

Company Registration No. 10272838 (England and Wales)

THE GOOD BOX CO LABS LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018
PAGES FOR FILING WITH REGISTRAR

THE GOOD BOX CO LABS LTD

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 7

THE GOOD BOX CO LABS LTD

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Stocks		200,485		-	
Debtors	3	329,536		166,827	
Cash at bank and in hand		1,646,970		49,615	
		<u>2,176,991</u>		<u>216,442</u>	
Creditors: amounts falling due within one year	4	<u>(377,111)</u>		<u>(138,658)</u>	
Net current assets			1,799,880		77,784
Creditors: amounts falling due after more than one year	5		-		(812,263)
Net assets/(liabilities)			<u>1,799,880</u>		<u>(734,479)</u>
Capital and reserves					
Called up share capital	7		3,068		1,115
Share premium account			3,891,067		-
Capital redemption reserve			1,552		-
Profit and loss reserves			<u>(2,095,807)</u>		<u>(735,594)</u>
Total equity			<u>1,799,880</u>		<u>(734,479)</u>

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

For the financial year ended 31 August 2018 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 GOOD BOX CO LABS LTD

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2018

The financial statements were approved by the board of directors and authorised for issue on 21 May 2019 and are signed on its behalf by:

Mr A O'Brien

Director

Company Registration No. 10272838

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Company information

The Good Box Co Labs Ltd is a private company limited by shares incorporated in England and Wales (company number: 10272838). The registered office is Unit 3.06, Boat Shed, Exchange Quay, Salford, M5 3EQ.

1.1 Accounting convention

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

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

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

1.2 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.

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 Cash at bank and in hand

Cash at bank and in hand 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.

1.6 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price.

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.

1.7 Compound instruments

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

1.8 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.

1.9 Taxation

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

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Current tax

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

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

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

1.11 Retirement benefits

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

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.13 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 profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2017 - 2).

3 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	12,306	-
Corporation tax recoverable	-	119,238
Other debtors	317,230	47,589
	<u>329,536</u>	<u>166,827</u>

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	346,910	92,168
Taxation and social security	10,937	-
Other creditors	19,264	46,490
	<u>377,111</u>	<u>138,658</u>

5 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Convertible loans	6	-	812,263
		<u>-</u>	<u>812,263</u>

6 Convertible loan notes

	2018 £	2017 £
Liability component of convertible loan notes	-	812,263
	<u>-</u>	<u>812,263</u>

In the prior period convertible loan notes were issued at an issue price of £5,000 per note. The notes were convertible into ordinary shares of the company at any time before 31 December 2026. The conversion price was at a price equal to the outstanding sums at the conversion date.

The notes were converted to ordinary shares during the year.

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and not fully paid		
613,426 ordinary shares of 0.5p each	3,068	1,115
	<u>3,068</u>	<u>1,115</u>

During the year the following share transactions occurred:

3 October 2017 - 26,000 10p ordinary shares were allotted at a cost of £23.08 per share being the price equal to the outstanding amount of convertible loans at that date;

14 May 2018 - 37,148 10p ordinary shares were subdivided into 742,960 0.5p shares;

14 May 2018 - 150,153 0.5p ordinary shares were allotted at a cost of £18.21 per share;

14 May 2018 - 310,455 0.5p ordinary shares were purchased by the company for £1 and were immediately cancelled;

10 August 2018 - 30,768 0.5p ordinary shares were allotted at a cost of £18.21 per share.

At the year end 27,217 (2017: 22,960) shares were unpaid.

8 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:

2018 £	2017 £
30,300	-
<u>30,300</u>	<u>-</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.