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**MAILSTORAGE LIMITED**

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**UNAUDITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



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**MAILSTORAGE LIMITED**

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**COMPANY INFORMATION**

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**Directors**

C Ameln  
J Hewett  
S Folwell  
A Bernard  
A Schneider  
W Edwards

**Registered number**

07659017

**Registered office**

5th Floor  
One New Change  
London  
EC4M 9AF

**Accountants**

Grant Thornton UK LLP  
Chartered Accountants  
300 Pavilion Drive  
Northampton Business Park  
Northampton  
NN4 7YE



**Report to the directors on the preparation of the unaudited statutory financial statements of Mailstorage Limited for the year ended 31 December 2018**

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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 2018, 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 dated 6 February 2018. 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 dated 6 February 2018. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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](http://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 United Kingdom Generally Accepted Accounting Practice.

*Grant Thornton UK LLP*

Grant Thornton UK LLP

Chartered Accountants

Northampton

Date: *8 April 2019*

**MAILSTORAGE LIMITED**  
**REGISTERED NUMBER:07659017**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	4	198,175	141,045
<b>Current assets</b>			
Debtors	5	7,680,889	7,106,284
Cash at bank and in hand	6	107,624	273,650
		<u>7,788,513</u>	<u>7,379,934</u>
Creditors: amounts falling due within one year	7	(3,595)	(5,920)
<b>Net current assets</b>		<u>7,784,918</u>	<u>7,374,014</u>
<b>Total assets less current liabilities</b>		<u>7,983,093</u>	<u>7,515,059</u>
<b>Net assets</b>		<u><u>7,983,093</u></u>	<u><u>7,515,059</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	419,307	410,823
Share premium account		7,671,064	7,255,353
Capital redemption reserve		6,815	6,815
Other reserves		198,075	140,945
Profit and loss account		(312,168)	(298,877)
		<u><u>7,983,093</u></u>	<u><u>7,515,059</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.

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**MAILSTORAGE LIMITED**  
**REGISTERED NUMBER:07659017**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
*8 April 2019*

*William R. Edwards*

**W Edwards**  
Director

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

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## MAILSTORAGE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. General information

The company is a private company limited by shares and is registered in England and Wales.

Registered Number: 07659017

Registered office:  
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 Interest income

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

##### 2.3 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income 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 over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

The company has taken advantage of the exemption on transition to FRS 102 from accounting for share based payments on options already in issue at the transition date.

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## MAILSTORAGE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.5 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.

##### 2.6 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.

##### 2.7 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.

##### 2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

#### 3. Employees

The average monthly number of employees, including directors, during the year was 6 (2017 - 6).

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**MAILSTORAGE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**4. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2018	141,045
Additions	57,130
At 31 December 2018	<u>198,175</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Lovespace Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Loss
Lovespace Limited	(7,317,762)	(951,137)



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**MAILSTORAGE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**5. Debtors**

	2018 £	2017 £
Amounts owed by group undertakings	7,660,558	6,840,824
Other debtors	4,871	-
Called up share capital not paid	15,460	265,460
	<u>7,680,889</u>	<u>7,106,284</u>

**6. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	<u>107,624</u>	<u>273,650</u>

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

	2018 £	2017 £
Accruals and deferred income	<u>3,595</u>	<u>5,920</u>

**8. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
379,207,254 (2017 - 366,253,341) A Ordinary shares of £0.001 each	379,207	366,253
24,640,163 (2017 - 24,110,163) B Investment shares of £0.001 each	24,640	24,110
	<u>403,847</u>	<u>390,363</u>
 <b>Allotted, called up and partly paid</b>		
15,459,603 (2017 - 20,459,603) A Ordinary shares of £0.001 each	<u>15,460</u>	<u>20,460</u>

On 26 April 2018 the company allotted 7,953,913 A Ordinary shares with nominal value of £0.001 at £0.05 per share and 530,000 B Investment shares with nominal value of £0.001 at £0.05 per share.

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## MAILSTORAGE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 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 July 2017, 3,000,000 options were granted all of which are now void due to a breach in the vesting conditions (2017: 1,000,000). 2,275,000 options were granted in October 2018. These options have an exercise price of 4.3p. A 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 2021. The total expense for the period is £57,130 (2017: £124,019).

Of the options granted between 2016 and 2018, 13,813,930 are part of an EMI scheme, 18,274,036 are part of an unapproved scheme and 5,445,791 are part of another scheme. The voided options all relate to the EMI scheme. Of the options, 5,813,930 (2017: 5,813,390) and 18,274,036 (2017: 15,999,036) respectively are options granted to individuals who were directors of the company and of its parent at the year end.

#### 10. Post balance sheet events

Subsequent to the year end, the company has raised an additional £534,235.50 in respect of the issue of 11,871,900 shares at 4.5p per share.