

Boxt Limited
Annual Report and Financial Statements
31 March 2023



Boxt Limited
Financial Statements
Year ended 31 March 2023

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	6
Independent auditors' report to the members	9
Statement of comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17

Boxt Limited

Officers and Professional Advisers

The board of directors

Mr M Butler
Mr A J Kerr
Mr J Kitzie Jr
Mr T R Hall
Mr C Day
Mr A R Clemmow

Registered office

3320 Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

Independent Auditors

PricewaterhouseCoopers LLP
Chartered accountants & statutory auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

Boxt Limited

Strategic Report

Year ended 31 March 2023

Overview

The company had a strong operating performance in the year to March 2023, with turnover up 60% compared to the previous financial year. Gross profit increased to £12.6m (£9.9m in the year to 31 March 2022) representing a 18% gross margin (2022: 22%) due to increased costs related to the purchase, distribution and installation of materials.

Review of business

The board monitors the performance of the company using turnover and gross margin as key performance indicators. These measures are monitored on a monthly basis.

Each of these measures are not only monitored against historic trends but also against an annual budget split down into 12 monthly trading periods. The company produces a comprehensive suite of transactional and margin data each month to inform operating decisions and to ensure that profit margins on products are controlled and improved where possible.

During the year, the company's turnover increased 60% as the company grew its market share. The operating loss for the year was £8.1m (2022: £3.6m operating loss) and the financial position at year end was £2.3m (2022: £9.9m) due to strategic investment in marketing and systems.

The company launched a new product "BOXT Life" in November 2022, which is a 120-month boiler subscription including annual service, unlimited repairs and replacement guarantee under the consumer hire framework. The company also moved towards a hybrid self-fulfillment model to pick, pack and ship materials to site and, as a result, the company has purchased inventory and leased a warehouse space. The directors have been satisfied with the performance of this new area of business.

On 5th December 2023, HomeServe Assistance Limited, a Group company of HomeServe Limited, acquired 100% of the issued share capital and obtained control of UK Heating (Jersey) Limited and its controlling interest in BOXT Limited. The transaction was completed between two entities under common control, therefore the ultimate parent and controlling party of the company remains Brookfield Asset Management inc, an entity incorporated in Canada.

Amortisation costs resulting from capitalised system development increased as the company continued to invest in launching new functionality. During the year the company capitalised £4.7m (2022: £2.3m) of IT development costs in relation to the BOXT website relating to a number of items, including but not limited to, the (i) launch of BOXT Life, (ii) BOXT Repairs, and (iii) BOXT Servicing.

Finance costs fell from £1.0m in 2022 to nil in 2023 due to the shareholder loans being converted to equity in December 2021.

The company showed improvement in turnover but decline in gross margin.

	2023 £m	2022 £m
Turnover	70.3	43.9
Gross margin %	18	22
Headcount (#)	116	74

Boxt Limited

Strategic Report *(continued)*

Year ended 31 March 2023

Principal risks and uncertainties

The Board considers the following to be the key risks of the business:

Business performance risk

The board manages the risk that the company may not perform as expected either due to internal factors or external pressures by monthly monitoring of key performance measures against budget and forecast. It ensures that the appropriate management teams are in place, financial controls are operating effectively, prices are being monitored, response times are fast and strong relationships with customers and suppliers are being maintained.

Regulatory risk

As part of the UK's commitment to reducing emission to zero by 2050 the Government recently announced that boilers in newly built homes will be banned from 2025 onwards, meaning that all new homes from that date must be built with a non-gas heating system. Currently, BOXT does not operate within the new build sector so the business is not overly exposed from a performance risk perspective to this legislative requirement. As home heating systems transition over the coming years to zero-emissions alternatives such as hydrogen, solar PV and heat pumps, BOXT will be able to participate as the BOXT technology platform is already capable of installing these alternative solutions.

Product supply risk

The business model is reliant on materials being available from suppliers at short notice. Any disruption to the supply of materials, whether locally due to key supplier issues or factors impacting the global supply, could result in the company being unable to fulfil sales, the resultant loss of revenue and potentially damage to brand reputation. The Board of Directors forecasts 18 months in advance and remains in regular dialogue with key suppliers and manufacturers to ensure this demand can be met, and where necessary, develop contingency plans.

Liquidity risk

The company is exposed to liquidity risk due to the seasonal nature of the business. The company maintains both short and long term cashflow forecasts to ensure sufficient cash is in place to meet liabilities as they fall due. On top of this, following the end of the financial year, the company agreed a £5m Senior Revolving Facility with National Westminster Bank PLC. At the date of signing this Directors' report, £3.7m had been drawn with a further £1.3m available to draw.

Interest rate risk

Following year end, the company agreed a £5m Senior Revolving Facility with National Westminster Bank PLC. at SONIA plus a fixed margin, which has introduced interest rate risk. Fluctuations in interest rates could lead to BOXT being exposed to higher interest costs on its underlying debt obligations.

BOXT's policy is to manage interest cost using a mix of fixed and variable rate borrowings, in particular if the debt obligation is longer term.

Credit risk

The risk associated with cash and cash equivalents is managed by only depositing funds with reputable and creditworthy banking institutions.

There is also a risk that customers do not pay monies owed, thereby meaning lower amounts of cash are recovered relative to expected receivables. This risk has increased in light of the expansion of BOXT Life.

Boxt Limited

Strategic Report *(continued)*

Year ended 31 March 2023

The risk of a BOXT Life customer defaulting is mitigated by a number of processes we have in place including (i) a prudent credit underwriting policy assessing ability to repay, (ii) a collections and arrears policy to monitor and manage any delinquencies, and (iii) monitoring of KPIs to track performance against expectations and make changes if deemed necessary. In addition, any BOXT Life contract will be terminated as and when a customer goes into default.

Strategic Report – Section 172 Statement

The Directors are aware of their various duties including those under section 172 of the Companies Act.

Section 172 of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole and in doing so, have regard to particular matters. The Directors understand that how they behave matters to the stakeholders that have an interest in our business that having productive relationships with our stakeholders is key to our ongoing success.

It is acknowledged that it is not possible for all of the Board's decisions to result in a positive outcome for every stakeholder group. When making decisions, the Board considers the Company's purpose, vision and values, together with its strategic priorities and takes account of its role as a responsible corporate citizen. By doing this, the aim is to ensure that decisions are robust and sustainable.

The Directors have had regard for the matters set out in section 172(1) (a) – (f) of the Company Act 2006 (s172(1)) when performing their duty under section 172. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, while also having regard to the s172 (1) matters referred to below.

The sections below set out our approach to stakeholder engagement.

Section 172(1)(a): The likely consequences of any decision in the long term

Decisions taken during the year are made in the context of the long-term strategy and with regard to the company's capital allocation model. Shorter-term expectations in respect of the strategy are approved as part of the budget process, against which performance is then monitored.

Section 172(1)(b): The interests of the company's employees

Our people are critical to the success of our business, and we want them to be successful individually, and as a team. We aim to support an inclusive environment where everyone is treated with respect. We work hard to engage with and listen to our colleagues. Our company-wide engagement survey provides detailed insight into the views of our people and is used to develop plans.

Section 172(1)(c): The need to foster the company's business relationships with suppliers, customers, and others

Managing these relationships is critical to ensuring the company delivers on its strategy. In respect of customers, we need to understand and meet their needs and it is recognised that our business needs to develop and deploy a range of services beyond our traditional boiler installation model, particularly in helping our customers seek greener alternatives for their homes.

We actively seek the views of our customers through reviews and research with customer satisfaction being a key metric in the annual bonus scheme.

Boxt Limited

Strategic Report *(continued)*

Year ended 31 March 2023

We aim to build strong supplier relationships and develop mutually beneficial partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews.

Section 172(1)(d): The impact of the company's operations on the community and the environment

The company seeks to have a positive impact on the communities in which it operates and reduce its impact on the environment. Key areas of focus include how we can support local causes and issues and create opportunities to recruit and develop local people.

A significant part of our football sponsorships involve supporting the fanbase and local communities that surround the clubs. We work closely with the clubs charity Foundations through a range of activities, including providing funding for school holidays soccer campaigns, unforgettable match day experiences for fans that are known to and supported by the club Foundation, as well donating products to support fundraising events. We've recently begun working in partnership with the Jason Robinson Foundation to further support their goal of changing young people lives through sport.

In terms of the environment, we have set targets in respect of our Scope 1 and 2 carbon emissions and are monitoring to track our progress against these targets.

Section 172(1)(e): The desirability of maintaining a reputation for high standards of business conduct

We expect all of our people to demonstrate the highest standards of integrity. Regardless of role, seniority, or location, they are required to comply with our Code of Business Conduct, our policies, and standards, and with all applicable laws and regulations that relate to their work. Training is provided on the Code, and we have an external whistle blowing hotline through which concerns can be raised on an anonymous basis.

Section 172(1)(f): The need to act fairly as between members of the company

It is important that our shareholder and their representatives have a good understanding of our strategy, business model and culture. Since HomeServe's acquisition in December 2023, considerable time has been spent with our new owner and its representatives with a view to them gaining a deeper understanding of BOXT. On an ongoing basis, the Board will have quarterly meetings with the shareholder to update on financial targets and strategic developments. In addition, monthly business review meetings are held to discuss business performance.

Outside of these formal meetings, the Executive Directors are the primary communication route with the shareholder.

Shareholder approval is required for significant capital expenditure and strategic investments.

This report was approved by the board of directors on 27 March 2024 and signed on behalf of the board by:



Mr A J Kerr
Director

Registered office:
3320 Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

Boxt Limited

Directors' Report

Year ended 31 March 2023

The directors present their report and the audited financial statements of the company for the year ended 31 March 2023.

Principal activities

The principal activity of the company during the year was the sale and installation of central heating boilers and associated equipment.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Mr M Butler	
Mr K Ford	Resigned 6 September 2023
Mr A J Kerr	
Mrs K Folkard	Resigned 28 April 2023
Mr P Lepage	Resigned 31 March 2023
Mrs G Montesi	Resigned 08 March 2024
Mr S Rashid	Resigned 28 April 2023
Mrs A Chittella	Appointed 31 January 2023 and resigned 08 March 2024
Mr W Don	Appointed 28 April 2023 and resigned 08 March 2024
Mr J Kitzie Jr	Appointed 08 March 2024
Mr T R Hall	Appointed 08 March 2024
Mr C Day	Appointed 08 March 2024
Mr A R Clemmow	Appointed 08 March 2024

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The company anticipates that it will continue to pursue its principal activities for the foreseeable future, focusing on implementing measures to improve margins on installations in the UK, reducing cash outflows from the company and increasing profit margins.

Streamlined Energy and Carbon Reporting

We report our carbon emissions following the Greenhouse Gas Protocol, which incorporates Scope 2 market-based emission methodology. We report carbon dioxide emissions resulting from energy use in our business and employees' business travel.

Usage for fuel has been derived from company fuel card data and usage for electricity has been derived from utility bills. Conversion factors for all related emissions statistics has been compiled using the Department for Business, Energy and Industrial Strategy (BEIS) data for 2021 and 2020, as published here:

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>
<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>

	2023	2022
	tCO ₂ e	tCO ₂ e
Scope 1 Fuel from company vehicles	272	197
Scope 2 Electricity consumption	23	20
Total	295	217
Energy intensity metric (total energy usage over headcount)	2.6	2.9

Boxt Limited

Directors' Report *(continued)*

Year ended 31 March 2023

Streamlined Energy and Carbon Reporting *(continued)*

	2023 kWh	2022 kWh
Scope 1 Fuel from company vehicles	1,060,516	760,626
Scope 2 Electricity consumption	120,190	95,067
Total	1,180,706	855,693

To support our carbon reduction ambitions, we are focused on supporting our customers' transition to green-heating technologies, transitioning our fleet to electric and switching to green energies across our sites. This year, we have:

- Transitioned a large proportion of our company vehicles to electric,
- Recycled cardboard waste within Unit 19,
- Reduced our plastic waste by moving all of our deliveries to a recyclable cardboard packaging,
- Used fleet and mileage optimisation planning to reduce carbon footprint of our vehicles; and
- Have made progress on developing green propositions for our customers.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cashflow forecasts for a period of 18 months from the date of approval of these financial statements and have considered certain reasonably possible downsides.

The directors are in advanced discussions with lenders to secure a long-term financing solution for the BOXT Life product. The company has agreed heads of terms and the lender has received credit approval and directors are currently working on long-form documentation and are confident in its completion. In order to gain comfort that the company is a going concern, the directors have run stressed downsides to consider the cashflows should a re-financing not occur.

The cashflow forecasts indicate that, taking into account reasonably possible downsides, the current external financing and levers that the company has, the company will have sufficient funds to meet its liabilities as they fall due in that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Research and development

The company continued to invest in research and development principally in relation to customer facing IT projects. £4.7m (2022: £2.3m) of these development activities were capitalised during the year.

Qualifying indemnity provision

The directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' liability insurance in respect of itself and its directors.

Disclosure of information in the strategic report

Disclosure of the key risks considered by the directors is included within the strategic report.

Boxt Limited

Directors' Report *(continued)*

Year ended 31 March 2023

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Following acquisition of the company by HomeServe Assistant Limited the company will change auditors to align with the rest of the group. A resolution to appoint Deloitte LLP will be proposed at the Annual General Meeting.

This report was approved by the board of directors on 27 March 2024 and signed on behalf of the board by:



Mr A J Kerr
Director

Registered office:
3320 Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

Independent auditors' report to the members of Boxt Limited

Report on the audit of the financial statements

Opinion

In our opinion, Boxt Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise: the Statement of Financial Position as at 31 March 2023; the Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Independent auditors' report to the members of Boxt Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 Boxt Limited (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to permissions granted by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or increase company profits. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of fraud and/or non-compliance with laws and regulations;
- Understanding and evaluation of management's controls designed to prevent and detect fraudulent financial reporting;
- identifying and testing journal entries using a risk-based approach for unexpected account combinations particularly in relation to unexpected revenue transactions;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the useful life and the capitalization of internally generated intangible assets; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Boxt Limited (continued)

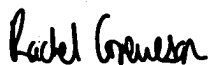
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Rachel Greveson (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Leeds

27 March 2024

Boxt Limited
Statement of Comprehensive Income
Year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	70,390,096	43,948,326
Cost of sales		<u>(57,744,472)</u>	<u>(34,097,114)</u>
Gross profit		12,645,624	9,851,212
Administrative expenses		<u>(20,775,397)</u>	<u>(12,851,900)</u>
Operating loss	5	(8,129,773)	(3,000,688)
Other interest receivable and similar income	8	64,669	-
Interest payable and similar expenses	9	<u>-</u>	<u>(1,046,051)</u>
Loss before taxation		(8,065,104)	(4,046,739)
Tax on loss	10	<u>136,467</u>	<u>91,225</u>
Loss for the financial year		<u>(7,928,637)</u>	<u>(3,955,514)</u>

All the activities of the company are from continuing operations.

The notes on pages 17 to 30 form part of these financial statements.

Boxt Limited

Statement of Financial Position

As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	7,375,605	5,036,501
Tangible assets	12	608,970	144,584
		<u>7,984,575</u>	<u>5,181,085</u>
Current assets			
Stocks	13	2,862,420	499,342
Debtors (includes £2,028,075 receivable in greater than 12 months)	14	10,397,285	14,845,201
Cash at bank and in hand		2,332,075	9,901,734
		<u>15,591,780</u>	<u>25,246,277</u>
Creditors: amounts falling due within one year	15	<u>(14,527,487)</u>	<u>(13,461,057)</u>
Net current assets		<u>1,064,293</u>	<u>11,785,220</u>
Total assets less current liabilities		<u>9,048,868</u>	<u>16,966,305</u>
Provisions for liabilities			
Deferred tax	16	-	-
Net assets		<u>9,048,868</u>	<u>16,966,305</u>
Capital and reserves			
Called up share capital	19	315	308
Share premium account	19	36,630,240	36,619,047
Profit and loss account		(27,581,687)	(19,653,050)
Total Shareholders' Funds		<u>9,048,868</u>	<u>16,966,305</u>

These financial statements on pages 13 to 16 were approved by the board of directors and authorised for issue on 27 March 2024 and are signed on behalf of the board by:



Mr A J Kerr
Director

Company registration number: 08086606

The notes on pages 17 to 30 form part of these financial statements.

Boxt Limited
Statement of Changes in Equity
Year ended 31 March 2023

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 April 2021	171	–	(15,697,536)	(15,697,365)
Loss for the year	–	–	(3,955,514)	(3,955,514)
Total comprehensive expense for the year	–	–	(3,955,514)	(3,955,514)
Issue of shares	137	36,619,047	–	36,619,184
Total investments by and distributions to owners	137	36,619,047	–	36,619,184
At 31 March 2022	308	36,619,047	(19,653,050)	16,966,305
Loss for the year	–	–	(7,928,637)	(7,928,637)
Total comprehensive expense for the year	–	–	(7,928,637)	(7,928,637)
Issue of shares	7	11,193	–	11,200
Total investments by and distributions to owners	7	11,193	–	11,200
At 31 March 2023	315	36,630,240	(27,581,687)	9,048,868

The notes on pages 17 to 30 form part of these financial statements.

Boxt Limited
Statement of Cash Flows
Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Loss for the financial year	(7,928,637)	(3,955,514)
<i>Adjustments for:</i>		
Depreciation of tangible assets	188,520	114,928
Amortisation of intangible assets	2,344,007	1,817,318
Interest payable and similar expenses	-	1,046,051
Other interest receivable and similar income	(64,669)	-
Tax on loss	(136,466)	(91,225)
<i>Changes in:</i>		
Stocks	(2,363,078)	(449,709)
Trade and other debtors	4,584,382	(2,149,660)
Trade and other creditors	61,734	(561,066)
Accrued expenses	1,004,696	798,787
Interest received	64,669	-
Net cash used in operating activities	<u>(2,244,842)</u>	<u>(3,430,090)</u>
Cash flows from investing activities		
Purchase of tangible assets	(652,906)	(83,235)
Purchase of intangible assets	(4,683,111)	(2,280,078)
Net cash used in investing activities	<u>(5,336,017)</u>	<u>(2,363,313)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	11,200	10,080,000
Transaction costs on issue of equity instrument	-	(268,800)
Proceeds from borrowings	-	1,735,600
Repayments of borrowings	-	(1,765,600)
Interest paid	-	(159,185)
Net cash generated from financing activities	<u>11,200</u>	<u>9,622,015</u>
Net (decrease)/increase in cash and cash equivalents	<u>(7,569,659)</u>	<u>3,828,612</u>
Cash and cash equivalents at beginning of year	<u>9,901,734</u>	<u>6,073,122</u>
Cash and cash equivalents at end of year	<u><u>2,332,075</u></u>	<u><u>9,901,734</u></u>

The notes on pages 17 to 30 form part of these financial statements.

Boxt Limited

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The company is a private company limited by shares, registered and incorporated in England and Wales. The address of the registered office is 3320 Century Way, Thorpe Park, Leeds, West Yorkshire, LS15 8ZB. The principal activity is the installation of home heating systems and the company anticipates this will continue for the foreseeable future.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The accounting policies have been applied consistently, other than where new policies have been adopted.

The financial statements have been prepared in accordance with the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional and presentational currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cashflow forecasts for a period of 18 months from the date of approval of these financial statements and have considered certain reasonably possible downsides.

The directors are in advanced discussions with lenders to secure a long-term financing solution for the BOXT Life product. The company has agreed heads of terms and the lender has received credit approval and directors are currently working on long-form documentation and are confident in its completion. In order to gain comfort that the company is a going concern, the directors have run stressed downsides to consider the cashflows should a re-financing not occur.

The cashflow forecasts indicate that, taking into account reasonably possible downsides, the current external financing and levers that the company has, the company will have sufficient funds to meet its liabilities as they fall due in that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

a) Amortisation of Intangible assets

The annual amortisation charge for intangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation of the assets. The carrying amount is £7.4m (2022: £5.0m).

b) Capitalisation of Intangible assets

The company capitalises internal and external costs relating to the development of internal operational systems and the online customer website. The percentage of costs capitalised is determined by a management review of the work completed to establish the split between work on new functionality and business as usual enhancements. The current year rate is 80% (2022: 80%).

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

The company offers Service and Protect+ plans to customers. Revenue is recognised when the service is completed and evenly across the period for Protect+.

Revenue under the BOXT Life model encompasses a (i) boiler and installation element and (ii) service element. Revenue for (i) is recognised at the lower of the net present value of the future cash flows or the fair value of the installation when the significant risks and rewards of installation has transferred to the customer (usually on despatch of the goods). The contract / lease receivable is then recognised on the balance sheet and recovered over the life of the agreement (10 years). Revenue for (ii) is recognised when the service is completed.

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Website - 5 years straight line

Amortisation is charged to Administrative expenses in the Profit and Loss account.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold properties	- 3 years straight line
Plant and machinery	- 3 years straight line
Fixtures and fittings	- 4 years straight line
Equipment	- 3 years straight line

Rebates

Fixed price discounts and volume rebates received and receivable in respect of goods which have been sold are initially deducted from the cost of inventory and therefore reduce cost of sales in the income statement when the goods are sold. Where goods on which the fixed price discount or volume rebate has been earned remain in inventory at the year end, the cost of that inventory reflects those discounts and rebates.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Deferred income

The company recognises deferred revenue when consideration for the goods and services have been transferred but the risks and rewards of ownership have not been transferred, or the service has been provided to the buyer.

Deferred income is measured at the fair value of the consideration received or receivable for goods to be supplied and services to be rendered, net of discounts and Value Added Tax.

Accrued income

The company recognises accrued income when the risks and rewards of ownership have been transferred, or the service has been provided to the buyer but consideration has not been transferred.

Accrued income is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial Assets *(continued)*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

	2023 £	2022 £
Installation Turnover	68,926,120	42,811,220
Service Turnover	1,463,976	1,137,106
Total Turnover	<u>70,390,096</u>	<u>43,948,326</u>

Revenue in relation to BOXT Life is included in Installation Turnover because the directors consider it commercially sensitive at this stage of development.

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

5. Operating loss

Operating loss is stated after charging:

	2023	2022
	£	£
Amortisation of intangible assets	2,344,007	1,817,318
Depreciation of tangible assets	188,520	114,928
Impairment of trade debtors	145,879	5,043
Operating lease rentals	387,537	165,258
Non-audit fees paid	24,900	5,000
Fees payable for the audit of the financial statements	98,000	64,250
	<u> </u>	<u> </u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2023	2022
	No.	No.
Production staff	109	68
Management staff	7	6
	<u> </u>	<u> </u>
	116	74
	<u> </u>	<u> </u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2023	2022
	£	£
Wages and salaries	5,659,660	2,996,401
Social security costs	494,563	418,148
Other pension costs	231,391	68,684
	<u> </u>	<u> </u>
	6,385,614	3,483,234
	<u> </u>	<u> </u>

Staff costs above are shown before payroll costs capitalised to intangible assets of £1,649,361 (2022 - £655,901).

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2023	2022
	£	£
Remuneration	403,936	314,980
Company contributions into defined contribution pension plans	3,156	2,641

The number of directors who accrued benefits under company pension plans was as follows:

	2023	2022
	No.	No.
Defined contribution plans	2	2

The directors who held MEP shares was as follows:

	2023	2022
	No.	No.
MEP shares held	4,000	4,000

Remuneration of the highest paid director in respect of qualifying services:

	2023	2022
	£	£
Aggregate remuneration	204,831	169,480
Company contributions into defined contribution pension plans	1,577	1,320

The director with the highest remuneration who held MEP shares was as follows:

	2023	2022
	No.	No.
MEP shares held	4,000	4,000

8. Other interest receivable and similar income

	2023	2022
	£	£
Other interest receivable and similar income	64,669	-

9. Interest payable and similar expenses

	2023	2022
	£	£
Interest on related party loans	-	1,046,051

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Tax on loss

Major components of tax (income)/charge

	2023 £	2022 £
Current tax:		
UK corporation tax	(136,466)	(69,928)
Total current tax	<u>(136,466)</u>	<u>(69,928)</u>
Deferred tax:		
Origination and reversal of timing differences	(1)	(21,297)
Tax on loss	<u>(136,467)</u>	<u>(91,225)</u>

Reconciliation of tax income

The tax assessed on the loss for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £	2022 £
Loss before taxation	<u>(8,065,104)</u>	<u>(4,046,739)</u>
Loss by rate of tax	(1,532,370)	(768,880)
Adjustment in respect of prior periods	(136,467)	40,976
Effect of expenses not deductible for tax purposes	31,310	202,701
Unrecognised tax losses	1,501,060	421,788
Tax rate changes	-	12,190
Tax on loss	<u>(136,467)</u>	<u>(91,225)</u>

Factors that may affect future tax expense

The March 2021 Budget announced an increase in the UK standard rate of Corporation Tax to 25% from 1 April 2023. The legislation was not enacted during the year so deferred tax has been calculated using the enacted rate of 19%.

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

11. Intangible assets

	Website £
Cost	
At 1 April 2022	10,318,328
Additions	4,683,111
At 31 March 2023	15,001,439
Accumulated amortisation	
At 1 April 2022	5,281,827
Charge for the year	2,344,007
At 31 March 2023	7,625,834
Carrying amount	
At 31 March 2023	7,375,605
At 31 March 2022	5,036,501

12. Tangible assets

	Leasehold properties £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 April 2022	155,602	29,995	82,022	199,841	467,460
Additions	506,401	-	22,779	123,726	652,906
At 31 March 2023	662,003	29,995	104,801	323,567	1,120,366
Accumulated depreciation					
At 1 April 2022	121,487	23,857	56,885	120,647	322,876
Charge for the year	102,748	4,323	19,134	62,315	188,520
At 31 March 2023	224,235	28,180	76,019	182,962	511,396
Carrying amount					
At 31 March 2023	437,768	1,815	28,782	140,605	608,970
At 31 March 2022	34,115	6,138	25,137	79,194	144,584

13. Stocks

	2023 £	2022 £
Raw materials and consumables	2,862,420	499,342

Current replacement cost and most recent purchase price are not materially different to amounts stated.

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

14. Debtors

	2023	2022
	£	£
Trade debtors	4,169,592	2,480,278
Corporation tax	136,466	69,928
Other debtors	1,245,705	66,576
Contract receivable	2,148,025	-
Deferred consideration	-	9,999,997
Prepayments and accrued income	2,697,497	2,228,422
	<u>10,397,285</u>	<u>14,845,201</u>

Deferred consideration relates to consideration due from UK Heating (Jersey) Limited and was received in the current year.

The debtors above include the following amounts falling due after more than one year:

	2023	2022
	£	£
Contract receivable	<u>2,028,075</u>	<u>-</u>

A breakdown by maturity date is as follows:

Falling due within 1 year	119,950	-
Falling due between 1 and 2 years	134,689	-
Falling due within 2 and 5 years	512,487	-
Falling due after 5 years	1,380,899	-

15. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	9,885,919	10,378,951
Taxation and social security	1,049,942	824,166
Other creditors	447,030	118,040
Accruals and deferred income	3,144,596	2,139,900
	<u>14,527,487</u>	<u>13,461,057</u>

16. Provisions for liabilities

	Deferred tax (note 17) £
At 1 April 2022	-
Credited to the income statement	-
At 31 March 2023	<u>-</u>

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2023 £	2022 £
Included in provisions (note 16)	-	-

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023 £	2022 £
Fixed asset timing differences	268,418	88,266
Short term timing differences - trading	(8,512)	(1,694)
Losses	(177,102)	(35,779)
R&D expenditure credit	(82,804)	(50,793)
	-	-

The company has unrecognised deferred tax assets relating to unused tax losses of £26.7m at 31 March 2023 (2022 - £18.1m).

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £171,624 (2022 - £55,751).

19. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary 1p shares of £0.01 each	25,803	258	25,803	258
MEP 1p shares of £0.01 each	5,700	57	5,000	50
	<u>31,503</u>	<u>315</u>	<u>30,803</u>	<u>308</u>

During the year 700 £0.01 (2022: 5,000 £0.01) MEP shares were issued at a premium of £11,193 (2022: £79,950).

In the prior year, the Ordinary A and B shares were merged into one classification of Ordinary shares and a further 8,715 shares were issued.

Share Rights and Obligations

Ordinary Shares. Each ordinary share has equal voting rights and rights to distributions.

MEP Shares are shares associated with employee long term incentive plans. MEP shares have a right to certain proceeds upon an exit depending on whether profitability hurdles have been met. MEP shares have no voting rights or rights to shareholder distributions.

The fair value of the MEP shares is not materially different to the cost and therefore no employee benefit charge has been recognised within the financial statements.

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Called up share capital (continued)

Share premium account

	2023		2022	
	No.	£	No.	£
Ordinary 1p shares at £0.00	17,088	-	17,088	-
Ordinary 1p shares of £6,110.52	61	372,742	61	372,742
Ordinary 1p shares of £6,323.67	2,599	16,435,226	2,599	16,435,226
Ordinary 1p shares of £3,303.04	6,055	19,999,929	6,055	19,999,929
MEP 1p shares of £15.99	5,700	91,143	5,000	79,950
Transaction costs	-	(268,800)	-	(268,800)
	30,803	36,630,240	30,803	36,619,047

20. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	9,901,734	(7,569,659)	2,332,075
	9,901,734	(7,569,659)	2,332,075

21. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	504,708	370,282
Later than 1 year and not later than 5 years	865,247	125,187
Later than 5 years	840,985	-
	2,210,940	495,469

22. Capital commitments

At 31 March 2023 the company had no capital commitments

23. Related party transactions

During 2023 the company paid rent and service charges to a company under the control of one of its directors totalling £0.3m (2022 - £0.1m). The balance outstanding at the year-end date was £nil (2022 - £nil). The company also purchased stock from a company under the control of one of its directors totalling £0.1m (2022 - £nil). The balance outstanding at the year-end date was £nil (2022 - £nil).

During the year there were transactions totalling £11.0m (2022 - £6.4m) with companies under common ownership. The balance outstanding as at the year-end is £0.7m (2022 - £0.3m) and is included in trade debtors.

During the year there were transactions totalling £0.3k (2022 - £0.2k) with entities under the control of the directors. As at the year-end the balance outstanding totals £0.03m (2022 - £0.02m).

Boxt Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

24. Controlling party

On 5th December 2023, HomeServe Assistance Limited, a Group company of HomeServe Limited, acquired 100% of the issued share capital and obtained control of UK Heating (Jersey) Limited and its controlling interest in BOXT Limited.

The transaction was completed between two entities under common control, therefore the ultimate parent and controlling party of the company remains Brookfield Asset Management inc, an entity incorporated in Canada.

The largest group in which the results of the company are consolidated is that headed by Brookfield Asset Management inc. The smallest group in which the results of the company are consolidated is that headed by Brookfield Infrastructure Partners LP. Both entities registered offices and financial statements are available from Brookfield Place, Suite 100, 181 Bay Street, Toronto, ON M5J 2T3.

25. Key management personnel

The directors are considered to be the key management personnel of the company.