

Registered number: 08273855 (England and Wales)

FLIPBOARD UK LIMITED

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



FLIPBOARD UK LIMITED

COMPANY INFORMATION

Director	M S McCue
Registered number	08273855
Registered office	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
Independent auditors	F&L Corporate Reporting Services Limited Chartered Accountants and Statutory Auditors New Penderel House 4th Floor 283-288 High Holborn London United Kingdom WC1V 7HP

FLIPBOARD UK LIMITED

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FLIPBOARD UK LIMITED
REGISTERED NUMBER:08273855

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	4	376,238	315,565
		<u>376,238</u>	<u>315,565</u>
Creditors: amounts falling due within one year	5	(123,953)	(159,818)
Net current assets		<u>252,285</u>	<u>155,747</u>
Total assets less current liabilities		<u>252,285</u>	<u>155,747</u>
Net assets		<u><u>252,285</u></u>	<u><u>155,747</u></u>
Capital and reserves			
Called up share capital		1	1
Other reserves	6	22,187	21,532
Profit and loss account	6	230,097	134,214
		<u>252,285</u>	<u>155,747</u>

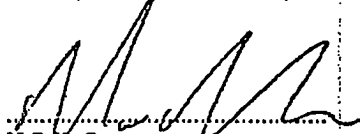
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 profit and loss account 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

9 September 2019



M S McCue
 Director

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

FLIPBOARD UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

The financial statements have been prepared on the going concern basis as Flipboard, Inc. has indicated its continuing financial support of the Company. Should this support be withdrawn, then all of the Company's assets would have to be restated at their net realisable values and its liabilities would have to be treated as falling due on demand.

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 from the intercompany service agreement is recognised in the period in which the services are provided in accordance with the stage of completion of the contract 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 contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.5 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.6 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.

1.7 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 Profit and Loss Account 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 Profit and Loss Account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Profit and Loss Account is charged with fair value of goods and services received.

1.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

FLIPBOARD UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.9 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 Profit and Loss Account 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.

1.10 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

1.11 Taxation

Tax is recognised in the Profit and Loss Account, 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 2018 was unqualified.

The audit report was signed by Louise Morriss 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 6 (2017 - 3).

FLIPBOARD UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	342,839	295,388
Other debtors	33,399	20,177
	<u>376,238</u>	<u>315,565</u>

5. Creditors: Amounts falling due within one year

	2018 £	2017 £
Corporation tax	30,629	26,454
Other taxation and social security	24,735	25,036
Accruals and deferred income	68,589	108,328
	<u>123,953</u>	<u>159,818</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 conditions 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.