reserve	6	25,408	22,187
Profit and loss account		334,449	230,097
		<u>359,858</u>	<u>252,285</u>

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

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 August 2020.

**M S McCue**  
Director

The notes on pages 2 to 5 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Going concern

On 11 March 2020, the World Health Organisation ("WHO") declared a pandemic in relation to Coronavirus disease ("COVID-19"). The outbreak and unprecedented spread of the Coronavirus across the globe has had a profound impact on the local and global markets in a short space of time, and is expected to continue to shape the economic landscape for the immediate future. The Flipboard group have taken measures to carefully manage cashflow and working capital arrangements, which remain under stringent group control. The director continues to monitor closely the impact of the unfolding events in order to respond swiftly to any consequential implications on the business.

Flipboard UK Limited has received written confirmation from its ultimate parent company, Flipboard, Inc., that it will continue to provide financial support to the Company for a period of at least 12 months from the date of signing these financial statements. For this reason, the director continues to adopt the going concern basis in preparing the financial statements.

The following principal accounting policies have been applied:

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Rendering of services**

Turnover is recognised on a cost plus 10% basis, in line with the intercompany service agreement with the parent company. Intercompany turnover is recognised when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the intercompany service agreement; and
- the costs incurred under the intercompany service arrangement can be measured reliably.

1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are intercompany loans. No interest is charged on the loan, which is repayable on demand

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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1. Accounting policies (continued)

1.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash held on deposit by service providers is included within bank and cash balances, as these amounts are highly liquid and repayable without penalty on notice of no more than 24 hours

1.6 Creditors

Short term creditors are measured at the transaction price.

1.7 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

1.8 Share based payments

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

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

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

1.9 Operating leases: the Company as lessee

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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1. Accounting policies (continued)

1.10 Pensions

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.11 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.12 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified, though the auditor drew attention to note 1.2 to these financial statements which indicates the existence of material uncertainty which may cause significant doubt about the Company's ability to continue as a going concern.

The audit report was signed on 19 November 2020 by Louise Morriss BFP ACA FCCA (Senior Statutory Auditor) on behalf of F&L Corporate Reporting Services Limited.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2018 - 6).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Debtors

	2019	<i>As restated</i>
	£	2018
		£
Amounts owed by group undertakings	430,129	342,839
Other debtors	147	608
	<u>430,276</u>	<u>343,447</u>

An amount of £37,791 has been reclassified from other debtors to cash in the comparatives to reflect the liquidity of this balance.

5. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Corporation tax	23,117	30,629
Other taxation and social security	11,854	24,735
Other creditors	1,027	-
Accruals and deferred income	48,043	68,589
	<u>84,041</u>	<u>123,953</u>

6. Capital contribution reserve

Certain employees of the Company along with other group employees have been granted options over the shares in the Company's parent. The options are granted at an independently determined fair value and a portion of the options are exercisable one year after the grant date, vesting continues monthly thereafter, with the remaining portion of shares granted vesting on a straight-line basis over 48 months.

An expense equivalent to the fair value of the share options granted is recognised evenly over the vesting period with a corresponding amount being recognised in the capital contribution reserve.

7. Parent company

Flipboard, Inc. is the parent company of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The registered office of the parent company is 811 Hamilton Street, Redwood City, California 94063, USA.

8. Post balance sheet events

There were no adjusting or non-adjusting events occurring between the end of the reporting period and the date these financial statements were approved.





This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.