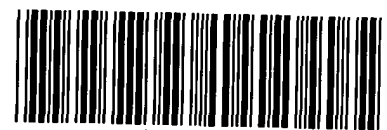


**ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
PERKBOX LIMITED**

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PERKBOX LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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PERKBOX LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:

C P Cao
S Chopra
U Goyal
J H M Stern

SECRETARY:

R J Gorle

REGISTERED OFFICE:

3-7 Herbal Hill
London
EC1R 5EJ

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 2020**

The directors present their strategic report for the year ended 31 December 2020.

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.

The platform includes features to communicate and share the cultural values of our customers, as well as directly supporting the financial, emotional and physical wellbeing of their employees. Customers subscribe to the platform to give their employees access to a wide range of original content, free and discounted benefits and innovative ways to recognise and reward the achievements of colleagues and team members across different offices and geographies.

Impact Of Covid-19

Since March 2020, the Covid-19 pandemic has had a significant effect on many businesses. Perkbox has been insulated to some extent due to its longer-term subscription revenue model and customer mix, however many customers particularly small and medium-sized suffered reductions in income and cashflow as a result of the disruption. Perkbox offered a range of measures to help support and retain these customers, including the launch of new employee wellbeing features and flexibility on financial terms. As a result of these actions, the Company was able to achieve annual growth in turnover of 21% for the year, though recurring licence revenue was lower than originally anticipated before Covid-19.

The directors are pleased to report that the Company experienced a 30% increase in value of redemptions on its platform during 2020 which we believe validates 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.

During 2020 Perkbox launched a successful 'New Working World' marketing campaign to highlight the importance of wellbeing and online engagement for remote workers.

Product Development

The Company's product roadmap is guided by customer feedback and requirements. Our product and engineering teams have continued to develop market-leading features and innovative enhancements within the Perkbox platform during the year, including infrastructure to support a more scalable global product with a harmonised employee experience across different teams, offices, and geographies.

From the start of the year, the Company operated with a lower run-rate cost structure which helped drive a substantial year on year reduction in administrative expenses from £24.7M in 2019 to £17.6M in 2020. The prior year had included a higher level of product investment costs to launch our international operations and a number of new product features. In addition, further steps were taken during 2020 to review efficiency in the commercial organisation. The directors are pleased that as a result of the continuing revenue growth and reduced administrative expenses, the company made an operating profit of £1.8M during 2020 (FY19 loss of £8.1M).

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.

International

The Company is based in the UK with international sales operations in France and Australia both operating as branches of Perkbox Limited. During the year, the Company consolidated its European headcount within its UK office. International operations grew the value of their customer portfolio by 88% 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.

Funding And Cash Reserves

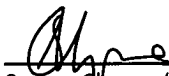
In March 2020 the Company issued shares resulting from the advanced subscription agreements completed in 2019. In September the Company received new equity funding of £640k which included funding from a new strategic investor, Persol Holdings Co. Ltd, the leading comprehensive personnel services provider headquartered in Japan. At the end of the year the Company had cash reserves of £9.4M (FY19 £5.8M), net current assets of £6.6M (FY19 £1.2M) and total shareholders' funds £3.9M (FY19 £1.6M).

PERKBOX LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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. We are also exposed to the impact of any continuing and prolonged business impact from Covid-19 but we have strengthened our resilience by reducing our cost base and increasing our cash position during the year.

ON BEHALF OF THE BOARD:



Saurav Chopra (Sep 2, 2021 10:42 GMT+1)

S Chopra - Director

Date: 01st Sept 2021

PERKBOX LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report with the audited financial statements of the company for the year ended 31 December 2020. The directors have included narrative on future development and overseas branches in the strategic report.

PRINCIPAL ACTIVITY

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 2020.

DIRECTORS

The directors who were in the 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 2020 in the issued share capital of the company were as follows:

	31.12.20	31.12.19
Ordinary 0.1p shares		
C P Cao	424,686	424,686
S Chopra	481,516	483,545
U Goyal	11,381	11,381
J H M Stern		

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 not be in breach of its covenants and will be able to meet its liabilities as they fall due. A scenario was also prepared to demonstrate that the company could continue as a going concern with few operational adjustments required even if the Barclays loan facility was to be repaid during 2021. 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.

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.

PERKBOX LIMITED
REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of directors' responsibilities

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 also 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 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.


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 auditors PricewaterhouseCoopers LLP were re-appointed during the year in accordance with the provisions of section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:


Saurav Chopra (Sep 2, 2021 10:42 GMT+1)

S Chopra - Director

Date: 01st September 2021

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 2020 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 2020; Income Statement, Statement of Other Comprehensive Income, Statement of Changes in Equity, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERKBOX LIMITED

We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, 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 Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 December 2020 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 Report of the Directors

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 noncompliance 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;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERKBOX LIMITED

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.

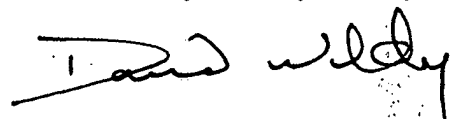
Other required reporting

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
1st September 2021

PERKBOX LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
TURNOVER	3	73,465,163	60,585,916
Cost of sales		<u>(53,908,639)</u>	<u>43,740,044</u>
GROSS PROFIT		19,556,524	16,845,872
Administrative expenses		<u>(17,553,199)</u>	<u>(24,727,138)</u>
OPERATING PROFIT/(LOSS)	5	2,003,325	(7,881,266)
Interest receivable and similar income		<u>135</u>	<u>11,669</u>
		2,003,460	(7,869,597)
Interest payable and similar expenses	6	<u>(234,103)</u>	<u>(287,511)</u>
PROFIT/(LOSS) BEFORE TAXATION		1,769,357	(8,157,108)
Tax on profit/(loss)	7	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>1,769,357</u>	<u>(8,157,108)</u>

The notes form part of these financial statements

PERKBOX LIMITED

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
PROFIT/(LOSS) FOR THE YEAR	1,769,357	(8,157,108)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>1,769,357</u>	<u>(8,157,108)</u>


The notes form part of these financial statements

PERKBOX LIMITED (REGISTERED NUMBER: 07355963)

**BALANCE SHEET
31 DECEMBER 2020**

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	8	296,559	382,505
CURRENT ASSETS			
Stocks	9	1,179,843	1,768,176
Debtors	10	3,905,560	4,257,801
Cash at bank and in hand		<u>9,433,944</u>	<u>5,784,148</u>
		14,519,347	11,810,125
CREDITORS			
Amounts falling due within one year	11	<u>(7,914,412)</u>	<u>(10,626,369)</u>
NET CURRENT ASSETS		<u>6,604,935</u>	<u>1,183,757</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,901,494	1,566,261
CREDITORS			
Amounts falling due after more than one year	12	<u>(3,000,000)</u>	<u>-</u>
TOTAL SHAREHOLDERS' FUNDS		<u>3,901,494</u>	<u>1,566,261</u>
 CAPITAL AND RESERVES			
Called up share capital	16	1,569	1,482
Share premium account	17	18,802,812	12,450,874
Other reserves	17	(86,150)	5,700,000
Accumulated losses	17	<u>(14,816,737)</u>	<u>(16,586,095)</u>
TOTAL SHAREHOLDERS' FUNDS		<u>3,901,494</u>	<u>1,566,261</u>

The financial statements on pages 9 to 21 were approved by the Board of Directors and authorised for issue on 1st of September 2021 and were signed on its behalf by:


 Saurav Chopra (Sep 2, 2021 10:42 GMT+1)
 S Chopra - Director

The notes form part of these financial statements

PERKBOX LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Accumulated losses £	Share premium account £	Other reserves £	Total equity £
Balance at 1 January 2019	1,368	(8,428,986)	4,685,926	7,480,000	3,738,308
Changes in equity					
Issue of share capital	114	-	7,764,948	(1,780,000)	5,985,062
Total comprehensive loss	<u>-</u>	<u>(8,157,109)</u>	<u>-</u>	<u>-</u>	<u>(8,157,109)</u>
Balance at 31 December 2019	<u>1,482</u>	<u>(16,586,095)</u>	<u>12,450,874</u>	<u>5,700,000</u>	<u>1,566,261</u>
Changes in equity					
Issue of share capital	87	-	6,351,938	(5,700,000)	652,025
Total comprehensive income	<u>-</u>	<u>1,769,357</u>	<u>-</u>	<u>(86,150)</u>	<u>1,683,207</u>
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>

The notes form part of these financial statements

PERKBOX LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	3,382,577	(4,684,697)
Interest paid		<u>(234,103)</u>	<u>(287,511)</u>
Net cash generated from/(used in) operating activities		<u>3,148,474</u>	<u>(4,972,208)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(150,629)	(155,447)
Sale of tangible fixed assets		209	1,381
Loan to subsidiary		-	365,951
Interest received		<u>135</u>	<u>11,669</u>
Net cash (used in) generated from investing activities		<u>(150,703)</u>	<u>223,554</u>
Cash flows from financing activities			
Share issue		<u>652,025</u>	<u>5,985,062</u>
Net cash generated from financing activities		<u>652,025</u>	<u>5,985,062</u>
Increase in cash and cash equivalents		<u>3,649,796</u>	<u>1,236,408</u>
Cash and cash equivalents at beginning of year	2	<u>5,784,148</u>	<u>4,547,740</u>
Cash and cash equivalents at end of year	2	<u><u>9,433,944</u></u>	<u><u>5,784,148</u></u>

The notes form part of these financial statements

PERKBOX LIMITED

Notes to the cash flow statement For the year ended 31 December 2020

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM/ (USED IN) OPERATIONS

	2020	2019
	£	£
Profit/(loss) before taxation	1,769,357	(8,157,108)
Depreciation charges	133,336	134,084
Loss on disposal of fixed assets	103,448	422,147
Translation adjustment	(86,150)	-
Finance costs	234,103	287,511
Finance income	(135)	(11,669)
	<u>2,153,959</u>	<u>(7,325,035)</u>
Decrease in stocks	588,333	1,239,051
Decrease/(increase) in trade and other debtors	352,241	(24,795)
Increase in trade and other creditors	<u>288,044</u>	<u>1,426,082</u>
Cash generated from/ (used in) operations	<u><u>3,382,577</u></u>	<u><u>(4,684,697)</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 2020

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

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>5,784,148</u>	<u>4,547,740</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>5,784,148</u>	<u>3,649,796</u>	<u>9,433,944</u>
	<u>5,784,148</u>	<u>3,649,796</u>	<u>9,433,944</u>
Debt			
Debts falling due within 1 year	<u>(4,000,000)</u>	-	<u>(4,000,000)</u>
	<u>(4,000,000)</u>	-	<u>(4,000,000)</u>
Total	<u>1,784,148</u>	<u>3,649,796</u>	<u>5,433,944</u>

The notes form part of these financial statements

PERKBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

The accounting policies have been applied consistently; no new policies have been adopted. These financial statements have been prepared on a standalone company basis whereas prior year financial statements included the consolidation of a former subsidiary Loyalty Bay Limited which was dissolved in 2019.

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 not be in a breach of its banking covenants and will be able to meet its liabilities as they fall due. A scenario was also prepared to demonstrate that the Company could continue as a going concern with few operational adjustments required even if the Barclays loan facility was to be repaid during 2021. 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.

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.

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.

PERKBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

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 (2019 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
United Kingdom	70,074,580	60,110,328
Rest of the World	3,390,583	475,588
	<u>73,465,163</u>	<u>60,585,916</u>

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	9,970,231	12,950,686
Social security costs	1,091,287	1,414,589
Other pension costs	222,884	230,835
	<u>11,284,402</u>	<u>14,596,110</u>

PERKBOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. EMPLOYEES AND DIRECTORS - continued

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

	2020	2019
Directors	1	2
Administrative staff	190	236
	<u>191</u>	<u>238</u>

	2020	2019
	£	£
Directors' remuneration	<u>150,000</u>	<u>215,500</u>

5. OPERATING PROFIT/(LOSS)

The operating profit (2019 - operating loss) is stated after charging/(crediting):

	2020	2019
	£	£
Other operating leases	1,053,921	1,147,055
Depreciation - owned assets	133,336	134,084
Loss on disposal of fixed assets	103,448	422,147
Auditors' remuneration - audit fees	37,500	33,100
Auditors' remuneration - tax advisory	-	7,750
Foreign exchange differences	<u>87,446</u>	<u>(9,270)</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank loan interest	<u>234,103</u>	<u>287,511</u>

7. TAX ON PROFIT/ (LOSS).

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2020 nor for the year ended 31 December 2019.

PERKBOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. TAX ON PROFIT/ (LOSS) - continued

Reconciliation of total tax charge 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:

	2020 £	2019 £
Profit/(loss) before tax	<u>1,769,357</u>	<u>(8,157,108)</u>
Profit/(loss) before tax multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	336,178	(1,549,851)
Effects of:		
Expenses not deductible for tax purposes	5,435	36,037
Capital allowances in excess of depreciation	(19,611)	(3,816)
Utilisation of tax losses	(322,002)	-
Tax losses carried forwards	<u>-</u>	<u>1,517,630</u>
Total tax charge	<u>-</u>	<u>-</u>

The unrecognised deferred tax asset is due to a lack of historical profits. The approximate unrecognised deferred tax asset is £2,368,928 (2019: £3,232,577).

8. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Totals £
COST			
At 1 January 2020	257,200	452,377	709,577
Additions	136,486	14,352	150,838
Disposals	<u>(181,268)</u>	<u>(120,510)</u>	<u>(301,778)</u>
At 31 December 2020	<u>212,418</u>	<u>346,219</u>	<u>558,637</u>
ACCUMULATED DEPRECIATION			
At 1 January 2020	107,037	220,035	327,072
Charge for year	71,662	61,674	133,336
Eliminated on disposal	<u>(107,468)</u>	<u>(90,862)</u>	<u>(198,330)</u>
At 31 December 2020	<u>71,231</u>	<u>190,847</u>	<u>262,078</u>
NET BOOK VALUE			
At 31 December 2020	<u>141,187</u>	<u>155,37</u>	<u>296,559</u>
At 31 December 2019	<u>150,163</u>	<u>232,342</u>	<u>382,505</u>

9. STOCKS

	2020 £	2019 £
Stocks	<u>1,179,843</u>	<u>1,768,176</u>

PERKBOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. DEBTORS

	2020	2019
	£	£
Trade debtors	1,735,241	2,098,802
Other debtors	3,129	389,358
Prepayments and accrued income	<u>2,167,190</u>	<u>1,769,641</u>
	<u><u>3,905,560</u></u>	<u><u>4,257,801</u></u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 13)	1,000,000	4,000,000
Trade creditors	1,459,114	2,120,254
Other taxation and social security	345,575	400,195
VAT	1,750,678	572,281
Other creditors	289,438	112,814
Deferred revenue	2,475,354	2,481,227
Accrued expenses	<u>594,253</u>	<u>939,598</u>
	<u><u>7,914,412</u></u>	<u><u>10,626,369</u></u>

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

	2020	2019
	£	£
Bank loans and overdrafts (see note 13)	<u>3,000,000</u>	-
	<u><u>3,000,000</u></u>	<u><u>-</u></u>

13. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank loans	1,000,000	4,000,000
Amounts falling due after more than year or on demand:		
Bank loans	<u>3,000,000</u>	-
	<u><u>4,000,000</u></u>	<u><u>-</u></u>

The new loan agreement was agreed in November 2020. The loan is repayable with 16 quarterly payments of £250,000 starting from March 2021.

14. LEASING AGREEMENTS

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

	2020	2019
	£	£
Within one year	510,011	361,258
Between one and five years	<u>125,503</u>	<u>510,011</u>
	<u><u>635,514</u></u>	<u><u>871,269</u></u>

PERKBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

15. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>4,000,000</u>	<u>4,000,000</u>

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

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number: 2020	Number: 2019	Class:	Nominal value:	2020 £	2019 £
1,568,618	1,481,859	Ordinary	0.1p	<u>1,569</u>	<u>1,482</u>

During the year 86,759 ordinary 0.1p shares were issued at a premium of £73.21.

17. RESERVES

	Accumulated Losses £	Share premium account £	Other reserves £	Totals £
At 1 January 2020	(16,586,095)	12,450,874	5,700,000	1,564,780
Profit for the year	1,769,357	-	-	1,769,357
Cash share issue	-	6,351,938	(5,700,000)	651,938
Translation adjustment	-	-	(86,150)	(86,150)
At 31 December 2020	<u>(14,816,737)</u>	<u>18,802,812</u>	<u>(86,150)</u>	<u>3,899,925</u>

18. ULTIMATE CONTROLLING PARTY

As at 31 December 2020 there was no parent entity nor ultimate controlling party.

PERKBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

19. 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 2020 is shown below:

	2020		2019	
	No.	Weighted average exercise price	No.	Weighted average exercise price
Outstanding at 1 January	55,049	£6.1935	56,525	£4.3353
Granted	22,160	£11.060	21,420	£11.060
Forfeited	(14,039)	£9.5801	(15,584)	£7.5541
Exercised	(2,532)	£4.7420	(7,312)	£3.1119
Expired	-	-	-	-
Outstanding at 31 December	60,638	£7.2485	55,049	£6.1935
Exercisable at 31 December	33,916	£4.7081	26,867	£2.8951

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 2020 was deemed to be approximately nominal value, hence the market value was not sufficiently material and no charge was deemed necessary.

20. RELATED PARTY DISCLOSURES

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