

Company Registration No. 08739117 (England and Wales)

SPACIOUS LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021
PAGES FOR FILING WITH REGISTRAR

SPACIOUS LTD

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SPACIOUS LTD

BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	3		254		510
Tangible assets	4		10,091		22,803
			<u>10,345</u>		<u>23,313</u>
Current assets					
Debtors	5	395,143		165,720	
Cash at bank and in hand		1,761,181		2,716,551	
		<u>2,156,324</u>		<u>2,882,271</u>	
Creditors: amounts falling due within one year	6	<u>(1,982,969)</u>		<u>(1,072,835)</u>	
Net current assets			<u>173,355</u>		<u>1,809,436</u>
Total assets less current liabilities			<u>183,700</u>		<u>1,832,749</u>
Creditors: amounts falling due after more than one year	7		(2,092,278)		(2,066,857)
Provisions for liabilities			<u>(1,094)</u>		<u>(3,654)</u>
Net liabilities			<u><u>(1,909,672)</u></u>		<u><u>(237,762)</u></u>
Capital and reserves					
Called up share capital			332		329
Share premium account			6,323,170		6,312,220
Capital redemption reserve			258,835		245,651
Other reserves			136,707		136,707
Profit and loss reserves			<u>(8,628,716)</u>		<u>(6,932,669)</u>
Total equity			<u><u>(1,909,672)</u></u>		<u><u>(237,762)</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 October 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

SPACIOUS LTD

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2021

The financial statements were approved by the board of directors and authorised for issue on 21 March 2022 and are signed on its behalf by:

T Agarwal
Director

Company Registration No. 08739117

SPACIOUS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

Company information

Spacious Ltd is a private company limited by shares incorporated in England and Wales. The registered office is PO Box 501, The Nexus Building, Broadway, Letchworth Garden City, Herts, SG6 9BL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on the going concern basis. The company has again incurred losses during the year. However, the directors have a reasonable expectation that the performance of the company will become profitable when the research and development stage has been completed and the company becomes fully operational. During the past 12 months the company has launched an on demand model as a new flexible type of revenue stream, to add to the existing agency model. It is expected that both revenue streams will grow into the future and the company is forecasting profitability hereafter.

The directors consider that the balance sheet's net liability position is a temporary consequence of a loan which will be converted to equity within the next fundraising exercise. Upon completion of this fundraising round, the directors expect that the balance sheet will revert back to a strong net asset position and this is anticipated to provide sufficient cash runway to meet its future objectives. In the meantime, due to the availability of significant cash balances held, the directors are confident that the company has sufficient resources to continue to meet future liabilities, as and when they become due, and has demonstrated this with significant subsequent repayment of a loan existing at this balance sheet date.

The directors have also assessed the impact of Covid-19, which is not considered either to be an adjusting event in respect of the financial statements for the year ended 31 October 2021, nor of such significance to the company's operations that there are any material matters to disclose in relation to it. Naturally, the directors will be assessing the short, mid and long term impacts of Covid-19 as part of their wider strategic planning, however at this point they do not consider that issues stemming from the Covid-19 outbreak alter their assessment of the company as a going concern.

The directors are therefore of the opinion that the preparation of the annual financial statements on the going concern basis is still appropriate.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Research and development expenditure

Research and development expenditure is written off against profits in the year in which it is incurred.

SPACIOUS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	20% straight line
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	33% straight line
IT equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SPACIOUS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value, which are dealt with through profit and loss, are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

SPACIOUS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

SPACIOUS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.15 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to recent market transactions. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	26	50

SPACIOUS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

3 Intangible fixed assets

	Patents & licences £
Cost	
At 1 November 2020 and 31 October 2021	1,278
Amortisation and impairment	
At 1 November 2020	768
Amortisation charged for the year	256
At 31 October 2021	1,024
Carrying amount	
At 31 October 2021	254
At 31 October 2020	510

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 November 2020	63,833
Additions	6,552
Disposals	(10,035)
At 31 October 2021	60,350
Depreciation and impairment	
At 1 November 2020	41,030
Depreciation charged in the year	18,215
Eliminated in respect of disposals	(8,986)
At 31 October 2021	50,259
Carrying amount	
At 31 October 2021	10,091
At 31 October 2020	22,803

SPACIOUS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

5	Debtors		2021	2020
			£	£
	Amounts falling due within one year:			
	Trade debtors		326,517	96,537
	Other debtors		68,626	69,183
			<u>395,143</u>	<u>165,720</u>
6	Creditors: amounts falling due within one year		2021	2020
			£	£
	Trade creditors		209,304	68,159
	Taxation and social security		233,768	298,815
	Other creditors		1,539,897	705,861
			<u>1,982,969</u>	<u>1,072,835</u>
7	Creditors: amounts falling due after more than one year		2021	2020
		Notes	£	£
	Convertible loans		2,063,218	1,863,442
	Other creditors		29,060	203,415
			<u>2,092,278</u>	<u>2,066,857</u>

SPACIOUS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

8 Share-based payment transactions

The company operates an equity settled share based payment plan for certain employees using the Enterprise Management Incentive (EMI) scheme framework.

Each employee in the scheme has been awarded an option to acquire ordinary shares in the company over a vesting period. The conditions of the agreement require the employee to remain employed by the company throughout this period. The maximum term of the options is 10 years from the grant date.

The company also operates three non-tax advantaged share based payment arrangements for non-employees and employees who do not qualify for the EMI share option scheme. These arrangements are substantially the same as the EMI scheme and so are not disclosed separately.

	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 November 2020	2,895,797	3,629,773	0.03	0.03
Granted	184,428	245,298	0.05	0.05
Forfeited	(417,686)	(894,696)	0.05	0.05
Exercised	(203,074)	(84,578)	0.05	0.02
Outstanding at 31 October 2021	2,459,465	2,895,797	0.02	0.03
Exercisable at 31 October 2021	1,913,394	1,813,949	0.02	0.02

The options outstanding at the balance sheet date had an exercise price ranging from £0.00001 to £0.048.

The fair value of the share options at grant has been measured in line with recent market transactions in the entity's shares.

9 Related party transactions

At the balance sheet date the company was owed £92 (2020: £nil) T Agarwal, a director of the company

This balance was repaid in full subsequent to the balance sheet date.

10 Controlling party

During the year there was no ultimate controlling party.

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