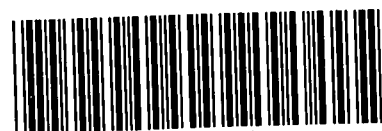


ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

PERKBOX LIMITED

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PERKBOX LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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PERKBOX LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:

C P Cao
S Chopra
U Goyal
J H M Stern

SECRETARY:

R J Gorle

REGISTERED OFFICE:

6 Devonshire Square
London
EC2M 4YE

REGISTERED NUMBER:

07355963 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

PERKBOX LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The Company develops and operates a leading employee engagement technology platform which provides a range of core services and staff benefits for customers focused on employee wellbeing, reward and recognition. Headquartered in the UK, the platform now supports employees based in 84 different countries.

Our customers can increase engagement with their employees across all of their teams, offices and countries using a single harmonized platform. The platform includes features in three areas:

- (a) **Care** - supporting the financial, emotional and physical wellbeing of their employees. We provide access to a wide range of original content, free and discounted benefits. Our Wellness Hub includes a range of mental health and mindfulness tools. We also offer EAP schemes (Employee Assistance Plans) and a Medical app (Online doctor appointments).
- (b) **Connect** - to communicate and share the cultural values of our customers using our Communications Hub. This can be used to bring together all staff benefits in one place.
- (c) **Celebrate** - we are launching new innovative ways to recognise and reward the achievements of colleagues and team members across different offices and geographies. During the year we launched our new 'Flexi Perks' points scheme to seamlessly enable rewards for international employees.

Recovery post Covid-19

The Company was to some extent insulated from the impact of Covid-19 by its longer-term subscription revenue model and customer mix. Despite this it did experience an increase in customer cancellations during 2020 which had a temporary impact on 2021 revenue while these customers were replaced. Annual turnover growth was at 4%. Annualised growth in the portfolio of underlying recurring customer subscriptions recovered steadily during the year, up to 16% by Q4 2021.

This continuing growth in subscriptions continues to validate the increasing relevance of our business model as companies embrace working from home and distributed teams, and builds on a wider awareness of the importance of employee wellbeing and mental health. The year end portfolio of recurring revenue was £23.1M, in line with our operating plan expectations.

Product Development

The Company reorganised this year to be product led, with a product roadmap guided by customer feedback and requirements. Our product and engineering teams have continued to develop and launch market-leading features and innovative enhancements within the Perkbox platform during the year. These include

- The launch of the scalable global platform with a harmonised employee experience across different teams, offices, and geographies.
- Launch of the new Flexi Points benefits and rewards currency which has enabled us to offer a wider range of benefits to our users, and simplifies alignment across international teams
- Expansion of our Wellness Hub offering with additional content
- Integrations with a range of HR and directory services to automate user management
- Improved billing infrastructure including support for more flexible usage-based invoicing
- Improved reporting to demonstrate user engagement with the platform features
- Including infrastructure to support a more scalable global product

Profit and investment

The directors are pleased that as a result of the continuing revenue growth and management of administrative expenses, the company made a profit before tax of £319k during 2021 (FY20 £1.8M). The company also received research and development tax credits of £774k relating to 2018 and 2019.

The directors expect to continue investing in the growth of the Company to grow its customer base and make improvements to its core products to meet our customers' requirements.

PERKBOX LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

International

The Company is headquartered in the UK with international sales operations in Australia operating as a branch of Perkbox Limited. Our international operations grew the value of their customer portfolio by 23.2% during the year. The directors anticipate future growth in UK and international markets as the Company continues to invest in its scalable global product and makes its platform available in new countries.

New customers since October 2021 have been launched on the new version of our platform which includes, as standard, full support for any international employees based across 84 countries. At the end of the year we had 165 global customers active in 3 countries.

Cash Reserves

At the end of the year the Company had cash reserves of £9.0M (FY20 £9.4M), net current assets of £6.8M (FY20 £6.6M) and total shareholders' funds £5.1M (FY20 £3.9M). During the year it repaid £1.0M of the Barclays 4 year term loan facility, and received £774k of tax credits.

PRINCIPAL RISKS AND UNCERTAINTIES

The employee engagement market is fast moving. The Company is therefore subject to change for example in the competitive environment, the regulatory and tax environments, and as a result of updates to technical platforms and standards. We monitor developments in each of these areas and make regular updates to our product and our positioning to reflect the latest changes. Our business is also reliant on third party partners to continue to provide attractive benefits for our users which we review and update on an ongoing basis.

ON BEHALF OF THE BOARD:



.....
S Chopra - Director

Date: 29th September 2022

PERKBOX LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the audited financial statements of the company for the year ended 31 December 2021. The directors have included narrative on future development and overseas branches in the strategic report.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of the development and operation of a 'software as a service' employee engagement platform.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

C P Cao
S Chopra
U Goyal
J H M Stern

The beneficial interests of the directors holding office on 31 December 2021 in the issued share capital of the company were as follows:

	31.12.21	1.1.21
Ordinary 0.1p shares		
C P Cao	424,686	424,686
S Chopra	481,516	481,516
U Goyal	11,381	11,381
J H M Stern	2,057	2,057

GOING CONCERN

The Company made a profit in the year under review.

The directors have prepared detailed cash flow forecasts, which are based on their current expectations of trading prospects. The forecasts have been prepared over a period of 12 months and directors are confident that the company will be able to meet its liabilities as they fall due. Accordingly, the directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. The following policies are in place to help mitigate these risks:

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures such as outstanding receivables. The company seeks to minimise the exposure on cash deposits by using only major banks and financial institutions. It operates credit checking and control procedures to reduce the risk from bad debts.

Liquidity risk

The company actively manages cash balances to ensure there are sufficient available funds for operations.

PERKBOX LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

THIRD PARTY INDEMNITY

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

PERKBOX LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The financial statements on pages 1 to 22 were approved by the Board of Directors on and signed on its behalf by:



.....
S Chopra - Director

Date: 29th September 2022

Independent auditors' report to the members of Perkbox Limited

Report on the audit of the financial statements

Opinion

In our opinion, Perkbox Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Balance Sheet as at 31 December 2021; Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Companies act legislation and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries to manipulate financial results. Audit procedures performed by the engagement team included:

- Discussions of compliance with the Management team including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement and unusual words
- Reviewing minutes of the Board meetings and significant contracts to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations
- Understanding and evaluating management's controls in place to prevent and detect irregularities
- Obtaining independent confirmations of cash balances at the year end and testing management's year end bank reconciliations

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

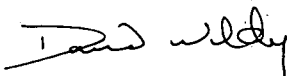
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



David Wildey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2022

PERKBOX LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
TURNOVER	3	76,487,470	73,465,163
Cost of sales		<u>(57,977,992)</u>	<u>(53,908,639)</u>
GROSS PROFIT		18,509,478	19,556,524
Administrative expenses		<u>(18,012,737)</u>	<u>(17,553,199)</u>
OPERATING PROFIT	5	496,741	2,003,325
Interest receivable and similar income		<u>769</u>	<u>135</u>
		497,510	2,003,460
Interest payable and similar expenses	6	<u>(178,529)</u>	<u>(234,103)</u>
PROFIT BEFORE TAXATION		318,981	1,769,357
Tax on profit	7	<u>773,778</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,092,759</u></u>	<u><u>1,769,357</u></u>

The notes form part of these financial statements

PERKBOX LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
PROFIT FOR THE YEAR	1,092,759	1,769,357
OTHER COMPREHENSIVE INCOME/(LOSS)		
Translation adjustment	77,459	(86,150)
Income tax relating to other comprehensive income/(loss)	<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX	<u>77,459</u>	<u>(86,150)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>1,170,218</u></u>	<u><u>1,683,207</u></u>

The notes form part of these financial statements

PERKBOX LIMITED (REGISTERED NUMBER: 07355963)

**BALANCE SHEET
31 DECEMBER 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	8	158,464	-
Tangible assets	9	<u>183,837</u>	<u>296,559</u>
		342,301	296,559
CURRENT ASSETS			
Stocks	10	1,070,463	1,179,843
Debtors	11	4,451,666	3,905,560
Cash at bank		<u>8,956,905</u>	<u>9,433,944</u>
		14,479,034	14,519,347
CREDITORS			
Amounts falling due within one year	12	<u>7,721,759</u>	<u>7,914,412</u>
NET CURRENT ASSETS		<u>6,757,275</u>	<u>6,604,935</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,099,576	6,901,494
CREDITORS			
Amounts falling due after more than one year	13	<u>2,000,000</u>	<u>3,000,000</u>
TOTAL SHAREHOLDERS' FUNDS		<u><u>5,099,576</u></u>	<u><u>3,901,494</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	1,575	1,569
Share premium account	18	18,830,670	18,802,812
Other reserves	18	(8,691)	(86,150)
(Accumulated losses)	18	<u>(13,723,978)</u>	<u>(14,816,737)</u>
TOTAL SHAREHOLDERS' FUNDS		<u><u>5,099,576</u></u>	<u><u>3,901,494</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 29th September 2022 and were signed on its behalf by:



.....
S Chopra - Director

The notes form part of these financial statements

PERKBOX LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	(Accumulated losses) £	Share premium account £	Other reserves £	Total equity £
Balance at 1 January 2020	1,482	(16,586,094)	12,450,874	5,700,000	1,566,262
Changes in equity					
Issue of share capital	87	-	6,351,938	(5,700,000)	652,025
Total comprehensive income	-	1,769,357	-	(86,150)	1,683,207
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	<u>1,569</u>	<u>(14,816,737)</u>	<u>18,802,812</u>	<u>(86,150)</u>	<u>3,901,494</u>
Changes in equity					
Issue of share capital	6	-	27,858	-	27,864
Total comprehensive income	-	1,092,759	-	77,459	1,170,218
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	<u><u>1,575</u></u>	<u><u>(13,723,978)</u></u>	<u><u>18,830,670</u></u>	<u><u>(8,691)</u></u>	<u><u>5,099,576</u></u>

The notes form part of these financial statements

PERKBOX LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	157,695	3,382,577
Interest paid		(178,529)	(234,103)
Tax received		<u>773,778</u>	<u>-</u>
Net cash from operating activities		<u>752,944</u>	<u>3,148,474</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		(211,286)	-
Purchase of tangible fixed assets		(48,693)	(150,838)
Sale of tangible fixed assets		1,363	-
Interest received		<u>769</u>	<u>135</u>
Net cash used in investing activities		<u>(257,847)</u>	<u>(150,703)</u>
 Cash flows from financing activities			
Loan repayments in year		(1,000,000)	-
Share issue		<u>27,858</u>	<u>652,025</u>
Net cash (used in)/generated from financing activities		<u>(972,136)</u>	<u>652,025</u>
 (Decrease)/increase in cash and cash equivalents		<u>(477,039)</u>	<u>3,649,796</u>
Cash and cash equivalents at beginning of year	2	<u>9,433,944</u>	<u>5,784,148</u>
 Cash and cash equivalents at end of year	2	<u><u>8,956,905</u></u>	<u><u>9,433,944</u></u>

The notes form part of these financial statements

PERKBOX LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021 £	2020 £
Profit before taxation	318,981	1,769,357
Depreciation and amortisation charges	139,136	133,336
Loss on disposal of fixed assets	73,976	103,448
Translation adjustment	77,459	(86,150)
Finance costs	178,529	234,103
Finance income	<u>(769)</u>	<u>(135)</u>
	787,312	2,153,959
Decrease in stocks	109,380	588,333
(Increase)/decrease in trade and other debtors	(546,106)	352,241
(Decrease)/increase in trade and other creditors	<u>(192,653)</u>	<u>288,044</u>
Cash generated from operations	<u><u>157,933</u></u>	<u><u>3,382,577</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31.12.21 £	1.1.21 £
Cash and cash equivalents	<u><u>8,956,905</u></u>	<u><u>9,433,944</u></u>

Year ended 31 December 2020

	31.12.20 £	1.1.20 £
Cash and cash equivalents	<u><u>9,433,944</u></u>	<u><u>5,784,148</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	<u><u>9,433,944</u></u>	<u><u>(477,039)</u></u>	<u><u>8,956,905</u></u>
	<u><u>9,433,944</u></u>	<u><u>(477,039)</u></u>	<u><u>8,956,905</u></u>
Debt			
Debts falling due within 1 year	(1,000,000)	-	(1,000,000)
Debts falling due after 1 year	<u><u>(3,000,000)</u></u>	<u><u>1,000,000</u></u>	<u><u>(2,000,000)</u></u>
	<u><u>(4,000,000)</u></u>	<u><u>1,000,000</u></u>	<u><u>(3,000,000)</u></u>
Total	<u><u>5,433,944</u></u>	<u><u>522,961</u></u>	<u><u>5,956,905</u></u>

PERKBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATUTORY INFORMATION

Perkbox Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The company has taken advantage of the following exemption:

- from the requirement to present certain financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the financial statement disclosures of the company.

The accounting policies have been applied consistently; no new policies have been adopted. These financial statements have been prepared on a standalone company basis which is consistent with the prior year.

Going concern

The company made a profit during the year.

The Directors have prepared detailed cash flow forecasts, which are based on their current expectations of trading prospects. The forecasts have been prepared over a period of 12 months and the directors are confident that the Company will be able to meet its liabilities as they fall due. Accordingly, the directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

Significant accounting judgements and estimation uncertainty

The Company makes estimates and assumptions concerning the future. For example we make assumptions on the carrying value of our gift card stock, and the recoverability of receivables due from our customers, and we include estimated provisions based on the level of adjustments required in the past. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Turnover

Turnover comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities. Sales are presented, net of VAT, rebates and discounts.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of four years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	- 25% on cost
Computer equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

PERKBOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held in cash with banks, other short-term liquid investments and with third parties as deposits to fund anticipated cost of sales.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	69,828,986	70,074,580
Rest of World	<u>6,658,484</u>	<u>3,390,583</u>
	<u>76,487,470</u>	<u>73,465,163</u>

PERKBOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	9,796,249	9,970,231
Social security costs	1,034,467	1,091,287
Other pension costs	<u>267,178</u>	<u>222,884</u>
	<u>11,097,894</u>	<u>11,284,402</u>

The average number of employees during the year was as follows:

	2021	2020
Directors	1	1
Administrative staff	<u>159</u>	<u>190</u>
	<u>160</u>	<u>191</u>

	2021	2020
	£	£
Directors' remuneration	65,000	150,000
Directors' pension contributions to money purchase schemes	<u>1,263</u>	<u>1,313</u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Other operating leases	1,029,117	1,053,921
Depreciation - owned assets	86,314	133,336
Loss on disposal of fixed assets	73,976	103,448
Computer software amortisation	52,822	-
Auditors' remuneration - audit fees	48,000	37,500
Foreign exchange differences	<u>(57,991)</u>	<u>87,446</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	<u>178,529</u>	<u>234,103</u>

7. TAX ON PROFIT

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	<u>(773,778)</u>	-
Tax on profit	<u>(773,778)</u>	-

UK corporation tax has been charged at 19% (2020 - 19%).

PERKBOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. TAX ON PROFIT - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>318,981</u>	<u>1,769,357</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	60,606	336,178
Effects of:		
Expenses not deductible for tax purposes	11,422	5,435
Capital allowances in excess of depreciation	(21,578)	(19,611)
Utilisation of tax losses	(50,304)	(322,002)
Enhanced R&D tax relief	(773,778)	-
Other adjustments	<u>(146)</u>	<u>-</u>
Total tax credit	<u>(773,778)</u>	<u>-</u>

Tax effects relating to effects of other comprehensive income

	2021 Gross £	2021 Tax £	Net £
Translation adjustment	<u>77,459</u>	<u>-</u>	<u>77,459</u>
	2020 Gross £	2020 Tax £	Net £
Translation adjustment	<u>(86,150)</u>	<u>-</u>	<u>(86,150)</u>

The unrecognised deferred tax asset is due to a lack of historical profits. The approximate unrecognised deferred tax asset is £2,311,187 (2020: £2,368,928).

8. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
Additions	<u>211,286</u>
At 31 December 2021	<u>211,286</u>
ACCUMULATED AMORTISATION	
Amortisation for year	<u>52,822</u>
At 31 December 2021	<u>52,822</u>
NET BOOK VALUE	
At 31 December 2021	<u>158,464</u>

PERKBOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. TANGIBLE ASSETS

	Office equipment £	Computer equipment £	Totals £
COST			
At 1 January 2021	212,418	346,219	558,637
Additions	23,438	25,255	48,693
Disposals	<u>(30,251)</u>	<u>(229,299)</u>	<u>(259,550)</u>
At 31 December 2021	<u>205,605</u>	<u>142,175</u>	<u>347,780</u>
ACCUMULATED DEPRECIATION			
At 1 January 2021	71,231	190,847	262,078
Charge for year	41,157	45,157	86,314
Disposals	(20,399)	(163,812)	(184,211)
Exchange differences	<u>(90)</u>	<u>(148)</u>	<u>(238)</u>
At 31 December 2021	<u>91,899</u>	<u>72,044</u>	<u>163,943</u>
NET BOOK VALUE			
At 31 December 2021	<u>113,706</u>	<u>70,131</u>	<u>183,837</u>
At 31 December 2020	<u>141,187</u>	<u>155,372</u>	<u>296,559</u>

10. STOCKS

	2021 £	2020 £
Stocks	<u>1,070,463</u>	<u>1,179,843</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,985,491	1,735,241
Other debtors	66,307	3,129
Prepayments and accrued income	<u>2,399,868</u>	<u>2,167,190</u>
	<u>4,451,666</u>	<u>3,905,560</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 14)	1,000,000	1,000,000
Trade creditors	1,465,983	1,459,114
Taxation and social security	455,377	345,575
VAT	664,588	1,750,678
Other creditors	108,790	289,438
Deferred revenue	3,184,128	2,475,354
Accrued expenses	<u>842,893</u>	<u>594,253</u>
	<u>7,721,759</u>	<u>7,914,412</u>

PERKBOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loans (see note 14)	<u>2,000,000</u>	<u>3,000,000</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank loans	<u>1,000,000</u>	<u>1,000,000</u>
Amounts falling due between one and two years:		
Bank loans	<u>2,000,000</u>	<u>3,000,000</u>

The loan is repayable with 16 quarterly payments of £250,000 starting from March 2021.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	570,001	510,011
Between one and five years	<u>339,120</u>	<u>125,503</u>
	<u>909,121</u>	<u>635,514</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	<u>3,000,000</u>	<u>4,000,000</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
1,574,981	Ordinary	0.1p	<u>1,575</u>	<u>1,569</u>

During the year 6,363 (2020: 86,759) ordinary 0.1p shares were issued at an average premium of £5.32 (2020: £73.21).

PERKBOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. RESERVES

	(Accumulated losses)	Share premium account	Other reserves	Totals
	£	£	£	£
At 1 January 2021	(14,816,737)	18,802,812	(86,150)	3,899,925
Profit for the year	1,092,759	-	-	1,092,759
Cash share issue	-	27,858	-	27,858
Translation adjustment	-	-	77,459	77,459
At 31 December 2021	<u>(13,723,978)</u>	<u>18,830,670</u>	<u>(8,691)</u>	<u>5,098,001</u>

19. RELATED PARTY DISCLOSURES

The Company is taking advantage of the exemptions of FRS 102 not to disclose transactions between Group entities as the full financial statements of the Company is publicly available. No further transactions require disclosure as per FRS 102.

20. ULTIMATE CONTROLLING PARTY

As at 31 December 2021 there was no parent entity nor ultimate controlling party.

21. SHARE-BASED PAYMENTS

The Company operates the Perkbox Share Option Plan, a share-based payment scheme for its employees.

Key employees are granted share options in the Company as part of the scheme. The options are granted with a fixed exercise price, are exercisable subject to a vesting period typically over four years after the date of grant, and expire ten years after the date of grant. Employees are not entitled to dividends until the shares are exercised. Employees are required to remain in employment with the Company until exercise, otherwise the awards lapse. Grants for new joiners are approved by the board periodically. On exercise of the options by the employees, the Company issues new shares.

A reconciliation of share option movements over the year to 31 December 2021 is shown below:

	2021		2020	
	No.	Weighted average exercise price	No.	Weighted average exercise price
Outstanding at 1 January	60,638	£7.2485	55,049	£6.1935
Granted	41,047	£11.0600	22,160	£11.0600
Forfeited	(8,072)	£9.3833	(14,039)	£9.5801
Exercised	(5,622)	£4.9445	(2,532)	£4.7420
Expired	-	-	-	-
Outstanding at 31 December	87,991	£8.9779	60,638	£7.2485
Exercisable at 31 December	37,956	£6.2532	33,916	£4.7081

The Company is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined by estimating the market value of the options on the date of grant. The exercise price for all grants made up to 31 December 2021 was deemed to be approximately nominal value, hence the market value was not sufficiently material and no charge was deemed necessary.