

Registered number: 03375289

Brandworkz Ltd

Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 31 December 2022

**Chartered Accountants' Report to the Board of Directors on the preparation of the Unaudited Statutory Financial Statements of Brandworkz Ltd for the Year Ended 31 December 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Brandworkz Ltd for the year ended 31 December 2022 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](https://www.icaew.com/regulation).

This report is made solely to the Board of Directors of Brandworkz Ltd, as a body, in accordance with the terms of our engagement letter dated 2 March 2023. Our work has been undertaken solely to prepare for your approval the financial statements of Brandworkz Ltd and state those matters that we have agreed to state to the Board of Directors of Brandworkz Ltd, 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 Brandworkz Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Brandworkz Ltd 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 Brandworkz Ltd. You consider that Brandworkz Ltd 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 Brandworkz Ltd. 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  
22 June 2023

Balance Sheet  
As at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	4	1,739,241	1,674,893
Tangible assets	5	19,116	19,904
		<u>1,758,357</u>	<u>1,694,797</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	852,148	804,272
Cash at bank and in hand		124,623	200,561
		<u>976,771</u>	<u>1,004,833</u>
Creditors: amounts falling due within one year	7	(1,849,877)	(1,721,104)
<b>Net current liabilities</b>		<u>(873,106)</u>	<u>(716,271)</u>
<b>Total assets less current liabilities</b>		<u>885,251</u>	<u>978,526</u>
Creditors: amounts falling due after more than one year	8	(181,346)	(183,159)
<b>Net assets</b>		<u><u>703,905</u></u>	<u><u>795,367</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	9,810	9,810
Other reserves		30,997	11,911
Profit and loss account		663,098	773,646
		<u><u>703,905</u></u>	<u><u>795,367</u></u>

**Balance Sheet (continued)**  
**As at 31 December 2022**

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:

.....  
E J Birt  
Director  
Date: 21 June 2023

The notes on pages 4 to 10 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**1. General information**

Brandworkz Ltd is a private company limited by share capital and incorporated in England and Wales. Its registered office is Suite 118, 22 Highbury Grove, London, N5 2EF.

**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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. While the impact of the Covid-19 virus has been assessed by the director, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company's trade, its customers and suppliers. However, taking into consideration the UK Government's response and the company's planning, the director has a reasonable expectation that the company will continue in operational existence for the foreseeable future.

**2.3 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, returns, rebates and discounts.

The company recognises the revenue for the SaaS (Software as a Service) software licenses on a monthly basis as it has been delivered. The company recognises the revenue for professional services on a quarterly basis in arrears as it has been delivered.

**2.4 Intangible assets**

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. The normal useful life is expected to be 3 years.

Development expenditure that is incurred on specific projects is capitalised when recoverability can be foreseen with reasonable certainty and is amortised in relation to anticipated sales arising from such projects.

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**2. Accounting policies (continued)**

**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, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	33%	reducing balance
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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 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.

**2.7 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.

**2.8 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 2022**

**2. Accounting policies (continued)**

**2.9 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.

A separate share option reserve is maintained for such transactions.

**2.10 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.

**2.11 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.12 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**3. Employees**

The average monthly number of employees, including directors, during the year was 19 (2021 - 19).

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

**4. Intangible assets**

	Internally generated software development costs £
<b>Cost</b>	
At 1 January 2022	6,628,589
Additions	1,178,842
At 31 December 2022	<u>7,807,431</u>
<b>Amortisation</b>	
At 1 January 2022	4,953,696
Charge for the year on owned assets	1,114,494
At 31 December 2022	<u>6,068,190</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>1,739,241</u></u>
<b>At 31 December 2021</b>	<u><u>1,674,893</u></u>



**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

**5. Tangible fixed assets**

	<b>Plant and machinery £</b>
<b>Cost or valuation</b>	
At 1 January 2022	116,713
Additions	7,574
Disposals	(84,886)
At 31 December 2022	<u>39,401</u>
<b>Depreciation</b>	
At 1 January 2022	96,809
Charge for the year on owned assets	8,361
Disposals	(84,885)
At 31 December 2022	<u>20,285</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>19,116</u></u>
At 31 December 2021	<u><u>19,904</u></u>

**6. Debtors**

	<b>2022 £</b>	<b>2021 £</b>
Trade debtors	373,223	267,806
Other debtors	190,987	279,849
Prepayments and accrued income	287,938	256,617
	<u><u>852,148</u></u>	<u><u>804,272</u></u>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

**7. Creditors: Amounts falling due within one year**

	<b>2022</b>	2021
	<b>£</b>	£
Bank loans	<b>9,809</b>	9,566
Other loans	<b>100,003</b>	100,003
Trade creditors	<b>242,068</b>	172,693
Other taxation and social security	<b>92,041</b>	121,022
Obligations under finance lease	<b>-</b>	2,435
Other creditors	<b>170</b>	428
Accruals and deferred income	<b>1,405,786</b>	1,314,957
	<b><u>1,849,877</u></b>	<u>1,721,104</u>

**8. Creditors: Amounts falling due after more than one year**

	<b>2022</b>	2021
	<b>£</b>	£
Bank loans	<b>28,270</b>	38,080
Other loans	<b>16,667</b>	116,670
Other creditors	<b>136,409</b>	28,409
	<b><u>181,346</u></b>	<u>183,159</u>

**9. Share capital**

	<b>2022</b>	2021
	<b>£</b>	£
<b>Allotted, called up and fully paid</b>		
784,800 (2021 - 784,800) Ordinary A shares of £0.01 each	<b>7,848</b>	7,848
196,200 (2021 - 196,200) Ordinary B shares of £0.01 each	<b>1,962</b>	1,962
	<b><u>9,810</u></b>	<u>9,810</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

**10. Share based payments**

The Company has granted 2 types of equity arrangements for employees or individuals providing similar services, these are unapproved options and EMI options. There are non-market conditions attached to all including employment and services conditions. There are no market conditions attached. All options are equity settled.

	<b>No. options at 1 January 2022</b>	<b>Weighted average exercise price (£)</b>	<b>No. options granted</b>	<b>No. options lapsed</b>	<b>No. options exercised</b>	<b>No. options at 31 December 2022</b>	<b>Weighted average exercise price (£)</b>
Unapproved options	3,900	0.01	900	(3,000	-	1,800	0.01
EMI options	41,000	0.01	41,500	(7,500	-	75,000	0.01
Total	<b><u>44,900</u></b>	<b><u>0.01</u></b>	<b><u>42,400</u></b>	<b><u>(10,500)</u></b>	<b><u>-</u></b>	<b><u>76,800</u></b>	<b><u>0.01</u></b>

The total expense recognised in the financial year was £19,086 (2021: £11,911).

**11. Post balance sheet events**

Post acquisition, the company was sold to a new owner, and as part of preparing for this the company chose to write back a £108,000 provision against the Directors Loan Account to restate it to the opening value. This resulted in a £108,000 exceptional charge to the Profit and Loss Account.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.