

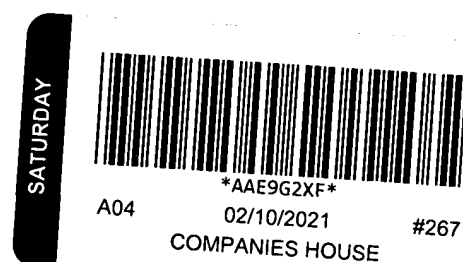
Glebe Holdings Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 11228734



Glebe Holdings Limited

Company Information

Directors	P M K Doye H J Griffiths (appointed 29 July 2021)
Company secretary	Reed Smith Corporate Services Limited
Registered number	11228734
Registered office	Artemis House Eboracum Way Heworth Green York England YO31 7RE
Independent auditor	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL
Bankers	Barclays Bank 1 Churchill Place London E14 5HP

Glebe Holdings Limited

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Glebe Holdings Limited

Group Strategic Report For the Year Ended 31 December 2020

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2020. The comparatives are for the seven month period ending 31st December 2019.

Principal activity

The principal activity of the group throughout the year remained as the provision of a comprehensive range of IT services and solutions to the public and private sectors.

Boxxe provides corporate and public sector organisations with hardware, software, and services across a range of technologies including cloud, datacentre, workplace, and security. Our customers trust our in-house teams to deliver consultancy and managed services which support and enhance a broad range of industry leading and innovative technology partners. We also work alongside several specialist external services partners to underpin and amplify our own teams. Whilst we have an office in York, our approximately 200 people are equipped to work anywhere in the UK. Our heritage is providing secure services to public sector organisations whilst also delivering technology solutions to small, mid-market and enterprise corporate customers. As sustainability is one of our core values, we are currently pending certification of B-Corporation status in the UK.

Business review and key performance indicators

During the prior period, on the 21st May 2019, the company acquired the entire share capital of Hocomm Limited which included its trading subsidiary Boxxe Limited (formerly "Software Box Limited"). The group decided to update the brand and name of the trading subsidiary, to support the vision as a leading provider of technology services. On the 1 September 2020 the business rebranded as Boxxe Limited, from the previous name of Software Box Limited.

The directors are pleased with the results for the year ended 31st December 2020 and places the business in a good position for future growth.

Sales in the year for the Group amounted to £238.3m from the last reported figures of £136.6m for the seven-month period to 31st December 2019. Gross profit for the year amounted to £12.6m (2019: £6.1m for the seven-month period to 31st December 2019). The Group has also seen growth in its own service and consultancy business during the year growing by 29% from the same twelve-month period in the prior year. This included significant managed service contracts across public sector.

In the year ended December 2020 the Group has continued with investments to accelerate the additions of services and solutions to support our customers, especially around their digital transformation journey and to deliver growth in the future. A large part of that is the investments we continue to make in our people, and the recruiting of new people to support the growth ambitions. This has resulted in a reduction in operating profit with an operating profit of £1.3m achieved for the year (operating profit of £2.2m for the comparable prior 12-month period and an operating profit of £2.48m for the 16-month period to 31st December 2019).

At the end of the period the Group had a strong balance sheet with good cash reserves of in excess of £9.4m (2019: £10.8m) and no debt, with a healthy current ratio of 1.9 (2019: 1.8), allowing future investments to be funded through its own cash reserves if it wishes.

Future developments

The Group intends to continue to focus on growing its own services and consultancy business, alongside its core business in both its current customer markets, whilst also accelerating growth in new markets. Operating in a resilient industry as IT becomes increasingly vital to establish competitive advantage, the Group benefits from a flexible business model with a high proportion of costs linked to performance and a low operating cost base, consisting of mostly staff costs. Public Sector spending has continued to be strong during 2021 and is expected to continue and be less sensitive to COVID-19 in the short term than the corporate market.

- Glebe Holdings Limited -

Group Strategic Report (continued) For the Year Ended 31 December 2020

Principal risks and uncertainties

Profit margin pressure including rebates

The Group operates in a highly competitive market and in this regard, margins are constantly under pressure. The business mitigates this risk by developing leading solutions to help existing and new customers with their digital transformation strategies whilst also developing new selling models for its customers. Rebate programmes are industry standard and not specific to the company so changes also impact competitors.

Appointing and retaining talent

The success of the company is dependent on being able to attract and retain people that have the necessary capability, character, experience, and expertise. Competition for highly skilled and talented employees is significant. The Group has put in place competitive reward and recognition packages for all people, including a blend of short and long-term incentives for all employees.

People risks are elevated because of the pandemic due to the impact of working at home and consequential impact on colleague interaction, competition from overseas opportunities and mental health. More emphasis is being placed on supporting our people, with flexible working arrangements and continued focus on employee wellbeing.

Reliance on key customers and failure to evolve our technology offering with changing customer needs

The business mitigates this risk by developing leading solutions to help existing and new customers with their digital transformation strategies whilst also developing new selling models for its customers. We are continuing to invest in our people with training and development for all technical staff.

Systems, data, cyber security and GDPR

A loss of the company's key systems through a lack of resilience or an information security breach or attack, could impact the successful delivery of its projects and lead to a loss of confidential data, damaging its reputation and brand. Controls and procedures are in place to monitor the performance of the Group's systems and to identify and mitigate external threats. The Group is currently developing and upgrading its IT infrastructure, software and cyber threat and assessment capabilities.

Although the cyber threat level has increased, with a high level of phishing attacks during the pandemic, the Group's systems, processes and controls have been robust to withstand these threats. All employees undergo induction and training by our Chief Information Security Officer.

We are ISO 27001 and Cyber Essentials plus accredited, and the company has strengthened its IT infrastructure and made significant investments in its system. Infrastructure and support processes have adapted well to a changing working environment and there have been no significant changes to the control environment.

Financial risk management objectives and policies

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The main risk arising from financial instruments is liquidity risk and in this respect cash flow is monitored by the directors on a regular basis. Bank balances are structured to enable cash to be available when required.

The Group does not operate in a significant manner in overseas markets, nor does it pay suppliers in non Sterling currencies. As a result, the directors do not envisage any significant currency risk attached to the Group for trade debtors and creditors.

The Group monitors its exposure to credit risk on its receivable on an ongoing basis with regular reviews of credit limits, payment history and the use of credit rating agencies and insurance. In general customers terms are normally fulfilled.

Glebe Holdings Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

Going concern & Covid-19

The Group acted swiftly in reaction 2020 to the Covid 19 crisis by deploying home working across the entire business, ensuring that the Group and parent company could continue to operate largely uninterrupted in delivering products and services to its customers.

As the crisis hit the directors considered the impact that Covid 19 could have on the going concern of the Group by considering several factors. The directors feel positive about future revenues, profitability, and cash flow.

The directors also carried out a re evaluation of the financial forecasts, and whilst it was agreed the crisis may affect the Group's growth in certain areas in the short term it would not have a detrimental effect on the overall business. This has been the case with 2020 revenues showing growth from 2019 on an annualised basis.

In undertaking the review the directors have prepared financial statement projections for the next twelve months. Key assumptions included within these forecasts include maintaining the existing order book of hardware and license revenues, as well as continuing to grow service revenues. Such assumptions ensure that the Company continues to be profit making and cash generative in the going concern assessment period. As such the directors conclude that the existing cash balances are sufficient to meet all liabilities as they fall due for at least twelve months from the date of approval of the financial statements.

As part of the review the directors performed sensitivity analysis based on lower revenues to meet the gap between the confirmed order book and the revenue forecasts for the going concern assessment period and based on these scenarios the directors continue to conclude that the going concern assumption remains the same.

Whilst the situation remains uncertain around the full economic impact of Covid 19 and the potential impact on the Group, the directors are confident this will not affect the going concern status of the Group in the period under review.

Carbon Reporting

As a large, unquoted organisation, Boxxe Limited is required to report its energy use and carbon emissions for the year ended 31st December 2020, in accordance with the Streamlined Energy and Carbon (SECR) reporting requirements.

Reporting period

Boxxe is reporting for the calendar year 2020, providing 2019 as a comparison year and as a baseline year.

Energy and carbon strategy

Boxxe takes its responsibility to reduce energy consumption and CO2 emissions seriously. Boxxe intends to support the UK government's goal of achieving net zero carbon by 2050. 59% of all electricity used by the company has been procured from renewable sources in 2020 – a total of 324,680KWh. Our aim is to source all our electricity from renewable sources by the end of 2022. To help reduce operational CO2 emissions, Boxxe is reviewing its use of refrigerants (cooling currently counts for 75% of Boxxe's footprint) and implementing energy efficient solutions to reduce emissions.

Energy efficiency and carbon reduction achievements

During the year the company took the decision to remove company vehicles as they come up for renewal, instead encouraging employees to use technology for virtual meetings rather than travelling for them. Where travel is required then the use of public transport is encouraged.

Electric charging points have been installed at our premises to allow employee's with fully electric vehicles or hybrid vehicles to charge them on site.

Glebe Holdings Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

Methodology

Our emissions have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), together with the latest emission factors from DEFRA. The GHG protocol corporate accounting and reporting standard provides requirements and guidance for companies and other organisations preparing a corporate level GHG emissions inventory.

The data detailed in the table represents energy use and emissions for which Boxxe Limited is responsible for the period 1st January 2020 to 31st December 2020. This includes:

- Scope 1 comprises emissions from the use of oil for heating and hot water in our offices, and emissions from fuel used in our company vehicles.
- Scope 2 comprises our sub metered electricity consumption in our offices and warehouse.

The following table summarises our energy performance results:

	2019 Comparative & benchmark year	2020 Reporting year	% movement
Energy Footprint MWh			
Liquid fuels	30	21	(30%)
Company vehicles	99	23	(77%)
Electricity	307	325	5.7%

The following table summarises our carbon performance results:

	2019 tCO ₂ e Comparative & benchmark year	2020 tCO ₂ e Reporting year	% movement
Energy Footprint			
Scope 1	368	349	(5.2%)
Scope 2	72	69	(4.2%)
Total	440	418	(5.0%)
tCO ₂ e/£m	1.90	1.76	(5.0%)
tCO ₂ e/employee	3.01	2.63	

Intensity ratios have been calculated as tCO₂e per total £m of sales revenue and tCO₂e per average number of employees, in order to represent how our emissions are impacted by the growth of our business.

All data used in the report are from verified sources, and we have used a third party along with internal resources to perform any calculations.

Glebe Holdings Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

Engaging with Stakeholders - Section 172 statement

Effective stakeholder engagement is fundamental to our business, and we recognise that engagement and collaboration with all our stakeholders is crucial to our sustainability and success. Our key stakeholders are individuals or groups who have an interest in, or are affected by, the activities of our business and the board believes a good understanding of our key stakeholders and their needs will help to deliver sustainable value and benefit to shareholders and stakeholders. It is our aim to deliver proactive, open, and effective dialogue and relationships with all our stakeholders. We commit continually to learn, improve, and develop our business based on the engagement and interaction we have with them.

The Board has identified Glebe's key stakeholders to be our people, customers, suppliers/vendors, and the communities and environment we operate in. The Board receives regular updates on each matter, so it is well-informed and the potential impact on our stakeholders is a consideration as appropriate for the Board when deciding Glebe's strategy or other actions. The following table sets out how our stakeholders have been engaged with, and how their interests have influenced decisions by the Board.

People:

Why we engage:

We recognise that people are fundamental and core to our business and delivery of our strategic ambitions. Our aim is to have an engaged, motivated, passionate workforce, working in a culture of open, clear, and transparent engagement. To develop highly skilled teams and a high performing culture by working together in a diverse and rewarding workplace by recruiting and retaining the best talent.

How we have engaged:

- Regular communications supported with a weekly newsletter boxx bytes which includes an update on any major developments and accomplishments
- Video content from the board and Senior Leadership Team
- Regular posts on our communications tool, Hibob
- Regular one to ones and Management team meetings

Key engagement topics:

- Business improvement ideas and initiatives
- Improved working environment and flexible working
- Employee remuneration and gender pay gap
- Physical, mental and emotional wellbeing
- Learning and development

Outcomes:

- Introduced fortnightly all Company meetings included Q&A opportunities with the Board.
- Introduced "Pulse Surveys" to review employee sentiment more regularly.
- Launched our Work from Anywhere policy, which gives our people flexibility to work remotely within the UK.
- Regular and structured training and learning programmes, with a new online learning platform planned in 2021.
- Chose to produce and share gender pay reporting with our people
- Introduced private medical insurance for all employees including access to a leading Employee Assistance Programme. A sustained focus on mental health and emotional wellbeing initiatives.

Glebe Holdings Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

Customers

Why we engage:

We believe that building long customer relationships are a key element in the success of the business. Our aim is to have open and collaborative relationships with all our customers to generate new opportunities, develop strong customer relationships and repeat business. Securing feedback that helps us remain commercially competitive and identify emerging trends and opportunities.

How we engage:

- Meetings
- Customer satisfaction calls
- Indirect engagement through company website, social media interaction and marketing materials

Key engagement topics:

- Support and advice on the best technology solutions for their projects
- Customer wins
- Analysis of sales performance

Outcomes:

- Strategic review of sales model to enhance customer experience
- Planned formalised customer feedback mechanism

Suppliers/Vendors

Why we engage:

We look to build mutually beneficial relationships with suppliers through directing those responsible to understand and adhere to all supplier terms where required, including the prompt payment of invoices. The Group's procurement policy includes commitment to sustainable procurement and mitigation against the risk of modern slavery, bribery, or corruption anywhere in the supply chain.

How we engage:

- Open, two-way communications with our major suppliers and partners
- Maintain fair payment terms with our suppliers
- Onboarding and relationship management by procurement specialist

Key engagement topics:

- Performance and competitiveness
- Market and industry developments
- Collaborative opportunities and bids

Outcomes:

Continued fair payment practices to our trade suppliers

- Enhanced supplier review process
- Evaluate the sustainability credentials of our supply chain

Communities and our environment

Why we engage:

As an aspiring B Corporation accredited business, boxxe is part of a global community of leaders committed to ensuring business is a force for personal, collective, and environmental good. As an organisation, we are defined by making technology human and a core part of our mission is to give back to the wider community of which we are a part. That's why we created the boxxe Community, which is committed to leveraging the many resources both within boxxe and across our customers and partners to support initiatives that utilise technology to make our communities more inclusive and more sustainable.

Glebe Holdings Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

How we engage:

- Building our sustainability strategy supported by the B Corp framework.
- Provide 3 Boxxe community days per year to be used on pro bono and volunteer services
- As an employer member of the York Cares charity, we play an active role in supporting our local community
- Provide local charities with resources at no cost.

Key engagement topics:

- Building a formal sustainability strategy
- Ways to best give back and support these great causes
- Apprenticeships and graduate recruitment opportunities

Outcomes:

- Submit our B Corp application in August 2021
- Continuing to develop our sustainability strategy including measures to help reduce our carbon footprint and reduce our impact on the environment
- Increased the number of Boxxe Community days from 3 day to least 5% of our people's time (approximately 11.5 days) a year for pro bono work for charities to help increase our impact in making our communities more inclusive and sustainable
- Launched the boxxe evolve apprenticeship programme
- Linking with local communities and universities to develop stronger community partnerships

Statement by the Directors in relation to their statutory duty in accordance with Section 172(1) of the Companies Act 2006.

The Directors consider that they have acted in a way that would be most likely to ensure the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172(1) (a) to (f) of the Act) in decisions taken during the year ended 31 December 2020. These responsibilities are rooted in our culture, values, and our mission: boxxe exists to enable organisations to be the best they can be through the use of technology and by giving every person, wherever they are in the world, the confidence to use that technology to drive efficiency and effectiveness in every aspect of their working lives. The Board engages with and meets stakeholders regularly, continually monitors the markets in which the business operates, and ensures that it regularly engages its management team to assess progress on strategy and specific projects. The Group's focus on Environmental, Social and Governance is especially relevant to our stakeholders.

This report was approved by the board on 30 September 2021 and signed on its behalf.

Phil Doye

P M K Doye
Director

Glebe Holdings Limited

Directors' Report For the Year Ended 31 December 2020

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £898k (2019 - loss £874k).

No dividends were paid during the year or in the subsequent period.

Director

The director who served during the year was:

P M K Doye

H J Griffiths (appointed on 29 July 2021)

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as he the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

Post statement of financial position events

In September 2021, a group reorganisation exercise occurred, resulting in the wind down of remaining balances and voluntary strike off of the non-trading subsidiaries of the Company;- being Hallico 914 Limited, Software Business Limited and On-Line Computers Limited

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 September 2021 and signed on its behalf.



P M K Doye
Director

Glebe Holdings Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2020

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Glebe Holdings Limited

Independent Auditor's Report to the Members of Glebe Holdings Limited

Opinion

In our opinion the Group and Parent Company financial statements of Glebe Holdings Limited:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Glebe Holdings Limited ("the Parent Company") and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Positions, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the Group and Parent Company financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Glebe Holdings Limited

Independent Auditor's Report to the Members of Glebe Holdings Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the Group and Parent Company financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regards.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and director's report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Group and Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Parent Company financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Parent company or to cease operations, or have no realistic alternative but to do so.

Glebe Holdings Limited

Independent Auditor's Report to the Members of Glebe Holdings Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and Parent Company and the industries in which it operates, and considered the risk of acts by the Group and Parent Company that were contrary to applicable laws and regulations, including fraud. We considered the Group and Parent Company's compliance with laws and regulations that have a significant impact on the financial statements to be UK company law, UK tax legislation, the accounting framework and ISO security standards, and we considered the extent to which non-compliance might have a material effect on the Group and Parent Company financial statements.

Based on our understanding we designed our audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included inquiries of management and of the Directors, reviewing the financial statement disclosures agreeing to underlying supporting documentation where necessary, review of Board meeting minutes and review of any applicable correspondence with legal counsel or tax authorities.

Our assessment of the susceptibility of the financial statements to fraud was through management override of controls and inappropriate revenue recognition. We addressed the risk of management override of internal controls, including testing journal entries processed during and subsequent to the year, testing of significant estimates and evaluating whether there was evidence of bias in the financial statements by the Directors that represented a risk of material misstatement due to fraud. We addressed the risk of inappropriate revenue recognition, including testing year end cut off and testing a sample of sales transactions across the year to ensure these are not considered to be fictitious sales.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Glebe Holdings Limited

Independent Auditor's Report to the Members of Glebe Holdings Limited (continued)

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Ebdon (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds
United Kingdom

DocuSigned by:

Neil Ebdon

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01 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Glebe Holdings Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	4	238,323	136,604
Cost of sales		(225,914)	(130,480)
Gross profit		12,409	6,124
Distribution costs		-	(63)
Administrative expenses		(13,134)	(7,053)
Operating loss	5	(725)	(992)
Interest receivable and similar income	8	71	112
Loss before taxation		(654)	(880)
Tax (charge)/credit on loss	9	(244)	6
Loss for the financial year		(898)	(874)
Other comprehensive income		-	-
Total comprehensive loss for the year		(898)	(874)

The notes on pages 20 to 38 form part of these financial statements.

All results are derived from continuing activities.

Glebe Holdings Limited

Registered number: 11228734

Consolidated Statement of Financial Position As at 31 December 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Intangible assets	10		15,079		16,870
Tangible assets	11		1,627		671
			<u>16,706</u>		<u>17,541</u>
Current assets					
Stocks	13	244		330	
Debtors: amounts falling due within one year	14	8,576		8,409	
Cash at bank and in hand		9,653		11,206	
		<u>18,473</u>		<u>19,945</u>	
Creditors: amounts falling due within one year	15	(17,996)		(19,544)	
Net current assets			<u>477</u>		<u>401</u>
Total assets less current liabilities			<u>17,183</u>		<u>17,942</u>
Provisions for liabilities					
Deferred taxation	17		(955)		(816)
Net assets			<u>16,228</u>		<u>17,126</u>
Capital and reserves					
Called up share capital	18		-		-
Share premium account			18,000		18,000
Profit and loss account			(1,772)		(874)
Total equity			<u>16,228</u>		<u>17,126</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2021.

Phil Doye

P M K Doye
Director

The notes on pages 20 to 38 form part of these financial statements.

Glebe Holdings Limited

Registered number: 11228734

Company Statement of Financial Position As at 31 December 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Investments	12		24,590		24,590
Current assets					
Debtors: amounts falling due within one year	14	5		73	
Cash at bank and in hand		268		330	
		<u>273</u>		<u>403</u>	
Creditors: amounts falling due within one year	15	(6,250)		(6,264)	
Net current liabilities			(5,977)		(5,861)
Net assets			<u>18,613</u>		<u>18,729</u>
Capital and reserves					
Called up share capital	18		-		-
Share premium account			18,000		18,000
Profit and loss account			613		729
Total equity			<u>18,613</u>		<u>18,729</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of income and retained earnings in these financial statements. The loss after tax of the parent company for the period was £116,000 (2019 - £792,000 profit).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2021.

P M K Doye *Phil Doye*
Director

The notes on pages 20 to 38 form part of these financial statements.

Glebe Holdings Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2020	-	18,000	(874)	17,126
Comprehensive loss for the year				
Loss for the year	-	-	(898)	(898)
Total comprehensive loss for the year	-	-	(898)	(898)
Total transactions with owners	-	-	-	-
At 31 December 2020	-	18,000	(1,772)	16,228

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2019	-	-	-	-
Comprehensive loss for the year				
Loss for the year	-	-	(874)	(874)
Total comprehensive loss for the year	-	-	(874)	(874)
Shares issued during the year	-	18,000	-	18,000
At 31 December 2019	-	18,000	(874)	17,126

The notes on pages 20 to 38 form part of these financial statements.

Glebe Holdings Limited

Company Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2020	-	18,000	729	18,729
Comprehensive loss for the year				
Loss for the year	-	-	(116)	(116)
Total comprehensive loss for the year	-	-	(116)	(116)
At 31 December 2020	-	18,000	613	18,613

Company Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2019	-	-	-	-
Comprehensive income for the year				
Profit for the year	-	-	729	729
Total comprehensive income for the year	-	-	729	729
Contributions by and distributions to owners				
Shares issued during the year	-	18,000	-	18,000
At 31 December 2019	-	18,000	729	18,729

The notes on pages 20 to 38 form part of these financial statements.

Glebe Holdings Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Loss for the financial year	(898)	(874)
Adjustments for:		
Amortisation of intangible assets	1,791	1,045
Depreciation	328	151
Interest received	(71)	(112)
Taxation credit	244	(6)
Decrease in stocks	86	493
Decrease in debtors	68	5,985
Decrease in creditors	(1,819)	(36,312)
Corporation tax paid	(71)	(405)
Net cash generated used in operating activities	(342)	(30,035)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,293)	(117)
Sale of tangible fixed assets	11	-
Purchase of fixed asset investment (net of cash acquired)	-	17,046
Interest received	71	112
Net cash from investing activities	(1,211)	17,041
Cash flows from financing activities		
Issue of ordinary shares	-	18,000
Other new loans	-	6,200
Net cash from in financing activities	-	24,200
Net (decrease)/increase in cash and cash equivalents	(1,553)	11,206
Cash and cash equivalents at beginning of year	11,206	-
Cash and cash equivalents at the end of year	9,653	11,206
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,653	11,206
	9,653	11,206

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

Glebe Holdings Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest thousand.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.3 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the company would be identical.
- No cash flow statement has been presented for the parent company.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.

2.4 Going concern

The Group acted swiftly in reaction to the Covid-19 crisis by deploying home working across the entire business, ensuring that the Group and parent company could continue to operate largely uninterrupted in delivering products and services to its customers.

As the crisis hit the directors considered the impact that Covid-19 could have on the going concern of the Group by looking at a number of factors. The directors feel positive about future revenues, profitability and cash flow.

The directors also carried out a re-evaluation of the financial forecasts, and whilst it was agreed the crisis may affect the Group's growth in certain areas in the short term it would not have a detrimental effect on the overall business. This has been the case with 2020 revenues showing growth from 2019 on an annualised basis.

In undertaking the review the directors have prepared financial statement projections for the next 12 months. Key assumptions included within these forecasts include maintaining the existing order book of hardware and license revenues, as well as continuing to grow service revenues. Such assumptions ensure the Company continues to be profit making and cash generative in the going concern assessment period. As such the directors conclude that the existing cash balances are sufficient to meet all liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

As part of the review the directors performed sensitivity analysis based on lower revenues to meet the gap between the confirmed order book and the revenue forecasts for the going concern assessment period and based on these scenarios the directors continue to conclude that the going concern assumption remains the same.

Whilst the situation remains uncertain around the full economic impact of Covid-19 and the potential impact on the Group, the directors are confident this will not affect the going concern status of the Group in the period under review.

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.5 Foreign currency translation

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.

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of goods relates to the sale of hardware and software licences to customers. The point of revenue recognition for hardware is when the goods are delivered to the customer. The point of revenue recognition for software is when the licence is provided to the customer for activation.

Rendering of services

Revenue 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 revenue can be measured reliably;
- it is probable that the group 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.

Sales of services relates to the provision of consultancy and other technological services. The point of revenue recognition for services is over time in line with performance of the service provided to the customer.

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.7 Interest income

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

2.8 Borrowing costs

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

2.9 Share based payments

The company has issued equity settled share-based payments to certain employees of the trading subsidiary, Boxxe Limited. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, together with an increase in equity, based upon the company's estimate of the shares that will eventually vest.

Fair value is determined using a pricing model taking in to account various assumptions to generate a value. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms of an equity settled transaction are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity settled transaction is cancelled, it is as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately.

However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

2.10 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.11 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets are recognised where they are contractual and separable. Goodwill represents the difference between consideration paid on a business combination and the identifiable assets and liabilities acquired.

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.11 Intangible assets (continued)

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Brand value	-	10	years
Technology asset	-	10	years
Goodwill	-	10	years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

2.12 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.

Assets under the course of construction are stated at historical cost, and only depreciation once the asset is brought into use.

Depreciation is provided on the following basis:

Leasehold improvements	-	10 years or life of lease
Equipment, fixtures and fittings	-	4 - 10 years

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 profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivables 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.

2.16 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.

2.17 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.

2.18 Financial instruments

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

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.

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 consolidated 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.

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 group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the members have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill, as well as investment in subsidiaries within the company only balance sheet. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Brand intangible

During the year, the Directors decided to change the brand and name of the trading subsidiary, to support the vision as a leading provider of technology services. On the 1 September 2020, the business rebranded as Boxxe Limited, from the previous name of Software Box Limited.

The brand intangible, with a carrying value of £3,396k at 31 December 2020 (2019 - £3,799), was based upon the Software Box Limited brand name at inception as part of the Glebe Holdings Limited acquisition in May 2019. The Directors consider that is appropriate to continue to carry the brand intangible at amortised cost, based upon the following factors: -

1. The new brand name and previous brand name is considered to be recognisable by the existence customer base of the Group;
2. The target market and product offering by the Group is consistent under the new brand name as it was under the previous brand name; and
3. The future cash flows which are anticipated over the useful life of the old brand name at acquisition, are still expected to occur with the new brand name.

- Residual values and useful economic lives of tangibles and intangibles assets

The group depreciates tangible assets, and amortises intangible assets, over their estimated useful lives. The estimation of the useful lives of tangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The estimation of useful lives of intangible assets is based on any contractual or legal rights associated with the asset, or the period in which the group expects to use the asset if shorter. The actual lives of these assets can vary depending on a variety of factors, including technological innovation and product/licence life cycles.

- Principal and agent

The group may have circumstances which arise in its dealing with customers whereby it needs to determine if it acts as a principal or agent in the supply of product to its customers. If the group decides it is acting as a principal it would record the selling value as revenue, if it decided it was acting as an agent it would record the commission received as revenue. During the current and previous reporting period, the group determined that it acts a principal based on the relevant criteria as included in FRS 102. These criteria included factors such as the company having the ability to set the price of goods and services provided, as well as taking the credit risk of such sales.

- Share options

The company has taken the judgement that at the balance sheet date, the number of options that will vest as part of the share options as issued by the ultimate parent company (as described in Note 18) is nil based on expected likelihood of an exit event. The fair value for the full vesting period of the share options issued during 2020 was calculated as £644k.

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £000	2019 £000
Software and service sales	203,742	136,604
Hardware sales	34,581	-
	<u>238,323</u>	<u>136,604</u>

5. Operating loss

The operating loss is stated after charging:

	2020 £000	2019 £000
Amortisation of intangibles, including goodwill	1,792	1,045
Depreciation of tangible fixed assets	294	151
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	31	30
Accounts preparation services	2	2
Taxation services	45	-
Operating lease rentals	352	237
	<u>3,516</u>	<u>1,465</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £000	Group 2019 £000
Wages and salaries	7,262	4,539
Social security costs	833	445
Cost of defined contribution scheme	257	228
	<u>8,352</u>	<u>5,212</u>

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

6. Employees (continued)

The average monthly number of employees, including the director, during the year was as follows:

	2020 No.	2019 No.
Sales	51	51
Operations	74	60
Admin	32	31
Directors	4	5
	<u>161</u>	<u>147</u>

7. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	700	591
Company contributions to defined contribution pension schemes	23	22
Compensation for loss of office	52	100
	<u>775</u>	<u>713</u>

During the period ended 31 December 2020 retirement benefits were accruing to 4 directors (2019 - 7) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £200k (2019 - £299k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5k (2019 - £6k).

8. Interest receivable and similar income

	2020 £000	2019 £000
Other interest receivable	<u>71</u>	<u>112</u>

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

9. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	105	44
Total current tax	<u>105</u>	<u>44</u>
Deferred tax		
Origination and reversal of timing differences	53	(50)
Effect of change in tax rates	95	-
Adjustments in respect of prior years	(9)	-
Total deferred tax	<u>139</u>	<u>(50)</u>
Taxation on profit/(loss) on ordinary activities	<u>244</u>	<u>(6)</u>
Factors affecting tax charge for the year		

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Loss on ordinary activities before tax	<u>(654)</u>	<u>(880)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(124)	(167)
Effects of:		
Fixed asset differences	2	-
Expenses not deductible for tax purposes	27	14
Permanent difference - goodwill amortisation	253	142
Difference between current and deferred tax rates	-	5
Adjustments to tax charge in respect of previous periods - DT	(9)	-
Difference between current and deferred tax rates	95	-
Total tax charge/(credit) for the year	<u>244</u>	<u>(6)</u>

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

9. Taxation (continued)

Factors that may affect future tax charges

The UK Government, in the March 2020 Budget, set the UK corporation tax rate for the years starting 1 April 2020 and 2021 to remain at 19%. This rate has been used when calculating deferred tax at the reporting date. Deferred tax balances at the reporting date are measured at 19% (2019 - 17%). The UK government, in the March 2021 Budget, announced a corporation tax rate of 25% from 2023. Since this had not been enacted at the statement of financial position date, the unwinding of deferred tax temporary timing differences has been calculated based on 19%. The rate of 25% has now been substantively enacted as of 24 May 2021.

10. Intangible assets

Group

	Brand value £000	Technology asset £000	Goodwill £000	Total £000
Cost				
At 1 January 2020	4,034	560	13,321	17,915
At 31 December 2020	4,034	560	13,321	17,915
Amortisation				
At 1 January 2020	235	33	777	1,045
Charge for the year	403	56	1,332	1,791
At 31 December 2020	638	89	2,109	2,836
Net book value				
At 31 December 2020	3,396	471	11,212	15,079
At 31 December 2019	3,799	527	12,544	16,870

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

11. Tangible fixed assets

Group

	Short-term leasehold improvements £000	Equipment, fixtures and fittings £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 January 2020	330	492	-	822
Additions	-	537	757	1,294
Disposals	-	(79)	-	(79)
At 31 December 2020	330	950	757	2,037
Depreciation				
At 1 January 2020	32	119	-	151
Charge for the year	60	268	-	328
Disposals	-	(69)	-	(69)
At 31 December 2020	92	318	-	410
Net book value				
At 31 December 2020	238	632	757	1,627
At 31 December 2019	298	373	-	671

Assets under the course of construction relate to leasehold improvements at Artemis House, of which the use of the operating lease was brought into use in January 2021 (and therefore depreciation will commence in January 2021).

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

12. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	24,590
At 31 December 2020	24,590
Net book value	
At 31 December 2020	24,590
At 31 December 2019	24,590

Subsidiary undertakings

The following were subsidiary undertakings of Glebe Holdings Limited:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Hocomm Limited	UK	Ordinary	100%	Holding company
Boxxe Limited (previously Software Box Limited)*	UK	Ordinary	100%	Provider of software and hardware services and security solutions
Hallco 914 Limited*	UK	Ordinary	100%	Non-trading
Software Business Limited*	UK	Ordinary	100%	Non-trading
On-line Computers Limited*	UK	Ordinary	100%	Non-trading

* owned by subsidiary undertaking

The registered office of the above subsidiary undertakings is Artemis House, Eboracum Way, York, YO31 7RE.

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

12. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	2020 £000
Aggregate of share capital and reserves	12,259
Profit for the year ended 31 December 2020	1,008
	<u>13,267</u>

13. Stocks

	Group 2020 £000	Group 2019 £000
Finished goods and goods for resale	244	330
	<u>244</u>	<u>330</u>

Stock recognised in cost of sales as an impairment loss during the period was £Nil (2019 - £Nil)

14. Debtors: amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	7,134	7,219	-	-
Amounts owed by group undertakings	-	-	-	73
Other debtors	10	95	3	-
Prepayments and accrued income	1,110	740	2	-
Tax recoverable	322	355	-	-
	<u>8,576</u>	<u>8,409</u>	<u>5</u>	<u>73</u>

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2019 - £Nil).

Amounts owed by group undertakings within the company are repayable on demand and have been presented based on this contractual basis.

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

15. Creditors: amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Other loans	6,200	6,200	6,200	6,200
Trade creditors	3,196	9,256	50	1
Other taxation and social security	373	278	-	-
Other creditors	43	43	-	-
Accruals and deferred income	8,184	3,767	-	63
	17,996	19,544	6,250	6,264

Other loans are repayable on demand and not subject to interest charges.

16. Financial instruments

	Group 2020 £000	Group 2019 £000
Financial assets measured at amortised cost		
Cash	9,653	11,206
Trade debtors	6,863	7,219
Amounts owed by group undertakings	-	-
	16,516	18,425
Financial liabilities measured at amortised cost		
Trade creditors	(2,925)	(9,256)
Other creditors	(43)	(43)
Accruals	(8,184)	(3,737)
	5,302	(5,476)

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

17. Deferred taxation

Group

	2020 £000
At beginning of year	816
Charge to profit or loss	53
Effect of rate change on opening balance	95
Adjustments in respect of prior years	(9)
At end of year	955

	Group 2020 £000	Group 2019 £000
Capital allowances in excess of depreciation	230	81
Intangible assets (other than goodwill)	734	735
Short term timing differences	9	-
	955	816

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,000,000 ordinary shares of £0.00001 each	10	10

Called up share capital represents the nominal value of the shares issued

19. Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

20. Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Glebe Holdings Limited

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21. Share based payments

Share option scheme granted in the year

Employees of the subsidiary company, Boxxe Limited, are entitled to participate in an EMI equity settled share option scheme operated by the company, which was granted on 31 July 2020.

On this date, 98,679 share options over B1 Ordinary shares (the 'B1 shares') were granted (the 'Options'), with an exercise price of £0.00001 per share. Of these Options, 59,086 are subject to performance conditions in the form of various Group profitability targets and 39,593 options have no performance conditions attached. The performance conditions are non market based vesting conditions.

The calculated stock price of Glebe Holdings Limited was £7.67 on 31 July 2020.

The B1 shares participate in any future consideration received upon a share sale event above a £30.0m hurdle. The vesting condition is the successful completion of a share sale event together with a specified service requirement.

The option holders have 10 years from the grant date to exercise the Options. The Directors has assumed an expected exit period of 5 years from the Valuation Date.

As at 31 December 2020, the Directors have assessed the probability of a share sale event to be remote, and therefore no vesting charge has been applied in the year ended 31 December 2020. This assessment will be reconsidered at each balance sheet date.

The number of options outstanding at the end of the year in respect of Company employees were 98,679.

Nil share options were exercised or lapsed throughout the year.

In accordance with the requirements of FRS 102, the Company calculated the fair value of the share options at the date of grant using a Binomial option pricing model for the EMI schemes.

22. Analysis of net debt

	At 1 January 2020 £000	Cash flows £000	At 31 December 2020 £000
Cash at bank and in hand	11,206	(1,553)	9,653
Debt due within 1 year	(6,200)	-	(6,200)
	<u>5,006</u>	<u>(1,553)</u>	<u>3,453</u>

Glebe Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

23. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £260k (2019 - £228k). Contributions totalling £45k (2019 - £43k) were payable to the fund at the reporting date and are included in creditors.

24. Commitments under operating leases

As at 31 December 2020 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £000	Group 2019 £000
Not later than 1 year	329	338
Later than 1 year and not later than 5 years	2,226	2,225
Later than 5 years	1,231	1,560
	3,786	4,123
	Group 2020 £000	Group 2019 £000
Other		
Not later than 1 year	57	106
Later than 1 year but not later than 5 years	46	73
	103	179

25. Related party transactions

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

26. Post statement of financial position events

In September 2021, a group reorganisation exercise occurred, resulting in the wind down of remaining balances and voluntary strike off of the non trading subsidiaries of the Company; - being Halco 914 Limited, Software Business Limited and On Line Computers Limited.

27. Controlling party

P Doye is the company's ultimate controlling party by virtue of his majority holding is the issued share capital of Glebe Holdings Limited.