

Company Number: 04077299

**PUREPROFILE UK LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**30th JUNE 2014**

**Pureprofile UK Limited****Directors**

Fredrick Swaab  
Paul Chan

**Registered Office**

Office 36,  
88-90 Hatton Garden, London EC1N 8PG

**Company Number**

04077299

**Auditors**

Moore Stephens LLP  
150 Aldersgate Street, London, EC1A 4AB

**Report of the Directors**

The directors present their report together with the audited financial statements for the year ended 30th June 2014.

**Principal Activity**

The principal activity of Pureprofile UK Limited (or the "Company") in the year under review was the provision of marketing services utilising the Pureprofile internet based United Kingdom panel.

**Results and Dividends**

The company made a loss of £122,301 for the year ended 30th June 2014 (2013: profit £16,348).

The directors do not intend to declare a dividend in respect of the year (2013: Nil).

**Statement as to Disclosure of Information to Auditors**

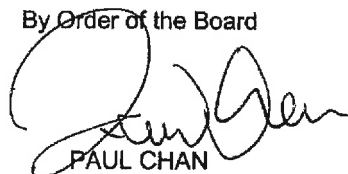
Each of the persons who are directors at the time when this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each director has taken all the steps that ought to have been taken as a director, in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Small Company Provision**

This report have been prepared in accordance with the small companies regime of the Companies Act 2006.

By Order of the Board



PAUL CHAN

DIRECTOR

### Statement of Directors' Responsibilities

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 Company financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law. The financial statements must, in accordance with IFRS as adopted by the European Union, present fairly the financial position and performance of the company, such references in the UK Companies Act 2006 to such financial statements giving a true and fair view are references to their achieving a fair presentation. Under company law the directors must not approve the financial statements unless they are satisfied that they can give a true and fair view.

In preparing the financial statements the Directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union; and
- 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.

## **Independent Auditor's Report to the Shareholder of Pureprofile UK Limited**

We have audited the financial statements of Pureprofile UK Limited for the year ended 30th June 2014 which are set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation applicable law and International Financial Reporting Standard ("IFRS") as adopted by the European Union.

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As more fully explained in the Directors' Responsibilities Statement set out on page 2, 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 (APB'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 Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th June 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the provisions of the Companies Act 2006.

### **Emphasis of Matter – Going Concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2(i) to the financial statements concerning the Company's ability to continue as a going concern.

At 30th June 2014, the Company's net liabilities amounted to £1,409,906. This condition, along with the matters explained in note 2(i) 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 any adjustments that would result if the Company was unable to continue as a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exemption**

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
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Mark Ayres, *Senior Statutory Auditor*  
For and on behalf of Moore Stephens LLP, *Statutory Auditor*  
150 Aldersgate Street  
London  
EC1A 4AB

Dated: 22 April 2015

**Statement of Comprehensive Income  
For the year ended 30th June 2014**

	<u>Note</u>	<u>2014</u> £	<u>2013</u> £
<b>Revenue</b>	2(b)	462,562	519,444
Direct expenses		<u>(211,530)</u>	<u>(229,716)</u>
<b>Gross Profit</b>		251,032	289,728
Administrative expenses		<u>(373,378)</u>	<u>(273,578)</u>
<b>Operating (Loss)/Profit</b>	3	(122,346)	16,150
Interest receivable		<u>45</u>	<u>198</u>
<b>(Loss)/Profit before Taxation</b>		(122,301)	16,348
Taxation	5	<u>-</u>	<u>-</u>
<b>(Loss)/Profit for the Year</b>		<u>(122,301)</u>	<u>16,348</u>

There is no other comprehensive income.

All amounts relate to continuing operations.

## Pureprofile UK Limited

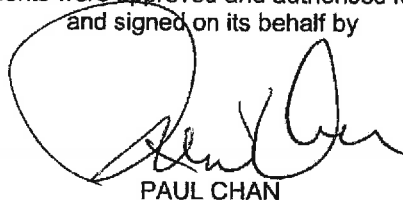
Company Number: 04077299

Statement of Financial Position  
as at 30th June 2014

	<u>Note</u>	<u>2014</u> £	<u>2013</u> £
<b>Current Assets</b>			
Trade and other receivables	6	398,002	297,863
Cash and cash equivalents		<u>46,051</u>	<u>180,516</u>
<b>Total Assets</b>		<u>444,053</u>	<u>478,379</u>
<b>Equity and Liabilities</b>			
Share capital	7	1,000	1,000
Accumulated losses		<u>(1,410,906)</u>	<u>(1,288,605)</u>
<b>Total Equity</b>		<u>(1,409,906)</u>	<u>(1,287,605)</u>
<b>Current Liabilities</b>			
Trade and other payables	8	1,527,836	1,458,316
Redemption liability provision	9	<u>326,123</u>	<u>307,668</u>
		<u>1,853,959</u>	<u>1,765,984</u>
<b>Total Equity and Liabilities</b>		<u>444,053</u>	<u>478,379</u>

These financial statements were approved and authorised for issue by the Board on  
and signed on its behalf by

22 April 2015



PAUL CHAN

Director

**Statement of Changes in Equity  
For the year ended 30th June 2014**

	<u>Share Capital</u> £	<u>Accumulated Losses</u> £	<u>Total Equity</u> £
At 1st July 2012	1,000	(1,304,953)	(1,303,953)
Profit for the year	<u>-</u>	<u>16,348</u>	<u>16,348</u>
As at 30th June 2013	<u>1,000</u>	<u>(1,288,605)</u>	<u>(1,287,605)</u>
Loss for the year	<u>-</u>	<u>(122,301)</u>	<u>(122,301)</u>
As at 30th June 2014	<u>1,000</u>	<u>(1,410,906)</u>	<u>(1,409,906)</u>



**Statement of Cash Flows**  
**For the year ended 30th June 2014**

	<u>Note</u>	<u>2014</u> £	<u>2013</u> £
<b>Cash Flows for Operating Activities</b>			
(Loss)/profit for the year		(122,301)	16,348
Interest income		(45)	(198)
Increase in trade and other receivables		(100,802)	(55,178)
Increase in trade and other payables		18,420	95,716
Increase/(decrease) in redemption liability provision		<u>18,455</u>	<u>(46,576)</u>
<b>Net Cash from Operating Activities</b>		<u>(186,273)</u>	<u>10,112</u>
<b>Cash Flows from Financing Activities</b>			
Funding from group companies		51,763	(2,823)
Interest received		<u>45</u>	<u>198</u>
<b>Net Cash from Financing Activities</b>		<u>51,808</u>	<u>(2,625)</u>
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>		(134,465)	7,487
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		<u>180,516</u>	<u>173,029</u>
<b>Cash and Cash Equivalents at the End of the Year</b>		<u>46,051</u>	<u>180,516</u>

**Financial Statements for the year ended 30th June 2014****Notes****1. Corporate Information**

Pureprofile UK Limited ("the Company") is a limited company incorporated and domiciled in England and Wales. The company's registered office is situated at Office 36, 88-90 Hatton Garden, London EC1N 8PG.

**2. Accounting Policies****(a) Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

The financial statements are stated in Pound Sterling ("£"), being the functional currency of the Company. The principal accounting policies adopted are set out below.

**(b) Revenue**

Revenue comprises fees arising from campaigns delivered on the Pureprofile online platform. Revenues are recognised when the risks and rewards of ownership, together with effective control, are transferred to the customer and the amount of the revenue and associated costs incurred in respect of the relevant transaction can be reliably measured. Revenue is not recognised unless it is probable that the economic benefits associated with the sales transactions will flow to the Company. All revenue relates to marketing services and arose from trading in the United Kingdom.

**(c) Foreign currency**

Transactions in foreign currencies are recorded in Pound Sterling using the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are translated into Pound Sterling at the rates of exchange prevailing at the reporting date. Any gains or losses are taken to the statement of comprehensive income.

**(d) Taxation**

Current tax is provided for based on results for the period. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted by the reporting period date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**(e) Reward redemption**

Rewards are credited to the individual accounts of those Pureprofile account holders who complete campaigns on the Pureprofile online platform. These rewards may be redeemed for cash once a pre-determined threshold is reached. The cost to the Company in providing the rewards is recognised within cost of sales as the rewards are earned. A corresponding provision is established based on an assessment of the expected proportion of the rewards earned to date that are expected to be redeemed.

**Pureprofile UK Limited**

**Financial Statements for the year ended 30th June 2014**

**Notes (continued)**

**2. Accounting Policies (continued)**

**(f) Financial instruments**

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual terms of the instrument.

**(g) Trade and other receivables**

Trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount less provisions made for doubtful receivables. Provisions are made specifically where there is evidence of a dispute or inability to pay. An additional provision is made based on an analysis of balances by age, previous loss experienced and general economic conditions.

**(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank or at hand and short term deposits with maturities of less than three months from deposit.

**(i) Key assumptions and sources of estimates**

In the application of the Company's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from estimates. The following summarises the judgements, estimates and assumptions that may cause amounts recognised or disclosed to change in following reporting periods:

**Going concern**

The financial statements have been prepared on the going concern basis which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business. The net liabilities at 30th June 2014 amounted to £1,409,906 (2013: £1,287,605).

The Company is reliant upon the continued financial support of group companies to continue as a going concern, which is dependent upon their ability to generate positive cash flows or obtain additional financing when required. The ultimate parent company, parent company and a fellow subsidiary, being Pureprofile.com Inc., Pureprofile Media Plc and Pureprofile Pty Limited respectively, have confirmed that they will not recall the debt of the Company for the foreseeable future, until the resources of the Company permit. Pureprofile.com Inc. and Pureprofile Media Plc are also willing to provide funding and support to the Company to enable it to meet its financial obligations and will cover any continuing losses for the period of 12 months from the signing of the financial statements.

**Redemption liability provision**

The redemption liability provision comprises all balances earned by Pureprofile internet panel members that have not yet been claimed. The Company has determined that balances accrued by panel members that have been inactive (i.e. not completed any transaction) for more than one year should be written back to the income statement within administrative expenses. Based on historical trends the net provision represents the maximum amount that the Directors estimate is likely to be claimed by panel members.

## Financial Statements for the year ended 30th June 2014

## Notes (continued)

## 3. Operating (Loss)/Profit

Operating (loss)/profit is stated after charging the following;

	<u>2014</u> £	<u>2013</u> £
Auditors' remuneration – audit	7,300	7,300
Auditors' remuneration – taxation	<u>3,800</u>	<u>3,800</u>

## 4. Staff Numbers and Costs

The average number of employees in the year were:

	<u>2014</u>	<u>2013</u>
Staff and administration	<u>5</u>	<u>4</u>

The aggregate payroll costs for these persons were:

	<u>2014</u> £	<u>2013</u> £
Wages and salaries (including Directors' emoluments)	253,432	197,500
Social security costs	25,027	23,470
Pension contributions	<u>7,200</u>	<u>7,200</u>
	<u>285,659</u>	<u>228,170</u>

The Company has identified the key management personnel as being the directors of the Company, Fredrick Swaab and Paul Chan. The directors received no remuneration from the Company for services provided (2013: £Nil).

## 5. Taxation

## (a) Tax charges for the year

	<u>2014</u> £	<u>2013</u> £
Current tax	<u>-</u>	<u>-</u>

## (b) Tax reconciliation

The tax charge for the year is 20% (2013: 20%). A reconciliation is provided below:

	<u>2014</u> £	<u>2013</u> £
(Loss)/profit before taxation	(122,301)	16,348
Tax on (loss)/profit before tax at 20% (2013: 20%)	(24,460)	3,270
Allowable expenses	1,963	1,575
Utilisation of tax losses brought forward	-	(40)
Utilisation of tax losses in the year	-	(4,805)
Tax losses carried forward	22,457	-
Tax losses carried back	<u>40</u>	<u>-</u>
Current tax	<u>-</u>	<u>-</u>

## Financial Statements for the year ended 30th June 2014

## Notes (continued)

## 5. Taxation (Continued)

## (c) Deferred taxation

No deferred tax asset is recognised on the grounds of uncertainty over future recoverability. The tax credit carried forward at 30th June 2014 which may be offset against future tax charges is £268,465 (2013: £240,772).

## 6. Trade and Other Receivables

	<u>2014</u> £	<u>2013</u> £
Trade receivables	305,989	210,284
Due from fellow subsidiary	76,454	77,117
Prepayments	5,184	87
Other debtors	<u>10,375</u>	<u>10,375</u>
	<u>398,002</u>	<u>297,863</u>

Trade receivables are stated net of allowances for doubtful debts of £23,152 (2013: £19,697).

The amounts due from fellow subsidiary are unsecured, interest free and repayable on demand.

## 7. Share Capital

	<u>2014</u> Number	<u>2013</u> Number
Authorised, allotted and fully paid: Ordinary share of £1 each	<u>1,000</u>	<u>1,000</u>

## 8. Trade and Other Payables

	<u>2014</u> £	<u>2013</u> £
Trade payables	50,733	10,288
Due to fellow subsidiary	613,755	553,913
Due to immediate parent company	654,768	654,768
Due to ultimate parent company	57,560	66,302
Accruals and deferred income	113,488	145,618
Other taxation and social security	<u>37,532</u>	<u>27,427</u>
	<u>1,527,836</u>	<u>1,458,316</u>

The amounts due to group companies are unsecured, interest free and repayable on demand.

## Financial Statements for the year ended 30th June 2014

## Notes (continued)

## 9. Redemption Liability Provision

	<u>2014</u> £	<u>2013</u> £
Unclaimed balances	310,384	294,498
Claimed balances unpaid	<u>15,739</u>	<u>13,170</u>
	<u>326,123</u>	<u>307,668</u>
Balance at 1st July	307,668	354,244
Completed campaigns	173,257	164,156
Balances redeemed	(110,368)	(163,335)
Amount written back	<u>(44,434)</u>	<u>(47,397)</u>
Balance at 30th June	<u>326,123</u>	<u>307,668</u>

The redemption liability provision represents amounts payable to those Pureprofile panel members whom have completed campaigns on the Pureprofile internet platform. Redemption claims can be made once account holders have accrued a minimum balance. The net provision stated above has been estimated as the expected amount to be paid out to Pureprofile panel members and is based on unclaimed amounts earned to date, and on the expectations regarding the proportion to be redeemed.

## 10. Risk and Sensitivity Analysis

## (a) Financial Risk Factors

The Company's activities expose it to a variety of financial risks including market operational risk, interest rate risk and liquidity risk. The directors monitor the financial risk of the Company and takes such measures as considered necessary from time to time to minimise such financial risks. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance. The financial risks to which the Company is exposed are described below:

**Market Operational Risk**

The principal market operational risks concern increasing competition in the provision of online marketing services which may lead to downward pressure on pricing and the acquisition and retention of account holders for the Pureprofile panels as the number of online panels users established in the United Kingdom increases.

**Interest Rate Risk**

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company is not exposed to any significant interest rate risk as no material assets or liabilities are interest bearing. However, were the borrowing from group companies to be refinanced, it is likely that the borrowings would attract a market rate of interest which would impact on the results of the Company.

## Financial Statements for the year ended 30th June 2014

## Notes (continued)

## 10. Risk and Sensitivity Analysis (Continued)

## (a) Financial Risk Factors (Continued)

**Credit Risk**

Credit risk is the risk that a counterparty will fail to discharge its obligations and cause a financial loss. The Company is exposed to credit risk to the extent of unsettled amounts due from trade and other receivables. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept from individual counterparties.

Concentrations of credit risk exist to the extent that as at 30th June 2014, a total amount of £77,117 (2013: £105,063) was due from just two customers (2013: three). Allowances are made for losses that have been incurred by the reporting period date.

**Liquidity Risk**

Liquidity risk is the risk that an entity will be unable to meet its liabilities when they fall due under normal and stress circumstances. Prudent liquidity risk management implies maintaining a sufficiently liquid position. The Company monitors and maintains a level of liquidity deemed adequate to finance the Company's operations and closely monitors periodic cash forecasts, which take into account the Company's maturity profile.

The Company has no finance from external banking institutions. Total borrowings from the group companies as at 30th June 2014 is £1,326,083 (2013: £1,274,983), and there is no set date of maturity.

## (b) Categories of Financial Instruments

	<u>2014</u> £	<u>2013</u> £
<u>Financial Assets</u>		
Loans and receivables (including cash and cash equivalents)	444,053	478,379
<u>Financial Liabilities</u>		
Financial liabilities at amortised cost	1,414,348	1,312,698

**Fair Values**

The fair values of financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments.

## (c) Capital Risk Management

The Company manages its capital to enable it to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders; and to enable the Company to respond quickly to changes in market conditions and to take advantage of opportunities.

Capital comprises of share capital of £1,000 plus borrowings of £1,326,083 (2013: £1,274,983) from group companies.

Pureprofile UK Limited

Financial Statements for the year ended 30th June 2014

Notes (continued)

**11. Parent Company and Ultimate Controlling Undertaking**

As at 30th June 2014, the Company's immediate parent company is Pureprofile Media plc, a company incorporated in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

As at 30th June 2014, the Company's ultimate controlling party is Pureprofile.com, Inc., a company incorporated in the United States of America.

On 7th November 2014, the Company's ownership transferred to Pureprofile Global Pty Limited, a company incorporated in Australia. From 7th November 2014, the ultimate controlling party is Pureprofile Limited, a company incorporated in Australia.

**12. Recent Accounting Pronouncements**

**(a) New interpretations and revised standards effective for the year ended 30th June 2014**

The Company has adopted the new interpretations and revised standards effective for the year ended 30th June 2014. The adoption of these interpretations and revised standards had no impact on the disclosures and presentation of the financial statements during the year.

**(b) Standards and interpretations in issue but not yet effective**

A number of new standards and amendments to existing standards have been published which are mandatory, but are not effective for the year ended 30th June 2014. The directors do not anticipate that the adoption of these revised standards and interpretations will have a significant impact on the figures included in the financial statements in the period of initial application other than the following:

IFRS 9: Financial Instruments

The standard makes substantial changes to the recognition and measurement of financial assets and financial liabilities and de-recognition of financial assets. In the future there will only be two categories of financial assets; those at fair value through profit and loss and those measured at amortised cost. On adoption of the standard, the company will have to re-determine the classification of its financial assets, specifically those classified as available-for-sale and held-to-maturity financial assets.

The principal change to the measurement of financial assets measured at amortised cost or fair value through other comprehensive income is that impairments will be recognised on an expected loss basis compared to the current incurred loss approach. As such, where there are expected to be credit losses these are recognised in profit or loss. For financial assets measured at amortised cost the carrying amount of the asset is reduced for the loss allowance. For financial assets measured at fair value through other comprehensive income the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset.

Most financial liabilities will continue to be carried at amortised cost, however, some financial liabilities will be required to be measured at fair value through profit and loss, for example derivative financial instruments, with changes in the liabilities' credit risk recognised in other comprehensive income.

The standard is effective for accounting periods beginning on or after 1st January 2018.



## Financial Statements for the year ended 30th June 2014

## Notes (continued)

## 12. Recent Accounting Pronouncements

## (b) Standards and interpretations in issue but not yet effective

IFRS 15: Revenue from contracts with customers

The standard has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is based around five steps in recognising revenue:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue when a performance obligation is satisfied

On application of the standard the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, by providing qualitative and quantitative information.

The Company has not as yet evaluated the full extent of the impact that the standard will have on its financial statements, however the effect is not considered likely to be material.

The standard is effective for periods beginning on or after 1 January 2017.

