
MAILSTORAGE LIMITED

UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



MAILSTORAGE LIMITED

COMPANY INFORMATION

Directors	C Ameln S Folwell W Edwards N Crawford (appointed 16 February 2022) L Hoydal (appointed 30 November 2020)
Registered number	07659017
Registered office	5th Floor One New Change London EC4M 9AF
Accountants	Grant Thornton UK LLP Chartered Accountants 300 Pavilion Drive Northampton Business Park Northampton NN4 7YE



Report to the directors on the preparation of the unaudited statutory financial statements of Mailstorage Limited for the year ended 31 December 2021

We have compiled the accompanying financial statements of Mailstorage Limited (the 'company') based on the information you have provided. These financial statements comprise the Balance Sheet of Mailstorage Limited as at 31 December 2021, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), 'Compilation Engagements'.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the Company's directors, as a body, in accordance with the terms of our engagement letter dated 26 April 2021. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Company's directors, as a body, in this report in accordance with our engagement letter dated 26 April 2021. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its directors, as a body, for our work or for this report.

A stylized signature or stamp for Grant Thornton UK LLP, featuring the company name in a decorative, cursive-like font.

Grant Thornton UK LLP

Chartered Accountants

Northampton

Date: 19/10/2022

MAILSTORAGE LIMITED
REGISTERED NUMBER:07659017

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	4	457,212	419,971
Current assets			
Debtors: amounts falling due after more than one year	5	5,753,676	6,855,057
Debtors: amounts falling due within one year	5	20,331	20,331
Cash at bank and in hand		3,083,317	1,987,710
		<u>8,857,324</u>	<u>8,863,098</u>
Creditors: amounts falling due within one year	6	(13,800)	(5,072)
Net current assets		<u>8,843,524</u>	<u>8,858,026</u>
Total assets less current liabilities		<u>9,300,736</u>	<u>9,277,997</u>
Creditors: amounts falling due after more than one year	7	(38,432)	(48,333)
Net assets		<u><u>9,262,304</u></u>	<u><u>9,229,664</u></u>
Capital and reserves			
Called up share capital	8	453,911	453,911
Share premium account		8,670,807	8,670,807
Capital redemption reserve		6,815	6,815
Share option reserve		457,112	419,871
Profit and loss account		(326,341)	(321,740)
		<u><u>9,262,304</u></u>	<u><u>9,229,664</u></u>

MAILSTORAGE LIMITED
REGISTERED NUMBER:07659017

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

Will Edwards

W Edwards
Director

Date: 11/10/2022

The notes on pages 5 to 10 form part of these financial statements.

MAILSTORAGE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Profit and loss account £	Total equity £
At 1 January 2020	431,179	8,193,428	6,815	267,453	(315,917)	8,582,958
Comprehensive income for the year						
Loss for the year	-	-	-	-	(5,823)	(5,823)
Shares issued during the year	22,732	477,379	-	-	-	500,111
Share based payments	-	-	-	152,418	-	152,418
At 1 January 2021	453,911	8,670,807	6,815	419,871	(321,740)	9,229,664
Comprehensive income for the year						
Loss for the year	-	-	-	-	(4,601)	(4,601)
Share based payments	-	-	-	37,241	-	37,241
At 31 December 2021	453,911	8,670,807	6,815	457,112	(326,341)	9,262,304

The notes on pages 5 to 10 form part of these financial statements.

MAILSTORAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

The company is a private company limited by shares and is registered in England and Wales.

Registered Number: 07659017

Registered office:
5th Floor
One New Change
London
EC4M 9AF

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Board have assessed the company's ability to operate as a going concern for the 12 months from the date of signing the financial statements.

Based on their review, and taking into account future expected cashflows, the directors believe that it remains appropriate to continue to adopt the going concern basis in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

MAILSTORAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Government grants

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

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

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

All the share options in issue have been awarded to employees of the subsidiary company, Lovespace Limited. These options entitle the holder to equity instruments in the company upon vesting.

The company has taken advantage of the exemption on transition to FRS 102 from accounting for share based payments on options already in issue at the transition date.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

MAILSTORAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Employees

The average monthly number of employees during the year was 0 (2020 - 0).

4. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2021	419,971
Additions	37,241
At 31 December 2021	<u>457,212</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Lovespace Limited	Ordinary	100%

MAILSTORAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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5. Debtors

	2021 £	2020 £
Due after more than one year		
Amounts owed by group undertakings	5,753,676	6,855,057
	<hr/>	<hr/>
	2021 £	2020 £
Due within one year		
Other debtors	4,871	4,871
Called up share capital not paid	15,460	15,460
	<hr/>	<hr/>
	20,331	20,331
	<hr/>	<hr/>

The amounts owed by group undertakings relates to a balance owed by the company's subsidiary, Lovespace Limited, in connection with investment in the start-up of the business. The Directors believe that this balance is recoverable, although anticipate that it will take a number of years for the full balance to be repaid.

6. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	10,000	1,667
Accruals and deferred income	3,800	3,405
	<hr/>	<hr/>
	13,800	5,072
	<hr/>	<hr/>

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

	2021 £	2020 £
Bank loans	38,432	48,333
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
413,811,495 (2020 - 413,811,495) A Ordinary shares of £0.001 each	413,811	413,811
24,640,163 (2020 - 24,640,163) B Investment shares of £0.001 each	24,640	24,640
	<u>438,451</u>	<u>438,451</u>
Allotted, called up and partly paid		
15,459,603 (2020 - 15,459,603) A Ordinary shares of £0.001 each	15,460	15,460
	<u>15,460</u>	<u>15,460</u>

9. Share based payments

The company has taken advantage of the exemption available to small entities in relation to accounting for share based payments for share options which were granted prior to the start of the first reporting period under FRS 102.

Share options can be summarised as follows:

	Exercise price per share	No of options at 31 December 2020 and 2021
EMI scheme		
Post FRS 102 - B Shares	2.2p - 4.3p	6,750,000
Pre FRS 102 - B Shares	1.3p - 3.4p	6,750,000
Post FRS 102 - A Shares	2.2p	11,363,590
Pre FRS 102 - A Shares	1.9p	13,157,842
Unapproved scheme		
Post FRS 102 - A Shares	2.2p - 4.3p	59,932,287
Pre FRS 102 - A Shares	1.9p	1,829,924
Post FRS 102 - B Shares	4.3p	-
Other scheme		
Post FRS 102 - A shares	2.2p	2,482,927
Post FRS 102 - B shares	4.3p	3,517,073
		<u>105,783,643</u>

As at 31 December 2021 there were a total of 65,004,688 vested options (2020: 29,648,415), of which 64,129,688 relate to A Shares (2020: 29,648,415) and 875,000 relate to B Shares (2020: Nil).

The remaining options vest on an exit event, which is assumed to occur on 31 December 2024, except for 5,681,795 EMI scheme A Shares options, 2,625,000 EMI scheme B shares options and 22,472,161 unapproved scheme A share options which are scheduled to vest before this date.

Share options are issued in respect of certain directors and employees of the company's subsidiary company, Lovespace Limited. These options entitle the holder to equity instruments upon vesting.

11,778,718 options were accounted for as forfeited during the year, which were in fact forfeited prior to 31 December 2020. The financial effect of this is not considered to be material and the cumulative charge calculated and disclosed within the Share option reserve is considered to be correct by the directors as at 31 December 2021.