

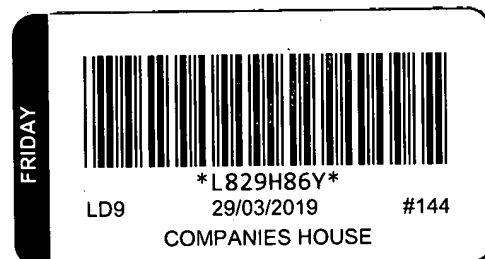


ADBOX INTERNATIONAL LIMITED

UNAUDITED

FINANCIAL STATEMENTS

**INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 30 JUNE 2018**



GSM&Co

Griffin Stone Moscrop & Co
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

100 YEARS
Building better business

ADBOX INTERNATIONAL LIMITED
REGISTERED NUMBER:04288675

BALANCE SHEET
AS AT 30 JUNE 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due within one year	6	2,341	14,087
Cash at bank and in hand		10,370	1,267
		<u>12,711</u>	<u>15,354</u>
Creditors: amounts falling due within one year	7	(466,679)	(406,444)
Net current liabilities		<u>(453,968)</u>	<u>(391,090)</u>
Total assets less current liabilities		<u>(453,967)</u>	<u>(391,089)</u>
Net liabilities		<u>(453,967)</u>	<u>(391,089)</u>
Capital and reserves			
Called up share capital	8	1,100,000	1,100,000
Profit and loss account		(1,553,967)	(1,491,089)
		<u>(453,967)</u>	<u>(391,089)</u>

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 Companies Act 2006.

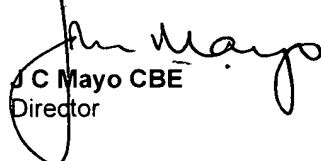
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 comprehensive income 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 on 27 March 2019.


J C Mayo CBE
 Director

ADBOX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. General information

The company, private and limited by shares, was incorporated under the Companies Act 2006, in England and Wales, on 17 September 2001. Details including the registration number and registered office address can be found within the Company Information page.

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 company has net liabilities at the balance sheet date. However, this is principally due to an aggregate amount of £464,685 that is owed to the shareholders of the company along with entities controlled by one of the shareholders. The shareholders have therefore provided financial support to the company to enable it to meet its obligations to third parties as they fell due. This support has continued since the balance sheet date.

In light of the circumstances described in note 9 to the financial statements the directors intend to enter discussions with the shareholders of the company, to encourage them to facilitate a solvent liquidation of the company. However there are no further adjustments required within the financial statements to reflect the fact that the company is unlikely to have a long-term future as a going concern.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

ADBOX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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.

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.

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 investments in non-puttable ordinary shares.

ADBOX INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

3. Employees

The Company has no UK employees other than the directors, who did not receive any remuneration (2017 - £NIL). However one of the directors received director's fees of £33,769 (2017 - £21,219).

The average monthly number of employees, excluding directors, during the year was 0 (2017 - 0).

4. Taxation

Factors affecting tax charge for the year

No tax charge arises due to the losses arising in the year.

Factors that may affect future tax charges

As at 30 June 2018, there are excess management expenses and loan relationship debits of approximately £312,000 (2017 - £247,000) available to carry forward to set off against appropriate future income. In addition there is a capital loss to carry forward of £1,242,694 (2016 - the same). Given the uncertainty as to the timeframe in which the company is likely to be able to utilise the excess management expenses, the loan relationship debits and the capital loss being carried forward against the appropriate type of future taxable income, the directors consider it is not possible to reliably estimate the value of any deferred tax asset as at 30 June 2018. Accordingly, no such asset is recognised or disclosed in these financial statements.

5. Intangible assets

	Licence £
Cost	
At 1 July 2017	1
	<hr/>
At 30 June 2018	1
	<hr/>
Net book value	
At 30 June 2018	1
	<hr/> <hr/>
At 30 June 2017	1
	<hr/> <hr/>

The company owns a licence for the UK rights of a mobile advertising business. The licence is being carried at cost in the balance sheet.

ADBOX INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

6. Debtors

	2018 £	2017 £
Trade debtors	<u>2,341</u>	<u>14,087</u>

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	461,856	381,856
Trade creditors	1,495	3,329
Amounts owed to related parties	2,828	20,759
Accruals and deferred income	500	500
	<u>466,679</u>	<u>406,444</u>

8. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1,100,000 (2017 - 1,100,000) Ordinary shares of £1.00 each	<u>1,100,000</u>	<u>1,100,000</u>

9. Post balance sheet events

In early 2019 the Board became aware of the circumstances in China that would affect the value of its former subsidiary in China and also the value of the UK rights held by the Company to exploit that entity's mobile advertising platform technology. The board believes that the CEO of this entity (and certain of his associates) have been diverting business away from the group and have then destroyed the servers that had hosted the mobile advertising platform. Legal action taken in China has proved fruitless as the Chinese courts have been unwilling to take action against Chinese citizens for the benefit of a small foreign corporation. Consequently the board is considering the best action to now take which ranges from trying to regrow the business from a very low base (zero sales in 2018) or winding the Company up. It intends to engage with shareholders to agree the way forward in the second quarter of 2019.