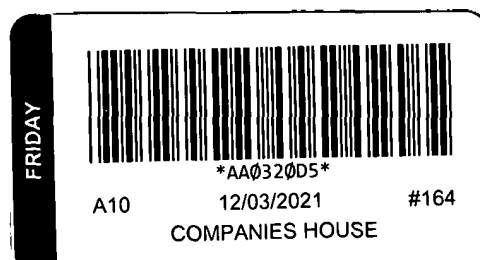


Registered number: 08880489

**OBLONG EUROPE LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



# **OBLONG EUROPE LIMITED**

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# **OBLONG EUROPE LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	D Clark P Holst
<b>Company secretary</b>	Taylor Wessing Secretaries Limited
<b>Registered number</b>	08880489
<b>Registered office</b>	5 New Street Square London EC4A 3TW
<b>Independent auditor</b>	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

**OBLONG EUROPE LIMITED****BALANCE SHEET  
AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	4	182,156	250,193
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	203,744	177,358
Cash at bank and in hand		22,314	28,950
		<u>226,058</u>	<u>206,308</u>
Creditors: amounts falling due within one year	6	(125,824)	(231,680)
<b>Net current assets/(liabilities)</b>		<u>100,234</u>	<u>(25,372)</u>
<b>Total assets less current liabilities</b>		<u>282,390</u>	<u>224,821</u>
<b>Provisions for liabilities</b>			
Deferred tax	7	(17,931)	(24,393)
		<u>(17,931)</u>	<u>(24,393)</u>
<b>Net assets</b>		<u><u>264,459</u></u>	<u><u>200,428</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	1,000	1,000
Foreign exchange reserve		(13,937)	(4,883)
Profit and loss account		277,396	204,311
<b>Total equity</b>		<u><u>264,459</u></u>	<u><u>200,428</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime. The profit and loss account and directors' report have not been filed.

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



**D Clark**  
Director

Date: March 8, 2021

The notes on pages 4 to 11 form part of these financial statements.

# OBLONG EUROPE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2018</b>	<b>1,000</b>	<b>5,134</b>	<b>143,518</b>	<b>149,652</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	60,793	60,793
Foreign exchange loss	-	(10,017)	-	(10,017)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(10,017)</b>	<b>60,793</b>	<b>50,776</b>
<b>At 1 January 2019</b>	<b>1,000</b>	<b>(4,883)</b>	<b>204,311</b>	<b>200,428</b>
<b>Comprehensive income for the year</b>				
Profit for the financial year	-	-	73,085	73,085
Foreign exchange loss	-	(9,054)	-	(9,054)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(9,054)</b>	<b>73,085</b>	<b>64,031</b>
<b>At 31 December 2019</b>	<b>1,000</b>	<b>(13,937)</b>	<b>277,396</b>	<b>264,459</b>

# **OBLONG EUROPE LIMITED**

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

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### **1. General information**

Oblong Europe Limited is a private company limited by shares incorporated in England. The address of its registered office is 5 New Street Square, London, EC4A 3TW.

The financial statements are presented in Sterling (£).

### **2. Accounting policies**

#### **2.1 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.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

Subsequent to the year end, the directors determined to close the company as part of a restructuring of the group. The directors are in the process of implementing an orderly winding up of the company's affairs. The financial statements have therefore been prepared on a basis other than going concern. As the decision to close the business was made subsequent to the year end, these financial statements do not reflect any adjustments in respect of costs to close the business, including impairment of fixed assets and associated closure costs as these are non adjusting post balance sheet entries.

#### **2.3 Revenue**

Turnover from contracts to provide sales and marketing services to its parent company is recognised if the period is which the services are provided.

Turnover is recognised to the extent that it is probable that the company will receive consideration due under the contract and the amount of turnover can be measured reliably.

Turnover is measured at the fair value of the consideration receivable, net of value added tax.

#### **2.4 Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

# **OBLONG EUROPE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **2. Accounting policies (continued)**

##### **2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 20% or 25%
Furniture, fittings and computer equipment	- 14.3% or 20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

##### **2.5 Financial instruments**

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

###### **Financial assets**

Basic financial assets, including other debtors, cash and bank balances and intercompany working capital balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

###### **Financial liabilities**

Basic financial liabilities, including other creditors and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**OBLONG EUROPE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.5 Financial instruments (continued)**

**Impairment of financial assets**

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.6 Cash**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.7 Share capital**

Ordinary shares are classified as equity.



# **OBLONG EUROPE LIMITED**

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

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### **2. Accounting policies (continued)**

#### **2.8 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is Sterling (£).

##### **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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable and similar income or interest payable and similar expenses'. All other foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

The results of overseas operations - comprising the German branch - are translated into Sterling (£) at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

#### **2.9 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.

#### **2.10 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 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.

# **OBLONG EUROPE LIMITED**

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

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### **2. Accounting policies (continued)**

#### **2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### **3. Employees**

The average monthly number of employees, including directors, during the year was 8 (2018: 8).

# OBLONG EUROPE LIMITED

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

### 4. Tangible fixed assets

	Leasehold improvements £	Furniture, fittings and computer equipment £	Total £
<b>Cost</b>			
At 1 January 2019	64,851	416,961	481,812
Additions	-	10,554	10,554
At 31 December 2019	64,851	427,515	492,366
<b>Depreciation</b>			
At 1 January 2019	40,598	191,021	231,619
Charge for the year	13,495	65,096	78,591
At 31 December 2019	54,093	256,117	310,210
<b>Net book value</b>			
At 31 December 2019	10,758	171,398	182,156
At 31 December 2018	24,253	225,940	250,193

### 5. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	77,790	-
Other debtors	71,532	74,487
Prepayments and accrued income	54,422	102,871
	<b>203,744</b>	<b>177,358</b>

Amounts owed by group undertakings are interest free and have no fixed repayment date.

# OBLONG EUROPE LIMITED

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

### 6. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	-	112,663
Corporation tax	27,117	26,765
Other taxation and social security	15,723	21,377
Other creditors	-	1,085
Accruals and deferred income	82,984	69,790
	<u>125,824</u>	<u>231,680</u>

### 7. Deferred taxation

	2019 £
At beginning of year	-(24,393)
Charged to profit or loss	6,462
<b>At end of year</b>	<b><u>(17,931)</u></b>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(18,327)	(26,905)
Other short term timing differences	396	2,512
	<u>(17,931)</u>	<u>(24,393)</u>

### 8. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
1,000 (2018 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

# **OBLONG EUROPE LIMITED**

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

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### **9. Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £21,725 (2018: £13,223). Contributions totalling £5,371 (2018: £4,553) were payable to the fund at the balance sheet date and are included in creditors.

### **10. Parent undertaking**

The smallest group for which consolidated financial statements are drawn up is headed by Oblong Industries Inc., whose registered office is 923 East Third Street, Suite 111, Los Angeles, CA 90013, United States.

### **11. Related party transactions**

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

### **12. Auditor's information**

The auditor's report on the company's full financial statements which was unqualified, included an emphasis of matter paragraph as described below. Those financial statements were audited by Blick Rothenberg Audit LLP and the auditor's report thereon was signed by Simon Mayston (senior statutory auditor).

#### **Emphasis of matter**

We draw attention to Note 2.2 to the financial statements which explains that the directors intend to dissolve the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2.2. Our opinion is not modified in this respect of this matter.