

Registration number: 09570325

Hero Towers Ltd

Annual Report and Financial Statements
for the Year Ended 31 December 2020

Thomas Alexander & Co Limited
590 Green Lanes
Palmers Green
London
N13 5RY

Hero Towers Ltd

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Hero Towers Ltd

Company Information

Directors	A Levene A Crane J True K Ho M Haswell R Cirillo J Piccirillo
Company secretary	J Piccirillo
Registered office	590 Green Lanes Palmer's Green London N13 5RY
Auditors	Thomas Alexander & Co Limited 590 Green Lanes Palmer's Green London N13 5RY

Hero Towers Ltd

(Registration number: 09570325)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>4</u>	66,510	106,528
Investments	<u>5</u>	760	760
		<u>67,270</u>	<u>107,288</u>
Current assets			
Debtors	<u>6</u>	1,544,503	1,207,573
Cash at bank and in hand		6,686,526	3,666,307
		<u>8,231,029</u>	<u>4,873,880</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(3,330,053)</u>	<u>(1,118,526)</u>
Net current assets		<u>4,900,976</u>	<u>3,755,354</u>
Total assets less current liabilities		4,968,246	3,862,642
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(6,757,100)</u>	-
Net (liabilities)/assets		<u>(1,788,854)</u>	<u>3,862,642</u>
Capital and reserves			
Share premium reserve		10,862,189	10,862,106
Profit and loss account		<u>(12,651,043)</u>	<u>(6,999,464)</u>
Shareholders' (deficit)/funds		<u>(1,788,854)</u>	<u>3,862,642</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 5 July 2021 and signed on its behalf by:

.....
A Crane
Director

Hero Towers Ltd

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

1 General information

The company is a private company limited by share capital, incorporated in UK.

The address of its registered office is:

590 Green Lanes
Palmers Green
London
N13 5RY

The principal place of business is:

Medius House
2 Sheraton Street
London
W1F 8BH

These financial statements were authorised for issue by the Board on 5 July 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Group accounts not prepared

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements on the grounds that it is a small sized group..

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 5 July 2021 was A Odysseos, who signed for and on behalf of Thomas Alexander & Co Limited.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Hero Towers Ltd

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

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 operates and generates taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures, fittings & equipment	3 years straight line
Leasehold	2 years straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Hero Towers Ltd

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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

Share based payments

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 33 (2019 - 30).

4 Tangible assets

	Land and buildings	Furniture, fittings and equipment	Total
	£	£	£
Cost or valuation			
At 1 January 2020	111,136	81,925	193,061
Additions	2,286	43,666	45,952
Disposals	(113,422)	(4,066)	(117,488)
	-	121,525	121,525
At 31 December 2020	-	121,525	121,525
Depreciation			
At 1 January 2020	41,676	44,857	86,533
Charge for the year	34,271	11,552	45,823
Eliminated on disposal	(75,947)	(1,394)	(77,341)
	-	55,015	55,015
At 31 December 2020	-	55,015	55,015
Carrying amount			
At 31 December 2020	-	66,510	66,510
At 31 December 2019	69,460	37,068	106,528

Included within the net book value of land and buildings above is £Nil (2019 - £69,460) in respect of short leasehold land and buildings.

5 Investments

	2020	2019
	£	£
Investments in subsidiaries	760	760

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

Subsidiaries	£
Cost or valuation	
At 1 January 2020	760
Provision	
Carrying amount	
At 31 December 2020	760
At 31 December 2019	760

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
HeroTechnologies Inc	251 Little Falls Drive, Wilmington, New Castle, 19808, Delaware, USA	Common stock	100%	100%

Subsidiary undertakings

HeroTechnologies Inc

The principal activity of HeroTechnologies Inc is the provision of an instant messaging customer service application.. The profit for the financial period of HeroTechnologies Inc was £191,938 and the aggregate amount of capital and reserves at the end of the period was £455,782.

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

6 Debtors

	2020	2019
	£	£
Trade debtors	784,286	489,313
Prepayments	56,884	125,849
Other debtors	56,242	31,496
Corporation tax asset	647,091	560,915
	1,544,503	1,207,573

7 Creditors

Creditors: amounts falling due within one year

	Note	2020	2019
		£	£
Due within one year			
Trade creditors		211,420	120,820
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>11</u>	905,945	23,061
Taxation and social security		142,629	65,046
Accruals and deferred income		2,062,323	904,563
Other creditors		7,736	5,036
		3,330,053	1,118,526

Creditors: amounts falling due after more than one year

	Note	2020	2019
		£	£
Due after one year			
Loans and borrowings	<u>9</u>	6,757,100	-

Creditors include convertible loans of £6,757,100 (2019 - £Nil).

8 Share capital

Allotted, called up and fully paid shares

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

	2020		2019	
	No.	£	No.	£
Ordinary Shares of £0.0000001 each	310,162	0.0310162	310,032	0.0310032
Series A Shares of £0.0000001 each	117,143	0.0117143	117,143	0.0117143
	<u>427,305</u>	<u>0.0427305</u>	<u>427,175</u>	<u>0.0427175</u>

9 Loans and borrowings

	2020	2019
	£	£
Non-current loans and borrowings		
Convertible debt	<u>6,757,100</u>	<u>-</u>

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £231,250 (2019 - £135,081).

11 Related party transactions

Included in creditors is an amount of £905,945 (2019: £23,061) owed to Hero Technologies Inc, a wholly owned subsidiary. During the year the company was charged an amount of £4,172,560 (2019: £2,740,989) from Hero Technologies Inc, which represented a recharge of costs and general overhead expenses.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.