


Unaudited Abbreviated Accounts DeepMind Technologies Limited

For the period ended 31 December 2013

FRIDAY



A22 *A3DC9ICO* 01/08/2014 #134
COMPANIES HOUSE

A18 *A3CEYTF* 18/07/2014 #160
COMPANIES HOUSE

Registered number: 7386350

Abbreviated accounts

Company Information

Directors

Daniel J Brunton (appointed 24 January 2014)
Graham Law (appointed 24 January 2014)
Kenneth H Yi (appointed 24 January 2014)
Demis Hassabis (resigned 24 January 2014)
Shane Legg (resigned 24 January 2014)
Mustafa Suleyman (resigned 24 January 2014)
Jaan Tallinn (resigned 24 January 2014)
Bart Swanson (appointed 11 June 2013 & resigned 24 January 2014)
Luke Nosek (resigned 24 January 2014)

Company secretary

Taylor Wessing Secretaries Limited

Registered number

7386350

Registered office

5 New Street Square
London
EC4A 3TW

Accountants

Grant Thornton UK LLP
Chartered Accountants
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FY

Bankers

National Westminster Bank
252 Regent Street
Mayfair
London
W1B 3BP

Contents

	Page
Accountant's report	1
Balance sheet	2
Notes to the abbreviated accounts	3 - 5



Report to the directors on the unaudited abbreviated accounts of DeepMind Technologies Limited for the year ended 31 December 2013

We have compiled the accompanying abbreviated financial statements of DeepMind Technologies Limited based on the information you have provided. These abbreviated financial statements comprise the Abbreviated Balance Sheet of DeepMind Technologies Limited as at 31 December 2013 and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of DeepMind Technologies Limited, as a body, in accordance with the terms of our engagement letter dated 21 February 2014. Our work has been undertaken solely to prepare for your approval the financial information of DeepMind Technologies Limited and state those matters that we have agreed to state to the Board of Directors of DeepMind Technologies Limited, as a body, in this report in accordance with our engagement letter dated 21 February 2014. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DeepMind Technologies Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
Cambridge

Date: 12 June 2014

Abbreviated balance sheet

As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	2		771,199		375,084
Current assets					
Debtors		842,937		532,752	
Cash at bank and in hand		31,986,975		13,735,999	
		<u>32,829,912</u>		<u>14,268,751</u>	
Creditors: amounts falling due within one year		(1,060,978)		(227,791)	
Net current assets			31,768,934		14,040,960
Net assets			32,540,133		14,416,044
Capital and reserves					
Called up share capital	3		1,551		1,058
Share premium account			41,399,286		16,715,682
Profit and loss account			<u>(8,860,704)</u>		<u>(2,300,696)</u>
Shareholders' funds			32,540,133		14,416,044

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2013 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 on 4.05.14

Director



Graham Law

The notes on pages 3 to 5 form part of these financial statements.

Notes to the abbreviated accounts

Year ended 31 December 2013

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).

1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue trading for the foreseeable future.

During the period the company incurred a loss of £6,560,008. At 31 December 2013 the company had cash balances of £31,986,975 from shares issued in the year. Based on forecasts and budgets prepared by management, the board considers the company has sufficient liquidity for the foreseeable future.

1.3 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.4 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:

Fixtures & fittings	-	2 years straight line
Office equipment	-	2 years straight line
Computer equipment	-	2 years straight line

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.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to the abbreviated accounts
Year ended 31 December 2013

2. Tangible fixed assets

	£
Cost	
At 1 January 2013	520,567
Additions	773,127
At 31 December 2013	<u>1,293,694</u>
Depreciation	
At 1 January 2013	145,483
Charge for the year	377,012
At 31 December 2013	<u>522,495</u>
Net book value	
At 31 December 2013	<u>771,199</u>
At 31 December 2012	<u>375,084</u>

3. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
5,801,437 (2012 - 3,386,754) Ordinary shares of £0.0001 each	580.144	338.675
2,996,998 (2012 - 2,996,998) Series A preferred shares of £0.0001 each	299.700	299.700
4,198,594 (2012 - 4,198,594) Series B preferred shares of £0.0001 each	419.859	419.859
2,509,233 Series C preferred shares of £0.0001 each	250.923	-
	<u>1,551</u>	<u>1,058</u>

Notes to the abbreviated accounts

Year ended 31 December 2013

3. Share capital (continued)

During the year between 28 March 2013 and 14 June 2013 2,509,233 Series C preferred shares of £0.0001 each were issued for £9.90 per share giving an aggregate nominal value of £251 and proceeds received by the company of £24.8m. Additionally 2,414,683 share options over Ordinary shares were exercised at a value of £0.0001 per share giving an aggregate nominal value of £242.

During the year 897,295 (2012: 4,219,414) share options over Ordinary shares of nominal value £0.0001 each were granted at a grant price of £0.0001 per share. 63,219 options over Ordinary shares lapsed during the year (2012: nil), none were cancelled (2012: 1,898,840), and 2,414,683 share options over Ordinary shares were exercised (2012: nil). Total share options over Ordinary shares at the year end were 1,737,518 (2012: 3,318,125).

Post year end, 66,258 share options over Ordinary shares lapsed and 259,395 were granted.

Rights of shares

Each Series A, Series B and Series C preferred share carries one vote for each ordinary share into which it may convert and is not redeemable. Each Series A, Series B and Series C preferred share shall be convertible, at the option of the holder, at any time after the date of issue into that number of fully paid ordinary shares. The Series C preferred shareholders may receive dividends, when and if decided by the board, at a rate of 8% of the subscription price in priority to any other distribution, and have a prior entitlement on a liquidation event. Thereafter, Series A and Series B preferred shareholders shall be entitled to receive dividends and have a prior entitlement on a liquidation event, as defined for Series C. Series A, Series B and Series C preferred shareholders take priority over the rights of the Ordinary shareholders.

4. Post balance sheet events

Subsequent to the year end, the company was acquired by Google Ireland Holdings, a subsidiary of Google Inc.