

Company Registration No. 11309189 (England and Wales)

Upgrade Pack Limited

**Unaudited financial statements
for the year ended 31 December 2019**

Pages for filing with the Registrar

Upgrade Pack Limited

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Upgrade Pack Limited

Statement of financial position

As at 31 December 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		83,375		67,423
Investments	5		6,667		-
			<u>90,042</u>		<u>67,423</u>
Current assets					
Debtors	7	587,863		179,698	
Cash at bank and in hand		372,056		184,041	
		<u>959,919</u>		<u>363,739</u>	
Creditors: amounts falling due within one year	8	<u>(422,172)</u>		<u>(171,959)</u>	
Net current assets			<u>537,747</u>		<u>191,780</u>
Total assets less current liabilities			<u>627,789</u>		<u>259,203</u>
Provisions for liabilities			-		(7,902)
Net assets			<u><u>627,789</u></u>		<u><u>251,301</u></u>
Capital and reserves					
Called up share capital	10		900		720
Share premium account	11		2,960,075		798,214
Other reserves			111,165		-
Profit and loss reserves			<u>(2,444,351)</u>		<u>(547,633)</u>
Total equity			<u><u>627,789</u></u>		<u><u>251,301</u></u>

Upgrade Pack Limited

Statement of financial position (continued)

As at 31 December 2019

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2019 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.

The financial statements were approved by the board of directors and authorised for issue on 30 March 2020 and are signed on its behalf by:

Urchana Moudgil

Director

Company Registration No. 11309189

Upgrade Pack Limited

Notes to the financial statements For the year ended 31 December 2019

1 Accounting policies

Company information

Upgrade Pack Limited is a private company limited by shares incorporated in England and Wales. The registered office is 71 Queen Victoria Street, London, EC4V 4BE.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

During the period to 31 December 2019 the company has received external capital investment to fund the development and testing of the Upgrade Pack platform. Post year end the company has continued to raise capital investment and make significant progress with its business plan. The Directors have reviewed future funding requirements and believe the company will have sufficient funding to meet the liquidity demands of the business for a period of at least 12 months from the date these financial statements have been approved. As a result, the financial statements have been prepared on a going concern basis.

1.3 Reporting period

Upgrade Pack Limited was incorporated on 13 April 2018. The comparative period is for the 8 month period from incorporation to 31 December 2018.

1.4 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 Accounting policies (continued)

Subscription fees provide benefits to the customer evenly throughout the subscription period. Consequently revenue from subscription fees is recognised on a time basis, straight line over the membership term. Where the life of the subscription is not defined, fees are recognised in full on payment date.

1.5 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:

Leasehold improvements	Straight line over remaining life of the lease
Office equipment	4 years straight line
Computer equipment	3 years 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.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash at bank and in hand

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 statement of financial position 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.

Basic financial assets

Basic financial assets, which include debtors, 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.

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.

1 Accounting policies (continued)

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.

1.10 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.

1.11 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 income statement 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.

1 Accounting policies (continued)

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

1.12 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.

1.13 Retirement benefits

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

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using recent market prices from third party investment. 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.

1.15 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.

1.16 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 are included in the income statement for the period.

Upgrade Pack Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 23 (2018 - 9).

3 Taxation

	2019	2018
	£	£
Current tax		
Research and development tax credit	(363,151)	(121,148)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(7,902)	7,902
	<u> </u>	<u> </u>
Total tax credit	<u>(371,053)</u>	<u>(113,246)</u>

4 Tangible fixed assets

	Leasehold improvements	Office equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2019	37,933	15,514	24,564	78,011
Additions	10,166	3,357	31,179	44,702
Disposals	-	-	(978)	(978)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2019	48,099	18,871	54,765	121,735
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment				
At 1 January 2019	4,426	2,040	4,122	10,588
Depreciation charged in the year	8,572	4,374	14,962	27,908
Eliminated in respect of disposals	-	-	(136)	(136)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2019	12,998	6,414	18,948	38,360
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 December 2019	35,101	12,457	35,817	83,375
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	33,507	13,474	20,442	67,423
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Upgrade Pack Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

5 Fixed asset investments

	2019	2018
	£	£
Investments	6,667	-
	<u> </u>	<u> </u>

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2019	-
Additions	6,667
	<u> </u>
At 31 December 2019	6,667
	<u> </u>
Carrying amount	
At 31 December 2019	6,667
	<u> </u>
At 31 December 2018	-
	<u> </u>

6 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
				Direct Indirect
Upgrade Pack Limited	Kensington Chambers, 46/50 Kensington Places, St Helier, Jersey, JE4 0ZE	Dormant	Ordinary	100
Upgrade Pack (Singapore) Pte Limited	80 Robinson Road, #25-00, Singapore 068898	Marketing of closed digital marketplace	Ordinary	100

Upgrade Pack Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

7 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	1,113	-
Corporation tax recoverable	363,151	121,148
Amounts owed by group undertakings	115,000	-
Other debtors	108,599	29,872
	<u>587,863</u>	<u>151,020</u>
	<u><u>587,863</u></u>	<u><u>151,020</u></u>
Amounts falling due after more than one year:		
Other debtors	-	28,678
	<u>-</u>	<u>28,678</u>
	<u><u>-</u></u>	<u><u>28,678</u></u>
Total debtors	<u><u>587,863</u></u>	<u><u>179,698</u></u>

8 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	117,485	28,243
Taxation and social security	43,146	53,766
Other creditors	261,541	89,950
	<u>422,172</u>	<u>171,959</u>
	<u><u>422,172</u></u>	<u><u>171,959</u></u>

Upgrade Pack Limited**Notes to the financial statements (continued)****For the year ended 31 December 2019****9 Share-based payment transactions**

	Number of share options		Weighted average exercise price	
	2019 Number	2018 Number	2019 £	2018 £
Outstanding at 1 January 2019	4,092	-	0.01	-
Granted	7,411	4,092	-	0.01
Forfeited	(165)	-	0.01	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Outstanding at 31 December 2019	11,338	4,092	-	0.01
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Exercisable at 31 December 2019	655	-	0.01	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The options outstanding at 31 December 2019 had an exercise price ranging from £0.001 to £0.01, and a remaining contractual life of 10 years.

Expenses

During the year, the company recognised total share-based payment expenses of £111,165 (2018 - £-) which related to equity settled share based payment transactions.

Options are allocated on a discretionary basis to employees and are subject to non-market vesting conditions and only become exercisable subject to the conditions set out in the option scheme rules.

10 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
899,981 (2018: 71,975) Ordinary shares of £0.001 (2018: £0.01) each	900	720
	<u> </u>	<u> </u>

During the year 828,006 shares were issued at prices ranging from £6.66 per share to £15 per share.

On 21 May 2019 the shares were subdivided from £0.01 to £0.001 per share.

Upgrade Pack Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

11 Share premium account

	2019	2018
	£	£
At the beginning of the year	798,214	-
Issue of new shares	2,161,861	798,214
	<u> </u>	<u> </u>
At the end of the year	<u>2,960,075</u>	<u>798,214</u>

The share premium is in relation to 828,006 shares issued at prices ranging from £6.66 per share to £15 per share.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019	2018
£	£
<u>441,488</u>	<u>507,644</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.