

Company registration number 10272838 (England and Wales)

THE GOOD BOX CO LABS LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
PAGES FOR FILING WITH REGISTRAR

THE GOOD BOX CO LABS LTD

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THE GOOD BOX CO LABS LTD

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		4,333,333		4,853,333
Tangible assets	4		6,835		10,253
			<u>4,340,168</u>		<u>4,863,586</u>
Current assets					
Stocks		387,333		687,400	
Debtors	5	210,989		360,157	
Cash at bank and in hand		70,689		1,472,433	
		<u>669,011</u>		<u>2,519,990</u>	
Creditors: amounts falling due within one year	6	<u>(1,618,510)</u>		<u>(379,498)</u>	
Net current (liabilities)/assets			<u>(949,499)</u>		<u>2,140,492</u>
Total assets less current liabilities			<u>3,390,669</u>		<u>7,004,078</u>
Creditors: amounts falling due after more than one year	7		<u>(10,133,977)</u>		<u>(9,331,834)</u>
Net liabilities			<u><u>(6,743,308)</u></u>		<u><u>(2,327,756)</u></u>
Capital and reserves					
Called up share capital	9		6,991		6,991
Share premium account			9,302,917		9,302,917
Equity reserve			142,616		141,834
Capital redemption reserve			1,552		1,552
Profit and loss reserves			<u>(16,197,384)</u>		<u>(11,781,050)</u>
Total equity			<u><u>(6,743,308)</u></u>		<u><u>(2,327,756)</u></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 2022 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 2022

The financial statements were approved by the board of directors and authorised for issue on 17 October 2023 and are signed on its behalf by:

Mr D White
Director

Company Registration No. 10272838

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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 1, Century Park, Pacific Road, Altrincham, WA14 5BJ.

1.1 Accounting convention

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

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

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

1.2 Going concern

The company is supported by its shareholders and major creditors and has sufficient funding to operate for the foreseeable future. In coming to this conclusion, the directors have given due consideration to the company's balance sheet and the net liabilities position at the year end. The directors therefore believe the going concern basis to be appropriate in the preparation of these financial statements. The company's largest liability is in the form of convertible loan notes, these convertible loan notes were converted to equity after the year end as detailed in the events after the reporting date note.

1.3 Turnover

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

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.

1.4 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.

1.5 Intangible fixed assets other than goodwill

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

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

Patents & licences	straight line over 10 years
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1.6 Tangible fixed assets

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

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

Computers	33% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 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 cost and replacement 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.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

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.

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

1.10 Compound instruments

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

1.11 Equity instruments

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

1.12 Taxation

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

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.

1.13 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.

1.14 Retirement benefits

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

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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 in the period are included in profit or loss.

2 Employees

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

	2022 Number	2021 Number
Total	18	19

3 Intangible fixed assets

Patents &
licences
£

Cost

At 1 September 2021 and 31 August 2022

5,200,000

Amortisation and impairment

At 1 September 2021

346,667

Amortisation charged for the year

520,000

At 31 August 2022

866,667

Carrying amount

At 31 August 2022

4,333,333

At 31 August 2021

4,853,333

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 September 2021 and 31 August 2022	14,568
Depreciation and impairment	
At 1 September 2021	4,315
Depreciation charged in the year	3,418
At 31 August 2022	7,733
Carrying amount	
At 31 August 2022	6,835
At 31 August 2021	10,253

5 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	112,256	115,500
Corporation tax recoverable	1,300	170,156
Other debtors	97,433	74,501
	210,989	360,157

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,491,748	347,547
Taxation and social security	63,398	25,007
Other creditors	63,364	6,944
	1,618,510	379,498

7 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Convertible loans	10,133,977	9,331,834

THE GOOD BOX CO LABS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Convertible loan notes

	2022 £	2021 £
Liability component of convertible loan notes	10,133,977	9,331,834

In the period convertible loan notes were issued at an issue price of £50,000 (2021: £9,063,990). The notes were convertible into equity shares of the company at any time before 14 January 2024. The conversion price is at a price equal to the outstanding sums at the conversion date.

If the notes have not been converted by 14 January 2024, they will be redeemed at par. Interest of 8% per annum will be payable.

The interest expensed for the year is calculated by applying an effective interest rate of 8% to the liability component of the loan notes.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the balance sheet represents the effective interest rate less interest paid to that date.

The effective rate of interest is 8%.

The equity component of the convertible loan notes has been credited to the equity reserve.

9 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and not fully paid				
Ordinary shares of 0.5p each	1,398,131	1,398,131	6,991	6,991

10 Events after the reporting date

On 8 June 2023 the convertible loan notes were converted to equity.

11 Directors' transactions

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts written off £	Closing balance £
Loan	-	1,095	(1,095)	-
		1,095	(1,095)	-

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.