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Registered number: SC394617

**ZAPPAR LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

WEDNESDAY



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**ZAPPAR LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	Jens Caspar Thykier (appointed 2 March 2011) Connell Gould (appointed 6 July 2011) Kirk Ewing (appointed 6 July 2011) Simon Taylor (appointed 6 July 2011)
<b>COMPANY NUMBER</b>	SC394617
<b>REGISTERED OFFICE</b>	20 Forth Street Edinburgh EH1 3LH
<b>AUDITOR</b>	Nexia Smith & Williamson Chartered Accountants & Registered Auditors 25 Moorgate London EC2R 6AY

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**ZAPPAR LIMITED**

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## ZAPPAR LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2012

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The directors present their report and the financial statements for the period ended 31 March 2012.

The company was incorporated on 2 March 2011 and commenced trading on 1 June 2011.

#### 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 elected to prepare 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 estimates that are reasonable and prudent;
- 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.

#### PRINCIPAL ACTIVITIES

The principal activity of Zappar Limited is the development of augmented reality enabled products and branded entertainment experiences on smartphones and handheld devices.

#### DIRECTORS

The directors who served during the period were:

Jens Caspar Thykier (appointed 2 March 2011)  
Connell Gould (appointed 6 July 2011)  
Kirk Ewing (appointed 6 July 2011)  
Simon Taylor (appointed 6 July 2011)

#### PROVISION OF INFORMATION TO AUDITOR

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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

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ZAPPAR LIMITED

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DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 MARCH 2012

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AUDITOR

Under section 487(2) of the Companies Act 2006, Nexia Smith & Williamson will be deemed to have been reappointed as auditor.

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 and signed on its behalf.



Director **CASPAR THYKIER**

Date: **16 NOVEMBER 2012**

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**ZAPPAR LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZAPPAR LIMITED**

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We have audited the financial statements of Zappar Limited for the period ended 31 March 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).

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

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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. 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.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**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 31 March 2012 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

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ZAPPAR LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZAPPAR LIMITED

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**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.

*Nexia Smith & Williamson*

Stephen Drew (Senior statutory auditor)

for and on behalf of

**Nexia Smith & Williamson**

Chartered Accountants  
Registered Auditors

25 Moorgate  
London

EC2R 6AY

Date: 19 NOVEMBER 2012

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**ZAPPAR LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2012**

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	Note	Period ended 31 March 2012 £
<b>TURNOVER</b>	1	<b>336,903</b>
Administrative expenses		<u>(328,980)</u>
<b>OPERATING PROFIT</b>	2	<b>7,923</b>
Interest payable and similar charges		<u>(2,201)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>5,722</b>
Tax on profit on ordinary activities	3	<u>(2,040)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	13	<u><u>3,682</u></u>

All amounts relate to continuing operations.

There were no recognised gains or losses for the period other than those included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.



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**ZAPPAR LIMITED**  
**REGISTERED NUMBER: SC394617**

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**BALANCE SHEET**  
**AS AT 31 MARCH 2012**

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	Note	£	2012 £
<b>FIXED ASSETS</b>			
Intangible assets	4		11,247
Tangible assets	5		19,803
Investments	6		100
			<u>31,150</u>
<b>CURRENT ASSETS</b>			
Debtors	7	149,466	
Cash at bank		135,222	
		<u>284,688</u>	
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(125,161)</u>	
<b>NET CURRENT ASSETS</b>			<u>159,527</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>190,677</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9		(152,102)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	10	(2,040)	
Other provisions	11	(2,653)	
			<u>(4,693)</u>
<b>NET ASSETS</b>			<u>33,882</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12		200
Capital reserve	13		30,000
Profit and loss account	13		3,682
			<u>33,882</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>33,882</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).

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ZAPPAR LIMITED

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BALANCE SHEET (continued)  
AS AT 31 MARCH 2012

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

STK

Director CASPAR THYKIER

Date: 16 NOVEMBER 2012

The notes on pages 8 to 14 form part of these financial statements.

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**ZAPPAR LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

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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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**1.2 Turnover**

Turnover comprises revenue recognised by the company in respect of services supplied during the period, exclusive of Value Added Tax and trade discounts.

Revenue is recognised by reference to the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement.

**1.3 Intangible fixed assets and amortisation**

Intangible assets relate to intellectual property which is stated at cost less amortisation. Amortisation is provided to write off the cost of the intellectual property over the expected useful life, which is 3 years.

**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%
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**1.5 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

**1.6 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

**1.7 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.

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ZAPPAR LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012

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2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period ended 31 March 2012 £
Depreciation of tangible fixed assets:	
- owned by the company	2,753
Auditor's remuneration	7,500
Directors' emoluments	45,000
Amortisation - intangible fixed assets	3,753
Difference on foreign exchange	(1,189)
	<u>          </u>

3. TAXATION

	Period ended 31 March 2012 £
<b>Analysis of tax charge in the period</b>	
<b>Current tax</b>	
UK corporation tax charge on profit for the period	-
<b>Deferred tax (see note 10)</b>	
Origination and reversal of timing differences	2,040
	<u>          </u>
<b>Tax on profit on ordinary activities</b>	<u>          </u> <u>          </u>

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**ZAPPAR LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

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**3. TAXATION (continued)**

**Factors affecting tax charge for the period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 26.15%. The differences are explained below:

	Period ended 31 March 2012 £
Profit on ordinary activities before tax	5,722
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.15%	1,496
<b>Effects of:</b>	
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,376
Capital allowances for period in excess of depreciation	(4,530)
Short term timing difference leading to an increase (decrease) in taxation	694
Non-taxable income - fixed assets	(649)
Unrelieved tax losses carried forward	1,613
<b>Current tax charge for the period (see note above)</b>	<b>-</b>

**4. INTANGIBLE FIXED ASSETS**

	Intellectual property £
<b>Cost</b>	
Additions	15,000
At 31 March 2012	15,000
<b>Amortisation</b>	
Charge for the period	3,753
At 31 March 2012	3,753
<b>Net book value</b>	
At 31 March 2012	11,247

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**ZAPPAR LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

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**5. TANGIBLE FIXED ASSETS**

	Office equipment £
<b>Cost</b>	
Additions	22,556
At 31 March 2012	<u>22,556</u>
<b>Depreciation</b>	
Charge for the period	2,753
At 31 March 2012	<u>2,753</u>
<b>Net book value</b>	
At 31 March 2012	<u><u>19,803</u></u>

**6. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
Additions	100
At 31 March 2012	<u><u>100</u></u>

During the period Zappar Limited issued 10,000 shares, at par, in exchange for the 100% of the share capital of Extra Reality Limited.

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Extra Reality Limited	Ordinary	100%

**7. DEBTORS**

	2012 £
Trade debtors	144,750
Other debtors	4,716
	<u><u>149,466</u></u>

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**ZAPPAR LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

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**8. CREDITORS:**

**Amounts falling due within one year**

	2012 £
Trade creditors	11,391
Social security and other taxes	11,972
Accruals and deferred income	88,343
Other creditors	13,455
	<u>125,161</u>

**9. CREDITORS:**

**Amounts falling due after more than one year**

	2012 £
Other loans	152,102

The loan is repayable in 25 years, unsecured and accrues an interest charge of 4% per annum.

**10. DEFERRED TAXATION**

	2012 £
At beginning of period	-
Charge for period	2,040
	<u>2,040</u>
At end of period	<u>2,040</u>

The provision for deferred taxation is made up as follows:

	2012 £
Accelerated capital allowances	(3,520)
Tax losses carried forward	1,480
	<u>(2,040)</u>

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**ZAPPAR LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

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**11. PROVISIONS**

	<b>Dilapidation provision £</b>
Additions	<u>2,653</u>
At 31 March 2012	<u><u>2,653</u></u>

**12. SHARE CAPITAL**

	<b>2012 £</b>
<b>Allotted, called up and fully paid</b>	
20,001 Ordinary shares of £0.01 each	<u><u>200</u></u>

During the period the company issued 10,001 shares, at par, for cash consideration. The company also issued 10,000 shares, at par, for 100% of the share capital of Extra Reality Limited.

**13. RESERVES**

	<b>Capital reserve £</b>	<b>Profit and loss account £</b>
Profit for the period	-	3,682
Capital contribution	30,000	-
At 31 March 2012	<u><u>30,000</u></u>	<u><u>3,682</u></u>

**14. OPERATING LEASE COMMITMENTS**

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings 2012 £</b>
<b>Expiry date:</b>	
Between 2 and 5 years	<u><u>16,632</u></u>

On the 8 June 2012 the company entered into a new operating lease, replacing the existing lease, which has annual commitments of £43,620.



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**ZAPPAR LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

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**15. RELATED PARTY TRANSACTIONS**

During the period Zappar Limited received a loan for £149,900 from Veemee Limited, a company with common directors. This loan is unsecured and incurs an annual interest charge at a rate of 4%. £2,201 of interest has been accrued during the period and £151,201 is outstanding at the period end.

During the period Veemee Limited have also paid £14,386 of expenses on behalf of Zappar Limited of which £13,455 is outstanding at the period end which is included in other creditors.

During the period Veemee Limited provided services to Zappar Limited worth £30,000. These services were provided free of charge and as such have been expensed through the profit and loss account and credited to the capital reserve.

**16. CONTROLLING PARTY**

In the opinion of the directors Zappar (Holding) Limited is the ultimate controlling party.