

Company Registration No. 08807827 (England and Wales)

GANAPATI PLC

ANNUAL REPORT

FOR THE PERIOD ENDED 31 JANUARY 2015

GANAPATI PLC

COMPANY INFORMATION

Directors	Mr D Scott Mr Y Ishihara Mr H Hasegawa	(Appointed 9 December 2013) (Appointed 31 January 2014) (Appointed 1 June 2014)
Secretary	Ms S Scott	
Company number	08807827	
Registered office	30 Percy Street London W1T 2DB	
Auditors	Welbeck Associates 30 Percy Street London W1T 2DB	

GANAPATI PLC

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GANAPATI PLC

Chairman's Statement

FOR THE PERIOD ENDED 31 JANUARY 2015

I am delighted to present my first report to you as Chairman of Ganapati PLC.

Review of the Business and analyses using Key Performance Indicators

The Year to 31 January 2014 has been a busy year for the Company. We have moved from a private business to being listed on the GXG Market on the 6th August 2014 and we have continued to develop our three initial products so as to be able to launch them.

Since incorporation in December 2013 the company has engaged in development of the products listed below and each product has required software development and project management by the Board's executive management.

The Company is currently developing and promoting three products:

- Buzzpop - an instant video streaming message application enables a six seconds video with sound to be sent to user contacts. It is streamed though Line or Viber. Once the video is over it "explodes" and disappears from the device. The App is available from iTunes and Android devices. Buzzpop launched in Q3 2014.
- Zappi - a downloadable application that provides instant commentary relevant to an initial search to appear on a screen without the requirement to search and open alternative comparison sites. The Directors believe this will enrich user experience and allow a more real time comparison of searched items. "Real user opinions rather than just those which the search site wants you to see!". Zappi launched in Q4 2014.
- My List - an online cloud storage platform that allows users to drop files, video streaming, photos and music into their "own space". It can be downloaded and shared for quick access, and viewed from any device, with shared access amongst contacts and colleagues. My List is launched in Q4 2014

The Directors believe that trading conditions remain favourable for the development of its products.

The Group has successfully raised sufficient funds for the launch work to date and has sufficient funds for the completion of its "Buzzpop" product. It will need to raise additional capital, either from cash flow or from a fund raising to complete its other products and for the continued promotion of its existing product.

The directors believe that they can raise such capital.

Key Performance Indicators

As the company has only been trading six months the comparable for its key performance indicators are unable to be measured on a year-to-year basis. However the company intends to use the following for its KPI measures in the year ahead.

Existing KPI

Development of product on Budget
Development and launch of product on schedule
Cash and cash equivalents

Future KPI

Turnover
Cost of customer acquisition
New customer downloads
Retained customers
Revenue per customer

GANAPATI PLC

Chairman's REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2015

GPJ Venture Capital LLC

Our subsidiary GPJ Venture Capital now has approximately 50 employees and has been instrumental in the raising of debt finance for Ganapati's development program. In the year to 31 January 2015 it raised £5.8m for the Company and now employs 50 people.

Future Developments

The Company intends on expanding the user base and downloads for the applications that have been launched in the period.

In addition the Company has launched a new division to develop mobile app games which will utilize smartphone technology and Japanese style game software to create a genre of enjoyable games in the gambling sphere. The Company expects to market this product in European markets where gambling is an approved activity. Ganapati believe that it can create a product which will appeal to the casual player who want to use the smartphone technology for fast interactive games that are easy to play. As part of this strategy the Company is in the process of preparing an application for a remote gambling software operating licence from the United Kingdom Gambling Commission.

The Directors will look to raise additional capital as it required for the Company to continue the pace of its expansion.

Employees

Thanks are due to the management and staff for their dedication and commitment without which the progress which has been made would not be possible

Risk

The key risks which the company faces is that their research into software products which will appeal to subscribers is not borne out in product downloads and in app sales. In the event that the take up of the company's products is less than the amount the Directors expect the company would not hit its internal sales targets.

Other risks include exchange risk on any foreign exchange which the Company undertakes in converting sales from US\$ and £ into Japanese Yen. There is also a risk on developers, however the company believes that there are many competing suppliers of this service so it would not have a material effect on the company if one developer could not complete its contract.

David Scott

Chairman

GANAPATI PLC

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 JANUARY 2015

The directors present their report and consolidated financial statements for the period ended 31 January 2015.

Principal activities

The company was incorporated on 9 December 2013 and commenced its business activities on that date.

The principal activity of the company is that of a software developer.

Directors

The following directors have held office since 9 December 2013:

Mr D Scott	(Appointed 9 December 2013)
Mr Y Ishihara	(Appointed 31 January 2014)
Mr S Hashimoto	(Appointed 31 January 2014, resigned 3 September 2014)
Mr H Hasegawa	(Appointed 1 June 2014)

Risk management objectives and policies

The company is exposed to a variety of financial risks. The company's risk management is coordinated by the board of directors and focuses on minimizing potential adverse effects on the financial performance of the company.

Liquidity risk

Liquidity risk is managed through and assessment of short, medium and long term cash flow forecasts to ensure the adequacy of working capital. Short term liquidity is managed through short term deposits.

Foreign currency risk

The company undertakes transactions denominated in foreign currencies and is exposed to exchange rate fluctuations. The company does not enter into forward exchange contracts to mitigate the exposure to foreign currency risk but the directors will reconsider the company policy when they undertake more foreign currency transactions.

Capital risk management

The company is financed through debt and equity and manages its capital to ensure that it has sufficient financial resources to implement its planned operations while maximising the return to stakeholders. Details of equity raised in the year are set out in the notes to the accounts.

Auditors

Welbeck Associates were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

GANAPATI PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2015

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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

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Mr D Scott

Director

GANAPATI PLC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GANAPATI PLC

We have audited the consolidated financial statements of Ganapati plc for the period ended 31 January 2015 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, 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 members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

GANAPATI PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF GANAPATI PLC

Matters on which we are required to report by exception

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
- we have not received all the information and explanations we require for our audit.

Jonathan Bradley-Hoare (Senior Statutory Auditor)
for and on behalf of Welbeck Associates

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Chartered Accountants
Statutory Auditor

30 Percy Street
London
W1T 2DB

GANAPATI PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 JANUARY 2015

	Notes	Period ended 31 January 2015 £
Administrative expenses		(608,558)
Operating loss	2	(608,558)
Other interest receivable and similar income	3	421
Other interest payable		(450,193)
Foreign exchange translation		(129,968)
Loss on ordinary activities before taxation		(1,188,298)
Tax on loss on ordinary activities	4	-
Loss for the period	12	(1,188,298)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GANAPATI PLC

CONSOLIDATED BALANCE SHEET

AS AT 31 JANUARY 2015

	Notes	2015 £	£
Fixed assets			
Intangible assets	5	7,321,660	
Tangible assets	7	18,663	
Investments	6	114,207	
			<hr/>
			7,454,530
Current assets			
Debtors	8	679,440	
Cash at bank and in hand		1,385,201	
			<hr/>
Creditors: amounts falling due within one year	9	2,064,641 (292,046)	
			<hr/>
Net current assets			1,772,595
			<hr/>
Total assets less current liabilities			9,227,125
			<hr/>
Creditors: amounts falling due after more than one year	10	(9,646,123)	
			<hr/>
			(418,998)
			<hr/> <hr/>
Capital and reserves			
Called up share capital	11	305,317	
Share premium account	12	396,526	
Minority Interest		67,457	
Profit and loss account	12	(1,188,298)	
			<hr/>
Shareholders' funds	13		(418,998)
			<hr/> <hr/>

Approved by the Board and authorised for issue on

.....
Mr D Scott

Director

Company Registration No. 08807827

GANAPATI PLC

COMPANY BALANCE SHEET

AS AT 31 JANUARY 2015

	Notes	£	2015 £
Fixed assets			
Intangible assets	5		7,321,660
Investments	6		522,250
			<hr/>
			7,843,910
Current assets			
Debtors	8	272,887	
Cash at bank and in hand		85,708	
		<hr/>	
		358,595	
Creditors: amounts falling due within one year	9	(10,900)	
		<hr/>	
Net current assets			347,695
			<hr/>
Total assets less current liabilities			8,191,605
			<hr/>
Creditors: amounts falling due after more than one year	10		(8,691,431)
			<hr/>
			(499,826)
			<hr/> <hr/>
Capital and reserves			
Called up share capital	11		305,317
Share premium account	12		396,526
Profit and loss account	12		(1,201,669)
			<hr/>
Shareholders' funds	13		(499,826)
			<hr/> <hr/>

Approved by the Board and authorised for issue on

.....
Mr D Scott
Director

Company Registration No. 08807827

GANAPATI PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 JANUARY 2015

	£	Period ended 31 January 2015 £
Net cash outflow from operating activities		(1,125,920)
Returns on investments and servicing of finance		
Interest received	421	
Interest expense	(450,193)	
	<hr/>	
Net cash inflow/(outflow) for returns on investments and servicing of finance		(449,772)
Capital expenditure		
Payments to acquire intangible assets	(7,321,660)	
Payments to acquire tangible assets	(18,663)	
Payments to acquire investments	(114,207)	
	<hr/>	
Net cash outflow for capital expenditure		(7,454,530)
		<hr/>
Net cash outflow before management of liquid resources and		(9,030,222)
Financing		
Issue of ordinary share capital	701,843	
Minority interest	67,457	
Other new long term loans	9,646,123	
	<hr/>	
Net cash inflow/(outflow) from financing		10,415,423
		<hr/>
Increase in cash in the period		1,385,201
		<hr/> <hr/>

GANAPATI PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 JANUARY 2015

1 Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2015
	£
Operating (loss)/profit	(608,558)
Foreign exchange	(129,968)
Increase in debtors	(679,440)
Increase in creditors within one year	292,046
	<u> </u>
Net cash outflow from operating activities	(1,125,920)
	<u> </u>

2 Analysis of net debt	9 December 2013	Cash flow £	Other non- cash £
Net cash:			
Cash at bank and in hand	-	1,385,201	-
	<u> </u>	<u> </u>	<u> </u>
Bank deposits	-	-	-
Debt:			
Debts falling due after one year	-	(9,703,736)	-
	<u> </u>	<u> </u>	<u> </u>
Net debt	-	(8,318,535)	-
	<u> </u>	<u> </u>	<u> </u>

3 Reconciliation of net cash flow to movement in net debt	2015
	£
Increase in cash in the period	1,385,201
Cash inflow from increase in debt	(9,703,736)
	<u> </u>
Movement in net debt in the period	(8,318,535)
Opening net debt	-
	<u> </u>
Closing net debt	(8,318,535)
	<u> </u>

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JANUARY 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. Through its formal Product Creation Process, the company monitors the extent to which development expenditure meets these criteria and in this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit. Interest costs and other finance costs directly attributable to financing the development of certain assets is capitalised and written off to the Income statement over a suitable period.

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2015

1.7 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 less estimated residual value of each asset over its expected useful life, which was

1.8 determined to be 5 years for all tangible fixed assets

Going Concern

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain. The ability of the Group to carry out its planned business objectives is dependent on its continuing ability to raise adequate financing from investors and/or the achievement of profitable operations.

Nevertheless, at the time of approving these Financial Statements and after making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Financial Statements.

2 Operating loss 2015 £

Operating loss is stated after charging:

Loss on foreign exchange transactions	145,065
Fees payable to the company's auditor for the audit of the company's annual accounts	12,000
	<hr/>

3 Investment income 2015 £

Bank interest	421
	<hr/>

421

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2015

4	Taxation	2015
	Total current tax	-
		<hr/>
	Factors affecting the tax charge for the period	
	Loss on ordinary activities before taxation	(1,188,298)
		<hr/>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00%	(237,660)
	Effects of:	
	Tax losses carried forward	237,660
		<hr/>
	Current tax charge for the period	-
		<hr/>

The company has estimated losses of £ 1,188,298 available for carry forward against future trading

5 Intangible fixed assets

	Consolidated	Company
	£	£
Development Costs		
At 9 December 2013	<hr/> -	<hr/> -
Additions	<hr/> 7,321,660	<hr/> 7,321,660
	<hr/>	<hr/>
At 31 January 2015	<hr/> 7,321,660	<hr/> 7,321,660
	<hr/>	<hr/>
Net book value		
At 31 January 2015	<hr/> <hr/> 7,321,660	<hr/> <hr/> 7,321,660

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2015

6 Fixed asset investments

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
GPJ Venture Capital LLC	Japan	Ordinary		86.25

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2015 £	Profit/(loss) for the year 2015 £
GPJ Venture Capital Limited	Fund raising	490,597	-

	Consolidated £	Company £
Fixed asset investments	114,207	114,207
Investment in subsidiary	-	408,043
	<u>114,207</u>	<u>522,250</u>

7 Tangible fixed

	Buildings £	Fixtures, fittings & equipment £	Vehicles £	Total £
Cost				
At 9 December 2013	-	-	-	-
Additions	5,709	12,478	2,202	20,389
At 31 January 2015	5,709	12,478	2,202	20,389
Depreciation				
At 31 January 2015	575	575	576	1,726
Net book value				
At 31 January 2015	5,134	11,903	1,626	18,663

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2015

8 Debtors

	Consolidated	Company
	£	£
Trade and other debtors	387,584	3,499
Prepayments	291,856	269,388
	<u>679,440</u>	<u>272,887</u>

9 Creditors: amounts falling due within one year

	Consolidated	Company
	£	£
Trade and other creditors	278,247	-
Accruals and deferred income	13,799	10,900
	<u>292,046</u>	<u>10,900</u>

10 Creditors: amounts falling due after more than one year

	Consolidated	Company
	£	£
Other loans	9,646,123	3,111,034
Intercompany payable	-	5,580,397
	<u>9,646,123</u>	<u>8,691,431</u>

Analysis of loans

Wholly repayable within three years, interest is payable at 1% per month

	9,646,123	8,691,431
	<u>9,646,123</u>	<u>8,691,431</u>

A loan was made by CDone LLC in the amount of £1,883,861 in different stages throughout the year. The loan bears interest of 12% annually and is repayable in May 2017.

A loan was made by Eightex Investment Inc. in the amount of £1,227,273 in different stages throughout the year. The loan bears interest of 12% annually and is repayable in February 2017.

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2015

11 Share capital

Company
2015
£

Allotted, called up and fully paid
30,531,708 ordinary shares of 1p each 305,317

On the date of incorporation, 1 £1 ordinary share was issued.

On 31 January 2014, the share was split into 100 1p ordinary shares.

On 11 February, 20,618,460 1p ordinary shares were allotted at par value and 4,913,148 1p ordinary shares were allotted at a premium at 5p per share.

On 23 December 2014, 5,000,000 1p ordinary shares were allotted at a premium at 5p per share.

12 Statement of movements on reserves

Consolidated

	Share premium account £	Profit and loss account £
Loss for the period	-	(1,188,298)
Premium on shares issued during the period	396,526	-
Balance at 31 January 2015	<u>396,526</u>	<u>(1,188,298)</u>

GANAPATI PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2015

13 Reconciliation of movements in shareholders' funds	Consolidated 2015 £
Loss for the financial period	(1,188,298)
Proceeds from issue of shares	701,843
Minority Interest	<u>67,457</u>
Net reduction to shareholders' funds	(418,998)
Opening shareholders' funds	-
Closing shareholders' funds	<u><u>(418,998)</u></u>

14 Employees

Number of employees

The Group had 50 employees throughout the year apart from Directors.

15 Control

The ultimate holding company and controlling party is HLMS Inc., a company incorporated in the British Virgin Islands by virtue of its majority holding of the company's ordinary share capital.

16 Related party relationships and transactions

During the period, the company was invoiced £115,535 for commission and corporate adviser fees from Alexander David Holdings Limited, a company in which the director Mr. D. Scott is a director and a significant shareholder.

17 Company profit and loss

The Company loss for the period is £1,201,669.
