

Unaudited Financial Statements

Lovespace Limited

For the year ended 31 December 2015



Registered number: 07694327

Lovespace Limited

Company Information

Directors

C Ameln
B Akker
S Folwell
C Young

Registered number

07694327

Registered office

60 Gray's Inn Road
London
WC1X 8LU

Accountants

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

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Directors' Report

For the year ended 31 December 2015

The directors present their report and the unaudited financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company during the period was providing self storage.

The business was set up to deliver an innovative new concept within the fast growing storage market; an online managed, door to door, storage service priced by the box. The service attracts business and private consumers alike and maintains the same physical storage standards of mainstream Self Storage players but with the added transparency and flexibility of by-the-box pricing and the enhanced convenience of pickup from and delivery to the customer's front door. All managed via our proprietary and intuitive online management tools.

Directors

The directors who served during the year were:

C Ameln
B Akker
S Folwell
C Young

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on **27 OCTOBER 2016** and signed on its behalf.



S Folwell
Director



Report to the directors on the preparation of the unaudited statutory financial statements of Lovespace Limited for the year ended 31 December 2015

We have compiled the accompanying financial statements of Lovespace Limited based on the information you have provided. These financial statements comprise the Balance Sheet of Lovespace Limited as at 31 December 2015, the Profit and Loss Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of Lovespace Limited, as a body, in accordance with the terms of our engagement letter dated 5 August 2014. Our work has been undertaken solely to prepare for your approval the financial statements of Lovespace Limited and state those matters that we have agreed to state to the Board of Directors of Lovespace Limited, as a body, in this report in accordance with our engagement letter dated 5 August 2014. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lovespace 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 the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). 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 United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Northampton

Date: *14 November 2016*

Profit and Loss Account

For the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	1	1,013,956	354,129
Cost of sales		(504,379)	(245,117)
Gross profit		509,577	109,012
Administrative expenses		(2,205,876)	(1,213,629)
Operating loss	2	(1,696,299)	(1,104,617)
Interest payable and similar charges		(504)	-
Loss on ordinary activities before taxation		(1,696,803)	(1,104,617)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	11	(1,696,803)	(1,104,617)

The notes on pages 6 to 10 form part of these financial statements.

Balance Sheet

As at 31 December 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	5		19,590		12,933
Tangible assets	6		334,844		183,903
			<u>354,434</u>		<u>196,836</u>
Current assets					
Stocks		14,565		1,588	
Debtors	7	197,434		43,092	
Cash at bank and in hand		5,671		216,179	
		<u>217,670</u>		<u>260,859</u>	
Creditors: amounts falling due within one year	8	(145,037)		(139,147)	
Net current assets			<u>72,633</u>		<u>121,712</u>
Total assets less current liabilities			<u>427,067</u>		<u>318,548</u>
Creditors: amounts falling due after more than one year	9	(3,837,518)		(2,032,196)	
Net liabilities			<u>(3,410,451)</u>		<u>(1,713,648)</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account	11		(3,410,551)		(1,713,748)
Shareholders' deficit			<u>(3,410,451)</u>		<u>(1,713,648)</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2015 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Lovespace Limited

Balance Sheet (continued)

As at 31 December 2015

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27 October 2016

S Folwell
Director



The notes on pages 6 to 10 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The company has the ongoing support of its parent undertaking Mailstorage Limited, who have indicated that amounts owed by Lovespace Limited are payable outside of one year from the balance sheet date.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Intangible fixed assets and amortisation

Trademarks are stated at cost less amortisation, written off over their estimated useful of 10 years in equal instalments.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	4 years straight line
Plant & machinery	-	4 years straight line
Office equipment	-	4 years straight line
Computer equipment	-	5 years straight line

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

For the year ended 31 December 2015

2. Loss on ordinary activities before taxation

The operating loss is stated after charging:

	2015	2014
	£	£
Amortisation - intangible fixed assets	2,442	1,532
Depreciation of tangible fixed assets:		
- owned by the company	125,756	63,537
- held under finance leases	2,688	-
	<u>128,200</u>	<u>65,069</u>

3. Directors' remuneration

	2015	2014
	£	£
Aggregate remuneration:	<u>182,083</u>	<u>105,000</u>

4. Taxation

There are unrelieved tax losses of £3,501,374 (2014: £1,643,937). No deferred tax asset has been recognised due to the early stage of the company which has not demonstrated profitable trading at this stage of its development, which is as expected by the directors.

5. Intangible fixed assets

	Trademarks
	£
Cost	
At 1 January 2015	15,297
Additions	9,099
At 31 December 2015	<u>24,396</u>
Amortisation	
At 1 January 2015	2,364
Charge for the year	2,442
At 31 December 2015	<u>4,806</u>
Net book value	
At 31 December 2015	<u>19,590</u>
At 31 December 2014	<u>12,933</u>

Notes to the Financial Statements

For the year ended 31 December 2015

6. Tangible fixed assets

	Leasehold Improvements £	Plant & machinery £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2015	-	6,716	920	308,112	315,748
Additions	9,400	80,247	8,965	180,773	279,385
At 31 December 2015	9,400	86,963	9,885	488,885	595,133
Depreciation					
At 1 January 2015	-	1,678	231	129,936	131,845
Charge for the year	2,350	21,743	2,474	101,877	128,444
At 31 December 2015	2,350	23,421	2,705	231,813	260,289
Net book value					
At 31 December 2015	7,050	63,542	7,180	257,072	334,844
At 31 December 2014	-	5,038	689	178,176	183,903

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and machinery	8,062	-

7. Debtors

	2015 £	2014 £
Trade debtors	1,599	1,564
VAT repayable	81,331	40,756
Other debtors	114,504	772
	197,434	43,092

Notes to the Financial Statements

For the year ended 31 December 2015

8. Creditors:

Amounts falling due within one year

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	3,272	-
Trade creditors	72,958	104,354
Other taxation and social security	31,426	16,935
Other creditors	37,381	17,858
	<u>145,037</u>	<u>139,147</u>

9. Creditors:

Amounts falling due after more than one year

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	6,726	-
Amounts owed to the parent undertaking	3,830,792	2,032,196
	<u>3,837,518</u>	<u>2,032,196</u>

10. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £0.01 each	<u>100</u>	<u>100</u>

11. Reserves

	Profit and loss account £
At 1 January 2015	(1,713,748)
Loss for the financial year	(1,696,803)
	<u>(3,410,551)</u>
At 31 December 2015	

Notes to the Financial Statements

For the year ended 31 December 2015

12. Operating lease commitments

At 31 December 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	63,197	-
After more than 5 years	54,350	-

13. Related party transactions

At 31 December 2015, Lovespace Limited owed Mailstorage Limited £3,830,792 (31 December 2014: £2,032,196) in respect of an intercompany loan account. This loan is interest free and has no set date for repayment.

14. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Mailstorage Limited by virtue of its shareholding.