

**ODDBOX DELIVERY LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

## ODDBOX DELIVERY LTD

### COMPANY INFORMATION

**Directors**

D Ravindran  
E Vanpoperinghe  
C Cross  
I Chilkoti (resigned 29 July 2021)  
A Townsend (appointed 29 July 2021)  
C K Teichman (appointed 20 October 2021)

**Registered number**

09638976

**Registered office**

Studio 3.09/3.10 New Covent Garden Market  
The Food Exchange  
London  
SW8 5EL

**Independent auditors**

James Cowper Kreston Audit  
2 Chawley Park  
Cumnor Hill  
Oxford  
OX2 9GG

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**Introduction**

The directors are pleased to present their Strategic Report and audited financial statements of the company for the financial year ended 30 June 2022.

**Business review**

In the past year we have seen our revenues grow to £32.2m (2021: £29.7m) Net losses before tax were £4.6m (2021: £539k profit), this has reflected the enhanced investment to grow our customer base and enhancement to our systems as we grow.

Average employee numbers grew to 89 (2021:55) with 99 staff as at year end (2021: 80). We are proud to pay all our employees the London Living Wage.

In July 2021 to enhance and progress our growth plans, Oddbox secured an investment from Burda Principal investments.

**Principal risks and uncertainties**

The Directors are aware of a number of risks faced by the market in which Oddbox operates. The Directors with the support of management have implemented policies and procedures to eliminate or mitigate these risks.

The most significant risks and uncertainties affecting the Company are considered below.

**Liquidity and cash flow risk**

The company is exposed to liquidity risk to fund its ongoing operations. This is managed by undertaking detailed cash flow forecasting to monitor the Company's working capital requirements to ensure that sufficient cash resources are available to meet the Company's obligations as they fall due.

**Credit risk**

Credit risk reflects the risk that the underlying borrowers or other transaction parties will not meet their obligations as they fall due. Due to the short term nature of the trade debtors the Company is not exposed to a significant level of credit risk.

**Supplier risk**

The company mitigates supplier risk by performing due diligence on all suppliers and monitoring any situations that could affect our suppliers abilities to fulfil their obligations and ensuring that the company is not reliant on individual suppliers.

**Competitive risk**

The company faces competition in the market, this is mitigated through investment in marketing, technology and people to maintain our position and continue to improve our offering.

**Financial key performance indicators**

The company's key performance indicators are revenue, EBITDA, Average order values, lifetime value of customers, return on investment, ESG/Impact score and Customer satisfaction score. The Directors monitor the Company's key performance indicators on a regular basis in order to assess the ongoing performance of the business.

**ODDBOX DELIVERY LTD**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

This report was approved by the board and signed on its behalf.

.....  
**E Vanpoeringhe**  
Director

Date: 12 January 2023

## ODDBOX DELIVERY LTD

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report and the financial statements for the year ended 30 June 2022.

#### Directors

The directors who served during the year were:

D Ravindran  
E Vanpoeringhe  
C Cross  
I Chilkoti (resigned 29 July 2021)  
A Townsend (appointed 29 July 2021)  
C K Teichman (appointed 20 October 2021)

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

#### Results and dividends

The loss for the year, after taxation, amounted to £4,820,258 (2021 - profit £539,194).

No dividends have been proposed in 2022 (2021: nil).

#### Future developments

We expect the year to be another exciting year in the history of Oddbox with development of the existing market in the UK and the continued fight against food waste.

**ODDBOX DELIVERY LTD**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, James Cowper Kreston Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....  
**E Vanpoeringhe**

Director

Date: 12 January 2023

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ODDBOX DELIVERY LTD**

**Opinion**

We have audited the financial statements of Oddbox Delivery Ltd (the 'Company') for the year ended 30 June 2022, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ODDBOX DELIVERY LTD (CONTINUED)**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ODDBOX DELIVERY LTD (CONTINUED)

**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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

Enquiry of management and those charged with governance around actual and potential litigation and claims;

- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our audit reportour Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ODDBOX DELIVERY LTD (CONTINUED)

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Pitt BA BFP FCA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston Audit**

Chartered Accountants & Statutory Auditors

2 Chawley Park

Cumnor Hill

Oxford

OX2 9GG

19 January 2023

ODDBOX DELIVERY LTD

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
Turnover	32,175,079	29,692,228
Cost of sales	(17,091,218)	(15,177,859)
<b>Gross profit</b>	<b>15,083,861</b>	<b>14,514,369</b>
Distribution costs	(6,327,055)	(4,938,732)
Administrative expenses	(13,537,376)	(9,036,404)
<b>Operating (loss)/profit</b>	<b>(4,780,570)</b>	<b>539,233</b>
Interest payable and similar expenses	(39,688)	(39)
<b>(Loss)/profit before tax</b>	<b>(4,820,258)</b>	<b>539,194</b>
<b>(Loss)/profit for the financial year</b>	<b>(4,820,258)</b>	<b>539,194</b>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 14 to 26 form part of these financial statements.

**ODDBOX DELIVERY LTD**  
**REGISTERED NUMBER: 09638976**

**BALANCE SHEET**  
**AS AT 30 JUNE 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	10	854,477	177,652
Tangible assets	11	336,923	123,934
		<u>1,191,400</u>	<u>301,586</u>
<b>Current assets</b>			
Stocks	12	182,274	147,780
Debtors: amounts falling due after more than one year	13	-	73,486
Debtors: amounts falling due within one year	13	1,356,999	545,460
Cash at bank and in hand	14	3,567,623	3,829,070
		<u>5,106,896</u>	<u>4,595,796</u>
Creditors: amounts falling due within one year	15	(4,017,861)	(2,138,355)
<b>Net current assets</b>		<u>1,089,035</u>	<u>2,457,441</u>
<b>Total assets less current liabilities</b>		<u>2,280,435</u>	<u>2,759,027</u>
Creditors: amounts falling due after more than one year		(205,963)	-
<b>Provisions for liabilities</b>			
Other provisions	18	(179,723)	(3,542)
		<u>(179,723)</u>	<u>(3,542)</u>
<b>Net assets</b>		<u><u>1,894,749</u></u>	<u><u>2,755,485</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	211	202
Share premium account		6,907,930	2,948,417
Profit and loss account		(5,013,392)	(193,134)
		<u><u>1,894,749</u></u>	<u><u>2,755,485</u></u>

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

.....  
**E Vanpoeringhe**  
 Director  
 Date: 12 January 2023

The notes on pages 14 to 26 form part of these financial statements.

ODDBOX DELIVERY LTD

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2021	202	2,948,417	(193,134)	2,755,485
Loss for the year	-	-	(4,820,258)	(4,820,258)
Shares issued during the year	9	3,959,513	-	3,959,522
	<u>211</u>	<u>6,907,930</u>	<u>(5,013,392)</u>	<u>1,894,749</u>
<b>At 30 June 2022</b>				

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2020	202	2,948,417	(732,328)	2,216,291
Loss for the year	-	-	539,194	539,194
	<u>202</u>	<u>2,948,417</u>	<u>(193,134)</u>	<u>2,755,485</u>
<b>At 30 June 2021</b>				

ODDBOX DELIVERY LTD

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(4,820,258)	539,194
<b>Adjustments for:</b>		
Amortisation of intangible assets	103,643	11,846
Depreciation of tangible assets	148,212	47,112
Interest paid	39,688	39
(Increase)/decrease in stocks	(34,494)	7,172
(Increase)/decrease in debtors	(738,054)	161,728
Increase in creditors	1,769,169	376,749
Increase/(decrease) in provisions	176,181	(12,452)
<b>Net cash generated from operating activities</b>	<b>(3,355,913)</b>	<b>1,131,388</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(780,468)	(189,498)
Purchase of tangible fixed assets	(361,201)	(102,917)
<b>Net cash from investing activities</b>	<b>(1,141,669)</b>	<b>(292,415)</b>
<b>Cash flows from financing activities</b>		
Issue of shares	3,959,521	-
Repayment of/new finance leases	316,302	-
Interest paid	(39,688)	(39)
<b>Net cash used in financing activities</b>	<b>4,236,135</b>	<b>(39)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(261,447)</b>	<b>838,934</b>
Cash and cash equivalents at beginning of year	3,829,070	2,990,136
<b>Cash and cash equivalents at the end of year</b>	<b>3,567,623</b>	<b>3,829,070</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,567,623	3,829,070
	<b>3,567,623</b>	<b>3,829,070</b>

The notes on pages 14 to 26 form part of these financial statements.

# ODDBOX DELIVERY LTD

## ANALYSIS OF NET DEBT FOR THE YEAR ENDED 30 JUNE 2022

	At 1 July 2021	Cash flows	New finance leases	At 30 June 2022
	£	£	£	£
Cash at bank and in hand	3,829,070	(261,447)	-	3,567,623
Debt due after 1 year	-	-	(205,963)	(205,963)
Debt due within 1 year	-	-	(110,339)	(110,339)
Finance leases	-	-	-	-
	<u>3,829,070</u>	<u>(261,447)</u>	<u>(316,302)</u>	<u>3,251,321</u>

The notes on pages 14 to 26 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. General information**

Oddbox Delivery Ltd is a private company limited by share capital and incorporated in England and Wales (registered number 0963897) under the Companies Act. The Company's registered office is Studio 3.09/3.10 New Covent Garden Market, The Food Exchange, London, SW8 5EL.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The Directors have considered the ability of the company to continue trading for the foreseeable future. This review has included updating financial projections for a period of at least 12 months from the date the financial statements were signed. Based on this review and taken together with existing financing facilities the directors believe that the financial statements have been prepared appropriately on the going concern basis.

**2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised in the period in which the goods are delivered when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer by way of delivering goods to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold as the goods are accepted by the buyer;
- the amount of turnover can be measured reliably through invoicing and payment for goods;
- it is probable that the Company will receive the consideration due for the goods; and
- the costs incurred or to be incurred in respect of the sale being satisfied can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**2.6 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.8 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**2. Accounting policies (continued)**

**2.9 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5	years
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**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	33%	per annum
Plant and machinery	-	33%	per annum
Motor vehicles	-	33%	per annum
Office equipment	-	33%	per annum
Computer equipment	-	33%	per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.11 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**2. Accounting policies (continued)**

**2.12 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.14 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 ordinary shares.

Short term debtors and creditors are measured at the transaction price. Other financial instruments, including loans, 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.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

**Intangible fixed assets**

Development costs relating to the development of a technological system are capitalised as intangible fixed assets and amortised over their useful economic life. Impairment reviews are carried out annually.

**Taxation**

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

**Accruals**

The bonus accrual relating to employees are paid in March if the companies targets have been met. An accrual is made based upon an estimate of how likely it is the target is going to be met by preparing cashflows and budgets.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
B2C sales	32,175,079	29,692,228
	<u>32,175,079</u>	<u>29,692,228</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	32,175,079	29,692,228
	<u>32,175,079</u>	<u>29,692,228</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**5. Operating (loss)/profit**

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

	2022 £	2021 £
Amortisation	103,643	11,846
Depreciation	148,212	47,112
Exchange differences	14,136	-
Other operating lease rentals	<u>392,012</u>	<u>49,856</u>

**6. Auditors' remuneration**

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £ (2021 - ).

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	3,910,795	2,568,722
Social security costs	396,692	227,195
Cost of defined contribution scheme	164,011	71,856
	<u>4,471,498</u>	<u>2,867,773</u>

The average monthly number of employees, including directors, during the year was 89 (2021 - 56).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**8. Directors' remuneration**

	<b>2022</b>	2021
	<b>£</b>	£
Directors' emoluments	<b>266,128</b>	207,992
	<u><b>266,128</b></u>	<u>207,992</u>

The highest paid director received remuneration of £111,274 (2021 - £84,013).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,794 (2021 - £1,754).

The amount of the accrued lump sum in respect of the highest paid director at 30 June 2022 amounted to £12,179 (2021 - £13,184).

**9. Interest payable and similar expenses**

	<b>2022</b>	2021
	<b>£</b>	£
Interest payable	<b>39,688</b>	39
	<u><b>39,688</b></u>	<u>39</u>

ODDBOX DELIVERY LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

10. Intangible assets

	Development expenditure
<b>Cost</b>	
At 1 July 2021	189,498
Additions	780,468
	<hr/>
At 30 June 2022	969,966
	<hr/>
<b>Amortisation</b>	
At 1 July 2021	11,846
Charge for the year	103,643
	<hr/>
At 30 June 2022	115,489
	<hr/>
<b>Net book value</b>	
At 30 June 2022	<hr/> <hr/> 854,477
At 30 June 2021	<hr/> <hr/> 177,652



ODDBOX DELIVERY LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

11. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 July 2021	9,251	58,683	-	18,613	112,636	199,183
Additions	187,551	102,102	45,118	4,351	22,079	361,201
At 30 June 2022	<u>196,802</u>	<u>160,785</u>	<u>45,118</u>	<u>22,964</u>	<u>134,715</u>	<u>560,384</u>
<b>Depreciation</b>						
At 1 July 2021	4,625	28,973	-	6,971	34,680	75,249
Charge for the year	51,621	41,441	4,965	6,665	43,520	148,212
At 30 June 2022	<u>56,246</u>	<u>70,414</u>	<u>4,965</u>	<u>13,636</u>	<u>78,200</u>	<u>223,461</u>
<b>Net book value</b>						
At 30 June 2022	<u>140,556</u>	<u>90,371</u>	<u>40,153</u>	<u>9,328</u>	<u>56,515</u>	<u>336,923</u>
At 30 June 2021	<u>4,626</u>	<u>29,710</u>	<u>-</u>	<u>11,642</u>	<u>77,956</u>	<u>123,934</u>

12. Stocks

	2022 £	2021 £
Goods for resale	<u>182,274</u>	<u>147,780</u>

ODDBOX DELIVERY LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

13. Debtors

	2022 £	2021 £
<b>Due after more than one year</b>		
Other debtors	-	73,486
	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	19,618	14,442
Other debtors	1,068,536	439,616
Called up share capital not paid	102	102
Prepayments and accrued income	268,743	91,300
	<u>1,356,999</u>	<u>545,460</u>

14. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>3,567,623</u>	<u>3,829,070</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,567,744	1,700,223
Other taxation and social security	135,674	93,696
Obligations under finance lease and hire purchase contracts	110,339	-
Other creditors	152,218	15,820
Accruals and deferred income	1,051,886	328,616
	<u>4,017,861</u>	<u>2,138,355</u>

See note 17 for information on the securities of the hire purchase obligations.

ODDBOX DELIVERY LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

16. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Net obligations under finance leases and hire purchase contracts	<u>205,963</u>	<u>-</u>

See note 17 for information on the securities of the hire purchase obligations.

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022	2021
	£	£
Within one year	110,339	-
Between 1-5 years	205,963	-
	<u>316,302</u>	<u>-</u>

The obligations under finance lease and hire purchases are secured on the assets to which they relate.

18. Provisions for liabilities

	Dilapidations provision £
At 1 July 2021	3,542
Charged to profit or loss	176,181
	<u>179,723</u>
At 30 June 2022	

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**19. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
46,167 (2021 - 50,372) Ordinary shares of £0.001 each	46	50
48,577 (2021 - 44,658) A1 Ordinary shares of £0.001 each	49	45
5,398 (2021 - 4,962) A2 Ordinary shares of £0.001 each	5	5
8,709 (2021 - nil) Preference Series B shares of £0.001 each	9	-
	<u>109</u>	<u>100</u>
<b>Allotted, called up and partly paid</b>		
101,520 (2021 - 101,520) Ordinary shares of £0.001 each	<u>102</u>	<u>102</u>

During the year, 150 Ordinary shares, with a nominal value of £0.001 were issued for a total consideration of £68,889.

During the year, 8,709 Preference Series B shares, with a nominal value of £0.001 were issued for a total consideration of £3,999,633.

During the year, 4,355 Ordinary shares were transferred to 3,919 A1 Ordinary shares and 436 A2 Ordinary shares.

All shares were issued at par value of £0.001 per share and £4,068,513 has been credited to the share premium account.

Costs incurred on issuing shares in the year totalled £109,000 and were deducted from the share premium reserve.

**20. Reserves****Share premium account**

The share premium accounts consists of amounts paid for shares in the Company above the nominal value of the shares less any costs relating to the transaction.

**Profit and loss account**

The profit and loss reserves consists of accumulated profit or losses year on year less any dividends paid.

**21. Capital commitments**

At 30 June 2022 the Company had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>244,231</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**22. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £164,011 (2021: £71,856). Contributions totalling £24,085 (2021: £15,819) were payable to the fund at the balance sheet date and are included in other creditors.

**23. Commitments under operating leases**

At 30 June 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	317,916	78,301
Later than 1 year and not later than 5 years	1,063,496	91,042
Later than 5 years	42,314	-
	<u>1,423,726</u>	<u>169,343</u>

**24. Related party transactions**

During the year, the company repaid £Nil (2021: £25,000) to the Directors in relation to their loans, at the year end the amounts due to Directors totalled £Nil (2021: £Nil).

**25. Post balance sheet events**

On the 19th December 2022 Oddbox Delivery Ltd issued convertible loan notes for consideration of £4,500,000.

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