

Registered number: 09410663

HeadBox Solutions Limited

Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 31 December 2023

Chartered Accountants' Report to the Board of Directors on the preparation of the Unaudited Statutory Financial Statements of HeadBox Solutions Limited for the Year Ended 31 December 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of HeadBox Solutions Limited for the year ended 31 December 2023 which comprise the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of HeadBox Solutions Limited, as a body, in accordance with the terms of our engagement letter dated 5 February 2020. Our work has been undertaken solely to prepare for your approval the financial statements of HeadBox Solutions Limited and state those matters that we have agreed to state to the Board of Directors of HeadBox Solutions Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than HeadBox Solutions Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that HeadBox Solutions Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of HeadBox Solutions Limited. You consider that HeadBox Solutions Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of HeadBox Solutions Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Kreston Reeves LLP

Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG
25 July 2024

HeadBox Solutions Limited
Registered number: 09410663

Balance Sheet
As at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	4	1,708,916	1,768,836
Tangible assets	5	30,129	32,821
Investments	6	141	141
		1,739,186	1,801,798
Current assets			
Debtors: amounts falling due within one year	7	1,151,634	1,321,938
Cash at bank and in hand		106,365	866,984
		1,257,999	2,188,922
Creditors: amounts falling due within one year	8	(1,736,726)	(1,609,266)
Net current (liabilities)/assets		(478,727)	579,656
Total assets less current liabilities		1,260,459	2,381,454
Net assets		1,260,459	2,381,454
Capital and reserves			
Called up share capital	9	11	11
Share premium account		14,536,103	14,445,464
Other reserves		1,294,685	995,299
Profit and loss account		(14,570,340)	(13,059,320)
		1,260,459	2,381,454

Balance Sheet (continued)
As at 31 December 2023

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

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L D Lowry
Director

Date: 25 July 2024

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

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

1. General information

Headbox Solutions Limited is a private limited company registered in England and Wales.
The address of the registered office is:
2nd Floor
168 Shoreditch High Street
London
E1 6RA

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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Revenue

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax.

The company recognises revenue when:

The amount of revenue can be reliably measured; Page 3

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Commission from hosts is recognised on the date on which the booking is confirmed.

Income from advertising is recognised over the period to which it relates.

Other services, including photography, are invoiced when confirmed and recognised when they are provided.

2.3 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

2. Accounting policies (continued)

2.4 Intangible assets

Amortisation is provided on the following bases:

Software	-	20 %	straight line
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Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.5 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.

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:

Office equipment	-	3 years	straight line
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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 profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

2.8 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.

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investment in ordinary shares.

2. Accounting policies (continued)

2.10 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.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Foreign currency translation

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Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

2.13 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 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 profit or loss 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.

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

2. Accounting policies (continued)

2.15 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.16 Taxation

Tax is recognised in profit or loss 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.

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.

3. Employees

The average monthly number of employees, including directors, during the year was 58 (2022 - 62).

**Notes to the Financial Statements
For the Year Ended 31 December 2023**

4. Intangible assets

	Domain	Software	Total
	£	£	£
Cost			
At 1 January 2023	5,005	4,447,149	4,452,154
Additions	-	695,797	695,797
At 31 December 2023	5,005	5,142,946	5,147,951
Amortisation			
At 1 January 2023	1,396	2,681,922	2,683,318
Charge for the year on owned assets	11	755,706	755,717
At 31 December 2023	1,407	3,437,628	3,439,035
Net book value			
At 31 December 2023	3,598	1,705,318	1,708,916
At 31 December 2022	3,609	1,765,227	1,768,836

Notes to the Financial Statements
For the Year Ended 31 December 2023

5. Tangible fixed assets

	Office equipment £	Software £	Total £
Cost or valuation			
At 1 January 2023	18,269	108,303	126,572
Additions	-	16,519	16,519
Disposals	(410)	(3,742)	(4,152)
At 31 December 2023	<u>17,859</u>	<u>121,080</u>	<u>138,939</u>
Depreciation			
At 1 January 2023	17,372	76,379	93,751
Charge for the year on owned assets	396	16,765	17,161
Disposals	(264)	(1,838)	(2,102)
At 31 December 2023	<u>17,504</u>	<u>91,306</u>	<u>108,810</u>
Net book value			
At 31 December 2023	<u>355</u>	<u>29,774</u>	<u>30,129</u>
At 31 December 2022	<u>897</u>	<u>31,924</u>	<u>32,821</u>

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6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	<u>141</u>
At 31 December 2023	<u>141</u>

Notes to the Financial Statements
For the Year Ended 31 December 2023

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7. Debtors

	2023 £	2022 £
Trade debtors	757,777	688,947
Other debtors	40,569	296,977
Prepayments and accrued income	353,288	196,635
Tax recoverable	-	139,379
	<u>1,151,634</u>	<u>1,321,938</u>

Included within other debtors are loans which were made in a previous year to two directors of £13,500 and £24,940 respectively. These loans are non interest bearing and repayable at the latest upon exit, however they can be repaid in part or in full at any time without penalty. Amounts repaid during the year totalled £nil. At the year end the balance outstanding was £38,440.

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	324,478	250,834
Other taxation and social security	210,688	202,607
Other creditors	81,338	104,349
Accruals and deferred income	1,120,222	1,051,476
	<u>1,736,726</u>	<u>1,609,266</u>

9. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		

9,880,592 (2022 - 9,766,057) Ordinary shares of £0.000001 each	9.880592	9.766057
663,717 (2022 - 663,717) A Ordinary shares of £0.000001 each	0.663717	0.663717
129,027 (2022 - 129,027) B Hurdle shares of £0.000001 each	0.129027	0.129027
121,466 (2022 - 121,466) C Hurdle shares of £0.000001 each	0.121466	0.121466
118,196 (2022 - 118,196) D Hurdle shares of £0.000001 each	0.118196	0.118196
	<u>10.912998</u>	<u>10.798463</u>

The following shares were allotted during the period:

Ordinary shares - 114,535 Ordinary shares were allotted with an aggregate nominal value of £0.114535 for consideration of £90,488.

10. Share based payments

The Company has granted 3 types of equity arrangements for employees or individuals providing similar services, these are unapproved options, EMI options and Hurdle Shares. There are non-market conditions attached to all including employment and services conditions. There are no market conditions attached. All options are equity settled.

	No. options at 1 January 2023	Weighted average exercise price (£)	No. options granted	No. options lapsed	No. options exercised	No. options at 31 December 2023	Weighted average exercise price (£)
Unapproved options	453,739	0.08	-	-	-	453,739	0.08
EMI options	314,912	0.36	-	-	-	314,912	0.35
Hurdle	<u>489,326</u>	<u>0.01</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,326</u>	<u>0.01</u>
Total	<u>1,257,977</u>	<u>0.14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,257,977</u>	<u>0.15</u>

The total expense recognised in the year was £299,386 (2022 - £26,519) in addition a charge of £nil (2022 - £nil) was recognised in the year to true up options which had been granted in prior years but not recognised.

11. Pension commitments

The Company 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 cost charge represents contributions payable by the Company to the fund and amounted to £53,926 (2022 - £52,189). Contributions totalling £10,312 (2022 - £10,539) were payable to the fund at the balance sheet date and are included in creditors.

