

Brainbox Digital Limited

Unaudited Financial Statements

For the year ended 31 December 2021

For Filing with Registrar

Company Registration No. 08176733 (England and Wales)

Brainbox Digital Limited

Company Information

Director	C White
Company number	08176733
Registered office	Charlotte Building 17 Gresse Street London W1T 1QL
Accountants	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
Bankers	National Westminster Bank Plc 153 Putney High Street London SW15 1RX

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Balance Sheet

As at 31 December 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	5		1,827,160		1,827,160
Current assets					
Debtors	6	68,268		307,661	
Cash at bank and in hand		152,873		176,585	
		221,141		484,246	
Creditors: amounts falling due within one year	7	(183,890)		(154,340)	
Net current assets			37,251		329,906
Net assets			1,864,411		2,157,066
Capital and reserves					
Called up share capital	8		2		2
Profit and loss reserves			1,864,409		2,157,064
Total equity			1,864,411		2,157,066

The director 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 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved and signed by the director and authorised for issue on 18 December 2022

C White
Director

Company Registration No. 08176733

Brainbox Digital Limited

Notes to the Financial Statements

For the year ended 31 December 2021

1 Accounting policies

Company information

Brainbox Digital Limited is a private company limited by shares incorporated in England and Wales. The registered office is Charlotte Building, 17 Gresse Street, London, W1T 1QL.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of 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 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

These financial statements are prepared on the going concern basis. The directors believe that the company will have sufficient funds to settle all of its liabilities as they fall due for at least 12 months from signing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for services in the principal activity of the company net of VAT.

Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under the contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

1.4 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:

Computer equipment	2 years straight line
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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.

Brainbox Digital Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

1.5 Fixed asset investments

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

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

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

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

1.6 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.

1.7 Financial instruments

The company has only basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

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 and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the 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.

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Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 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.

1.11 Deferred consideration

The deferred contingent consideration on the acquisition of Search123 is being revalued at each year end to the most up-to-date estimate, with the corresponding adjustment put to goodwill.

2 Employees

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

	2021 Number	2020 Number
Total	1	1

Brainbox Digital Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	3,740,361
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	3,740,361
Carrying amount	
At 31 December 2021	-
At 31 December 2020	-

On 1 October 2012 the company purchased the trade and assets of Search123, a division of ValueClick International Limited. Total consideration, including deferred contingent consideration, was £5,903,199. In 2014 the value of consideration including deferred contingent consideration was restated to £3,904,274 and then in 2015 to £3,960,496 following re-estimations of deferred consideration based on forecast revenues from the business acquired.

The deferred consideration is due to be paid on a date based on certain criteria set under the Sales and Purchase agreement.

The goodwill resulted from the difference between the total consideration and the fair value of the net assets at acquisition, being £219,935.

4 Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2021 and 31 December 2021	1,773
Depreciation and impairment	
At 1 January 2021 and 31 December 2021	1,773
Carrying amount	
At 31 December 2021	-
At 31 December 2020	-

5 Fixed asset investments

	2021 £	2020 £
Unlisted investments	1,827,160	1,827,160

Brainbox Digital Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	68,268	307,661
	<u> </u>	<u> </u>

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	4,227	4,227
Amounts owed to group undertakings and undertakings in which the company has a participating interest	76,253	33,675
Corporation tax	63,155	76,383
Other creditors	40,255	40,055
	<u> </u>	<u> </u>
	<u>183,890</u>	<u>154,340</u>

Other creditors include deferred contingent consideration of £33,955 (2020: £33,955).

8 Called up share capital

	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
190 Ordinary A shares of 1p each	2	2
10 Ordinary B shares of 1p each	-	-
	<u> </u>	<u> </u>

The Ordinary A and Ordinary B shares rank parri passu in all respects. Both class of shares have attached to them full voting and capital distribution rights (including on winding up), and do not confer any rights of redemption.

9 Related party transactions

The company has taken advantage of the exemption available in FRS 102 Paragraph 33.1A whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.

At the year end, the company was owed £472 (2020: £239,865) from C White, the director of the company.

10 Controlling party

The immediate and ultimate parent company is BBX Digital Holdings Limited which holds 100% of the share capital. The ultimate controlling party is C White, by virtue of his majority shareholding in BBX Digital Holdings Limited.

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.