

Unaudited Financial Statements

Mailstorage Limited

For the Year Ended 31 December 2016

Registered number: 07659017

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Balance Sheet

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	4	17,026	100
Current assets			
Debtors	5	5,300,018	3,916,252
Cash at bank and in hand	6	424,445	774,363
		<u>5,724,463</u>	<u>4,690,615</u>
Creditors: amounts falling due within one year	7	(5,783)	(10,783)
Net current assets		<u>5,718,680</u>	<u>4,679,832</u>
Total assets less current liabilities		<u>5,735,706</u>	<u>4,679,932</u>
Net assets		<u><u>5,735,706</u></u>	<u><u>4,679,932</u></u>
Capital and reserves			
Called up share capital		373,662	348,130
Share premium account		5,617,589	4,558,698
Capital redemption reserve		6,815	6,815
Other reserves		16,926	-
Profit and loss account		(279,286)	(233,711)
		<u><u>5,735,706</u></u>	<u><u>4,679,932</u></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.

Mailstorage Limited
Registered number:07659017

Balance Sheet (continued)

As at 31 December 2016

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



20 September 2017

S Folwell

Director

The notes on pages 4 to 8 form part of these financial statements.

Mailstorage Limited

Statement of Changes in Equity
For the Year Ended 31 December 2016

	Called up share capital	Share premium account	Capital redemption reserve	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2015	348,130	3,581,906	6,532	-	(222,848)	3,713,720
Comprehensive income for the year						
Loss for the year	-	-	-	-	(10,580)	(10,580)
Purchase of own shares	-	-	283	-	(283)	-
Shares issued during the year	-	976,792	-	-	-	976,792
At 1 January 2016	348,130	4,558,698	6,815	-	(233,711)	4,679,932
Comprehensive income for the year						
Loss for the year	-	-	-	-	(45,575)	(45,575)
Shares issued during the year	25,532	1,058,891	-	-	-	1,084,423
Share based payments	-	-	-	16,926	-	16,926
At 31 December 2016	373,662	5,617,589	6,815	16,926	(279,286)	5,735,706

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

The company is registered in England & Wales with registered number 07659017.

The registered office address is 5th Floor, One New Change, London, EC4M 9AF.

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 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.3 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.

2.4 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.

2.5 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.6 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.

2.7 Share based payments

Share option agreements exist for employees of the subsidiary company, Lovespace Limited in relation to potential shares in this company.

The accounting for the fair value of options granted to employees of the subsidiary is treated as an increase in the cost of the investment in that subsidiary.

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

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

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

2.8 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2015 -4).

Notes to the Financial Statements

For the Year Ended 31 December 2016

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	100
Additions	16,926
At 31 December 2016	<u>17,026</u>
Net book value	
At 31 December 2016	<u>17,026</u>
At 31 December 2015	<u>100</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Lovespace Limited	Ordinary	100%	Self storage provider

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Lovespace Limited	<u>(5,001,982)</u>	<u>(1,608,457)</u>

5. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	5,284,558	3,830,792
Other debtors	-	70,000
Called up share capital not paid	15,460	15,460
	<u>5,300,018</u>	<u>3,916,252</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

6. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>424,445</u>	<u>774,363</u>

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other creditors	-	5,000
Accruals and deferred income	<u>5,783</u>	<u>5,783</u>
	<u>5,783</u>	<u>10,783</u>

8. Reserves

Share premium account

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

Capital redemption reserve - represents the nominal value of share capital purchased by the company.

Other reserves

Share option reserve - represents the value of equity-settled share options granted.

Profit & loss account

Profit & loss account - includes all current and prior period retained profits and losses.

9. Share based payments

The company has taken advantage of the exemption available to small entities in relation to accounting for share based payments for share options which were granted prior to the start of the first reporting period under FRS 102.

In October 2016, 19,237,966 options were granted. They have an exercise price of 4.3p. The Black Scholes model was used to determine the fair value at grant date; key inputs were expected volatility of 50%, risk free rate of 2%, the exercise price of 4.3p and expected life to 31 December 2019. The total expense for the period is £16,926.

Of the options granted during 2016, 4,250,000 are part of an EMI scheme and 14,987,966 are part of an unapproved scheme. Of these options, 1,000,000 and 14,987,966 respectively are options granted to directors of the company and of its subsidiary.

Notes to the Financial Statements

For the Year Ended 31 December 2016

10. Post balance sheet events

In December 2016, Mailstorage Limited received a signed subscription agreement from InteSpace (Proprietary) Limited agreeing to subscribe for 23,208,654 shares at 4.3087376 pence each, totalling £1m in consideration. Following the year end, subscriptions for a further 2,968,304 shares at 4.3087376 pence were received from 14 individuals, resulting in a total consideration of £127,896.33. All 26,176,958 shares were allotted on 8th March 2017.

11. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

Report to the directors on the preparation of the unaudited financial statements of Mailstorage Limited for the year ended 31 December 2016

We have compiled the accompanying financial statements of Mailstorage Limited based on the information you have provided. These financial statements comprise the Balance Sheet of Mailstorage Limited as at 31 December 2016, the related notes and a summary of significant accounting policies and other explanatory information.

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

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with section 444(3) of the Companies Act 2006, and the regulations under that section. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with section 444(3) of the Companies Act 2006, and the regulations under that section.

Grant Thornton UK LLP

Grant Thornton UK LLP
Northampton

Date: 27 September 2017