

Company Registration No. 08167863 (England and Wales)

COMPANIES HOUSE
24 MAY 2022
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GECKO LABS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR



GECKO LABS LIMITED

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GECKO LABS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	3		37,023		38,924
Investments	4		81		81
			<u>37,104</u>		<u>39,005</u>
Current assets					
Debtors	6	1,578,291		1,166,872	
Cash at bank and in hand		577,377		1,370,142	
		<u>2,155,668</u>		<u>2,537,014</u>	
Creditors: amounts falling due within one year	7	<u>(1,416,036)</u>		<u>(1,211,136)</u>	
Net current assets			<u>739,632</u>		<u>1,325,878</u>
Total assets less current liabilities			<u>776,736</u>		<u>1,364,883</u>
Capital and reserves					
Called up share capital	9		195		195
Share premium account			3,178,672		3,178,672
Profit and loss reserves			(2,402,131)		(1,813,984)
Total equity			<u>776,736</u>		<u>1,364,883</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 20 May 2022 and are signed on its behalf by:



Mr M Lanham
Director

Company Registration No. 08167863

GECKO LABS LIMITED

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

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2020		195	3,178,672	(1,651,990)	1,526,877
Year ended 31 December 2020:					
Loss and total comprehensive loss for the year		-	-	(164,192)	(164,192)
Credit to equity for equity settled share-based payments	8	-	-	2,198	2,198
Balance at 31 December 2020		195	3,178,672	(1,813,984)	1,364,883
Year ended 31 December 2021:					
Loss and total comprehensive loss for the year		-	-	(601,528)	(601,528)
Credit to equity for equity settled share-based payments	8	-	-	13,381	13,381
Balance at 31 December 2021		195	3,178,672	(2,402,131)	776,736

GECKO LABS LIMITED

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

1 Accounting policies

Company information

Gecko Labs Limited is a private company limited by shares incorporated in England and Wales. The registered office is 86-90 4th Floor, Paul Street, London, EC2A 4NE.

1.1 Accounting convention

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

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

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

1.2 Going concern

The directors are pleased with the group's continued growth throughout the last financial period, despite the continued impact of COVID-19. With the lifting of restrictions and return of conferences and events, the directors have implemented a plan to increase marketing spend and bring in a new US team. The impact in lead generation from these activities has already been seen in the opening months of 2022, with growth already exceeding that seen in the previous financial period. Besides these activities, the business continues to demonstrate strong customer retention levels and good expansion revenue from the existing customer base, with ongoing investment in product development being the key driver of continued trading losses.

Detailed forecasts have been prepared for at least 12 months following the approval of these financial statements, which have been scrutinised when determining whether the going concern basis of preparation is appropriate. Sensitivities on the base case forecast have been performed to include a continuation of the growth seen in 2021, a no growth scenario and consideration of the potential impact of rising costs due to inflationary pressures. Consideration has been given in particular to the forecast level of marketing spend, and expenditure on research & development and staff costs over the next 12 months. The directors are satisfied that the sensitivity analysis undertaken provides comfort that the company has sufficient flexibility to reduce expenditure, if necessary, to ensure that the group remains in a cash positive position throughout the going concern period of 12 months from the date of these financial statements. As a result, the directors have adopted the going concern basis of accounting.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for IT services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Revenue from contracts for the provision of professional services is recognised on a contractual basis over the life of the service agreement.

1.4 Tangible fixed assets

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

GECKO LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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

Fixtures, fittings & equipment	20% straight line
Computer equipment	33% straight line

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

1.5 Fixed asset investments

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

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

GECKO LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

1.10 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

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

Research and development tax credits

Research and development tax credits are recognised only to the extent that the directors are satisfied based on previous claims that amounts will be recoverable.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

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

GECKO LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed over the vesting period of the options. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

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

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

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

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

	2021 Number	2020 Number
Total	40	35

GECKO LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3. Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2021	132,201
Additions	24,322
Disposals	(4,683)
At 31 December 2021	<u>151,840</u>
Depreciation and impairment	
At 1 January 2021	93,277
Depreciation charged in the year	26,000
Eliminated in respect of disposals	(4,460)
At 31 December 2021	<u>114,817</u>
Carrying amount	
At 31 December 2021	<u>37,023</u>
At 31 December 2020	<u>38,924</u>

4. Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	<u>81</u>	<u>81</u>

5. Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Gecko Labs Inc	USA	Software Development	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 2711 Centerville Road, Suite 400, Wilmington, New Castle, 19808, USA

GECKO LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	227,466	137,550
Corporation tax recoverable	387,880	308,369
Amounts owed by group undertakings	922,910	671,431
Other debtors	40,035	49,522
	<u>1,578,291</u>	<u>1,166,872</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	8,872	7,441
Taxation and social security	163,784	144,488
Other creditors	1,243,380	1,059,207
	<u>1,416,036</u>	<u>1,211,136</u>

Included within other creditors is deferred income of £1,180,368 (2020: 1,002,424).

GECKO LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Share-based payment transactions

At the year ended 31 December 2021, the company has two share-based payment arrangements.

The first scheme is designated as a non-qualifying share option, which was granted on 26th July 2015. On set up of the scheme 3,942 options were granted, with a contractual life of 10 years and an exercise price of £0.001.

In July 2018, a further 2,599 options were issued within the same scheme. These have a contractual life of 10 years and an exercise price of £0.001.

In October 2021, a further 2,228 options were issued within the same scheme. These have a contractual life of 10 years and an exercise price of £0.001.

The second scheme is designated as an EMI share option, which was granted on 26 July 2018. On set up of the scheme 3,300 options were granted, with a contractual life of 10 years and an exercise price of £0.001.

In April 2020, a further 5,756 options were issued within the same scheme. These have a contractual life of 10 years and an exercise price of £0.001

In September 2021, a further 1,671 options were issued within the same scheme. These have a contractual life of 10 years and an exercise price of £0.001

As permitted by the transition provisions of FRS 102 section 1A, the company has not recognised a charge in respect of share options granted before the start of the first reporting period that complies with FRS 102.

	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021	14,697	9,391	34.14	25.54
Granted	3,899	5,756	49.37	49.37
Forfeited	(900)	(450)	49.37	49.37
Outstanding at 31 December 2021	<u>17,696</u>	<u>14,697</u>	<u>36.72</u>	<u>34.14</u>
Exercisable at 31 December 2021	<u>17,696</u>	<u>14,697</u>	<u>36.72</u>	<u>34.14</u>

The options outstanding at 31 December 2021 have a remaining contractual life of between 3.5 years and 10 years.

During the year, the company recognised total share-based payment expenses of £13,381 (2020: £2,198) which relate to equity settled share based payment transactions.

GECKO LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Called up share capital

	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
154,947 Ordinary shares of 0.1p each	155	155
40,510 A Ordinary shares of 0.1p each	40	40
	<u>195</u>	<u>195</u>

Each A Ordinary and Ordinary share carries one vote, the right to participate in dividends and the right to participate in a distribution of capital on winding up, and is not redeemable. All shares rank pari passu.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Barry Masson.
The auditor was Johnston Carmichael LLP.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
£	£
28,053	29,365

12 Related party transactions

The company has taken advantage of the exemption within FRS 102 section 1A paragraph 1AC.35 from the requirements to disclose transactions with other wholly owned companies in the same group.

13 Controlling party

The company is under the control of Mr M Lanham.