

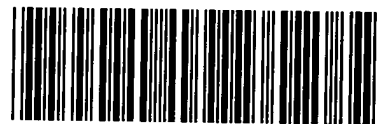
Registered number: 08297181

**ADBRAIN LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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02/05/2015

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COMPANIES HOUSE

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## **ADBRAIN LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO ADBRAIN LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 3 to 7, together with the financial statements of Adbrain Limited for the year ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' 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, for our work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with the regulations made under that section.

#### **OTHER INFORMATION**

On 16/2/2015 we reported as auditors to the members of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report included the following paragraph:

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure in note 1.1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a loss of £3,807,312 during the year ended 31 December 2014 with budgeted expenditure in the next year increasing which requires additional financing. These conditions, along with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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**ADBRAIN LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO ADBRAIN LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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*MHA MacIntyre Hudson*

John Coverdale BSc FCA (Senior statutory auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

New Bridge Street House

30-34 New Bridge Street

London

EC4V 6BJ

Date: 16/2/2015

**ADBRAIN LIMITED**  
**REGISTERED NUMBER: 08297181**

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	2		49,274		22,431
Investments	3		1		-
			<u>49,275</u>		<u>22,431</u>
<b>CURRENT ASSETS</b>					
Debtors		358,852		107,434	
Cash at bank		1,009,952		368,915	
		<u>1,368,804</u>		<u>476,349</u>	
<b>CREDITORS:</b> amounts falling due within one year		<u>(468,470)</u>		<u>(180,690)</u>	
<b>NET CURRENT ASSETS</b>			<u>900,334</u>		<u>295,659</u>
<b>NET ASSETS</b>			<u>949,609</u>		<u>318,090</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	4		514		387
Share premium account			5,426,645		987,941
Profit and loss account			<u>(4,477,550)</u>		<u>(670,238)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>949,609</u>		<u>318,090</u>

The abbreviated accounts, which 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, were approved and authorised for issue by the board and were signed on its behalf by:



**S L Goschalk**  
Director

Date: 12th February 2015

The notes on pages 4 to 7 form part of these financial statements.

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## **ADBRAIN LIMITED**

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### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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#### **1. ACCOUNTING POLICIES**

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

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Directors have adopted a going concern basis of preparation for the financial statements based upon the receipt of a term sheet for further investment into the Company of circ. US\$6M by way of a subscription for new shares. The term sheet has been issued by existing shareholders in the Company and has been accepted by the Board. The Directors consider that there are no material matters likely to lead to non-consummation of the investment.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### **1.2 Turnover**

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts. The turnover comprises the cost of the placement of the advertising plus a related commission.

##### **1.3 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
Computer equipment	-	50% and 33% straight line

##### **1.4 Investments**

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

##### **1.5 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

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**ADBRAIN LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. ACCOUNTING POLICIES (continued)**

**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. TANGIBLE FIXED ASSETS**

	£
<b>Cost</b>	
At 1 January 2014	26,929
Additions	53,436
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At 31 December 2014	80,365
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<b>Depreciation</b>	
At 1 January 2014	4,498
Charge for the year	26,593
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At 31 December 2014	31,091
	<hr/>
<b>Net book value</b>	
At 31 December 2014	49,274
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At 31 December 2013	22,431
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**ADBRAIN LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**3. FIXED ASSET INVESTMENTS**

	£
<b>Cost</b>	
At 1 January 2014	-
Additions	121,225
At 31 December 2014	121,225
<b>Impairment</b>	
At 1 January 2014	-
Charge for the year	121,224
At 31 December 2014	121,224
<b>Net book value</b>	
At 31 December 2014	1
At 31 December 2013	-

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	2014 £
Adbrain Inc.	Ordinary	100%	1

Name	Business	Registered office
Adbrain Inc.	Provision of services to advertisers	401 Park Avenue South, NY 10016, New York, USA

**4. SHARE CAPITAL**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
2,835,800 A shares of £0.0001 each (2013: 28,358 A Shares of £0.01 each)	284	284
1,031,400 Ordinary shares of £0.0001 each (2013: 10,314 Ordinary shares of £0.01 each)	103	103
1,268,312 A1 Ordinary shares of £0.0001 each	127	-
	514	387

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**ADBRAIN LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**4. SHARE CAPITAL (continued)**

On 11 February 2014 the 10,314 Ordinary Shares of £0.01 each were sub-divided into 1,031,400 Ordinary Shares of £0.0001 each and the 28,358 A Shares of £0.01 each were sub-divided into 2,835,800 A Shares of £0.0001 each.

During the year 1,268,312 A1 Ordinary Shares of £0.0001 each were allotted for a consideration of £4,463,844.

**5. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES**

An interest free loan was made during the period to the director P Sadeghpour. The amount owed at the period end is £6,200 (2013: £6,400).

An interest free loan was made during the period to the director G Rashid. The amount owed at the year end is £3,200 (2013: £nil).