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Registered number: FC030699 (England and Wales)

SKYFIRE LABS, INC.

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

SKYFIRE LABS, INC.

COMPANY INFORMATION

Director	D Brown
Company secretary	D Brown
Registered number	FC030699
Registered office	150 Mathilda Pl #200 Sunnyvale, CA 94086 USA

SKYFIRE LABS, INC.

CONTENTS

	Page
Profit and Loss Account	1
Balance Sheet	2
Notes to the Financial Statements	3 - 7

SKYFIRE LABS, INC.

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
Turnover	13,156,811	36,841,851
Cost of sales	(1,249,659)	(10,078,429)
Gross profit	11,907,152	26,763,422
Administrative expenses	(11,833,083)	(16,490,488)
Operating profit	74,069	10,272,934
Interest receivable and similar income	12	13
Profit before tax	74,081	10,272,947
Tax on profit	(51,514)	(21,354)
Profit for the year	22,567	10,251,593

There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account.

SKYFIRE LABS, INC.
REGISTERED NUMBER:FC030699

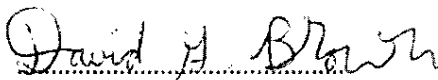
BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Fixed assets			
Tangible assets	2	15,754	175,080
		<u>15,754</u>	<u>175,080</u>
Current assets			
Debtors: amounts falling due within one year	3	3,171,374	11,457,623
Bank and cash balances		1,052,872	428,881
		<u>4,224,246</u>	<u>11,886,504</u>
Creditors: amounts falling due within one year	4	(2,462,897)	(10,477,419)
Net current assets		<u>1,761,349</u>	<u>1,409,085</u>
Total assets less current liabilities		<u>1,777,103</u>	<u>1,584,165</u>
Net assets		<u><u>1,777,103</u></u>	<u><u>1,584,165</u></u>
Capital and reserves			
Called up share capital		1	1
Other reserves		1,308,471	1,138,120
Profit and loss account		468,631	446,044
		<u>1,777,103</u>	<u>1,584,165</u>

The financial statements have been prepared in accordance with the provisions applicable to overseas companies under SI 2009/1801 of The Overseas Companies Regulations 2009 (Companies Act 2006) and have been prepared under US Generally Accepted Accounting Principles.

The company is not required to prepare and disclose accounts under parent law and is not required to produce audited financial statements.

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



D Brown
 Director

Date: 10/12/17

The notes on pages 3 to 7 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements are prepared in accordance with applicable United States Accounting Standards (United States Generally Accepted Accounting Principles), which have been applied consistently, unless otherwise stated.

The following principal accounting policies have been applied:

1.2 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:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services 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.

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.3 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:

Short-term leasehold property	- 50% on cost
Fixtures and fittings	- 50% on cost
Computer equipment	- 50% on cost

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.

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 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 equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.6 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 2016**

1. Accounting policies (continued)

1.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is USD.

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.

SKYFIRE LABS, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Tangible fixed assets

	Short-term leasehold property \$	Fixtures and fittings \$	Computer equipment \$	Total \$
Cost or valuation				
At 1 January 2016	52,948	62,645	1,487,301	1,602,894
Disposals	-	-	(58,694)	(58,694)
At 31 December 2016	52,948	62,645	1,428,607	1,544,200
Depreciation				
At 1 January 2016	46,857	56,367	1,324,590	1,427,814
Charge for the year on owned assets	6,091	6,278	146,957	159,326
Disposals	-	-	(58,694)	(58,694)
At 31 December 2016	52,948	62,645	1,412,853	1,528,446
Net book value				
At 31 December 2016	-	-	15,754	15,754
At 31 December 2015	6,091	6,278	162,711	175,080

3. Debtors

	2016 \$	2015 \$
Trade debtors	130,870	2,845,717
Amounts owed by group undertakings	2,848,942	8,500,000
Other debtors	-	38,037
Prepayments and accrued income	191,562	73,869
	3,171,374	11,457,623

SKYFIRE LABS, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Creditors: Amounts falling due within one year

	2016	2015
	\$	\$
Bank overdrafts	13,063	40,591
Trade creditors	13,923	38,693
Amounts owed to group undertakings	1,034,482	7,786,443
Other taxation and social security	39,000	25,032
Other creditors	25,923	101,885
Accruals and deferred income	1,336,506	2,484,775
	<u>2,462,897</u>	<u>10,477,419</u>

5. Share capital

	2016	2015
	\$	\$
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of \$0.01 each	<u>1</u>	<u>1</u>