

Registered number 08695071


PEPPERHQ LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

COMPANIES HOUSE



TU WEDNESDAY TUESDAY

SPE	31/01/2017	#122
LD6	08/02/2017	#63
COMPANIES HOUSE		
LD4	31/01/2017	#85
COMPANIES HOUSE		

PEPPERHQ LIMITED

COMPANY INFORMATION

Directors	JE Ashton CE Hall S Kelton
Registered number	08695071
Registered office	521 Metal Box Factory Great Guildford Street London SE1 0HS
Accountants	Smith & Williamson LLP Chartered Accountants 25 Moorgate London EC2R 6AY

PEPPERHQ LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 9

PEPPERHQ LIMITED
REGISTERED NUMBER: 08695071

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	4	652,752	395,686
Tangible assets	5	6,235	4,667
		<u>658,987</u>	<u>400,353</u>
Current assets			
Debtors amounts falling due within one year	6	55,824	48,975
Cash at bank and in hand	7	90,185	352,038
		<u>146,009</u>	<u>401,013</u>
Creditors amounts falling due within one year	8	(96,392)	(56,650)
Net current assets		<u>49,617</u>	<u>344,363</u>
Total assets less current liabilities		<u>708,604</u>	<u>744,716</u>
Net assets		<u>708,604</u>	<u>744,716</u>
Capital and reserves			
Called up share capital		22,996	11,181
Share premium account		1,930,318	1,440,165
Profit and loss account		(1,244,710)	(706,630)
		<u>708,604</u>	<u>744,716</u>

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 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 profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime

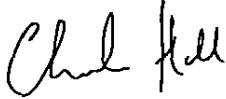
The financial statements were approved and authorised for issue by the board and were signed on its behalf by

CE Hall

PEPPERHQ LIMITED
REGISTERED NUMBER 08695071

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

Director



Date 27/1/2017

The notes on pages 3 to 9 form part of these financial statements

PEPPERHQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 General information

PepperHQ Limited is a private limited company, limited by shares, incorporated in England and Wales. The address of the registered office is 521 Metal Box Factory, Great Guildford Street, London, SE1 0HS.

The financial statements are presented in Sterling, which is the functional currency of the company.

2 Accounting policies

2.1 Basis of preparation of financial statements

These financial statements are the first annual financial statements of the company prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as applied in the context of the small entities regime. The first date at which FRS 102 was applied was 1 January 2015. The company prepared its financial statements in the previous year in accordance with the FRSSE (2015).

The transition to FRS 102 has resulted in no material changes in accounting policies or material adjustments to the profit and loss or equity of the company as previously reported.

The following principal accounting policies have been applied:

2.2 Going concern

The company recorded a loss for the year and has net current assets of £49,617 (2015: £344,363).

The directors have produced forecasts which indicate that the Company should have sufficient resources to continue in operational existence for the foreseeable future and are satisfied that the Company can meet its liabilities as they fall due. This assessment is reliant on funding required within 12 months from the Balance Sheet date which the directors are confident will be received. For this reason the Directors have prepared the financial statements on a going concern basis.

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably,
- it is probable that the Company will receive the consideration due under the contract,
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and
- the costs incurred and the costs to complete the contract can be measured reliably.

PEPPERHQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Intangible assets

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on a straight line basis over the anticipated life of the benefits arising from the completed produce or project

Where intangible assets are acquired by PepperHQ Limited from third parties the costs of acquisition are capitalised. They are amortised from the point at which they are available for use, over their estimated useful lives

Estimated useful lives for intangible fixed assets are 5 years

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method

Depreciation is provided on the following basis

Fixtures and fittings	-	20%
Office equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs

PEPPERHQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.7 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 the Profit and loss account

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 the Profit and loss account 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 and loss account over the remaining vesting period.

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

No charge has been made to the profit and loss account during the year on the basis that this is considered immaterial by the directors.

PEPPERHQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 Operating leases the Company as lessee

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset

2.10 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date

2.11 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred

2.12 Taxation

The tax receivable represents the sum of the tax currently receivable and any deferred tax

The current tax is based on the taxable loss for the year. Taxable loss differs from net loss 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 balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the company intends to settle on a net basis

PEPPERHQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2015 - 7)

4. Intangible assets

	Develop- ment £
Cost	
At 1 January 2016	474,170
Additions	385,292
At 31 December 2016	<u>859,462</u>
Amortisation	
At 1 January 2016	78,484
Charge for the year	128,226
At 31 December 2016	<u>206,710</u>
Net book value	
At 31 December 2016	<u><u>652,752</u></u>
At 31 December 2015	<u><u>395,686</u></u>

PEPPERHQ LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Tangible fixed assets

	<i>Fixtures and fittings £</i>	<i>Office equipment £</i>	<i>Total £</i>
Cost or valuation			
At 1 January 2016	3,952	3,206	7,158
Additions	396	2,735	3,131
At 31 December 2016	<u>4,348</u>	<u>5,941</u>	<u>10,289</u>
Depreciation			
At 1 January 2016	1,050	1,442	2,492
Charge for the period on owned assets	642	920	1,562
At 31 December 2016	<u>1,692</u>	<u>2,362</u>	<u>4,054</u>
Net book value			
At 31 December 2016	<u>2,656</u>	<u>3,579</u>	<u>6,235</u>
At 31 December 2015	<u>2,902</u>	<u>1,765</u>	<u>4,667</u>

6. Debtors

	<i>2016 £</i>	<i>2015 £</i>
Trade debtors	19,226	28,365
Other debtors	15,343	20,610
Called up share capital not paid	21,255	-
	<u>55,824</u>	<u>48,975</u>

7. Cash and cash equivalents

	<i>2016 £</i>	<i>2015 £</i>
Cash at bank and in hand	90,185	352,038
	<u>90,185</u>	<u>352,038</u>

PEPPERHQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8. Creditors. Amounts falling due within one year

	2016 £	2015 £
Trade creditors	436	34,138
Other taxation and social security	30,158	11,860
Other creditors	53,300	3,300
Accruals and deferred income	12,498	7,352
	<u>96,392</u>	<u>56,650</u>

9. Commitments under operating leases

Total financial commitments, including operating leases, guarantees and contingencies which are not included in the balance sheet amount to £10,746 (2015 £39,844)

10. Related party transactions

During the year the company was loaned £50,000 (2015 £nil) by a director of the company. At the year end £53,300 (2015 £3,300) was outstanding in this respect. This loan attracts no interest, and is repayable on demand.