
MINOR FIGURES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

MINOR FIGURES LIMITED

COMPANY INFORMATION

Directors	J Chiu S Forsyth W J Rixon (resigned 1 February 2023) C Delcourt (appointed 30 May 2022) S McBride (resigned 24 January 2023)
Registered number	09086859
Registered office	Unit 12a Uplands Business Park Blackhorse Lane London E17 5QJ
Independent auditors	Donald Reid Limited Chartered Accountants & Statutory Auditors 18a/20 King Street Maidenhead Berkshire SL6 1EF

MINOR FIGURES LIMITED

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

Introduction

The directors present their Strategic Report for the Group for the year ended 30 June 2022.

Principal activity

The principal activity of Minor Figures Limited ("Minor Figures") during the year was the sale of oat milk and coffee related products to retailers and consumers.

The market

The global oat milk market size was estimated at \$2.23b in 2020 and is expected to grow at CAGR of 14.2% from 2020 to 2028. Rising consumer awareness about the advantages of Oat milk and the environmental impact of dairy; the increasing popularity of vegan diets, and rising cases of milk allergies all contribute to the growing demand for Oat milk.

Oat will continue to increase its share of the category and become the dominant plant based alternative milk due to its superior taste and environmental benefits.

The total addressable, global market for oat milk will continue to grow strongly as consumer preferences move towards plant-based products.

Business review

During the year, the business has continued to execute its strategy of developing oat milk and coffee-related products. The business has focused on revenue growth and market penetration within the fast growth oat milk category. The business continued to grow existing channels in the UK, onboarding major retailers, and also pursued global expansion with presence in North America and the APAC regions. This year the business has invested significantly in people and operations, establishing local production in America and Australia to support future growth. The business has strengthened its core executive team as well as investing in the key areas of Supply chain, Marketing, Sales, Finance and People across the group.

The group has experienced strong growth across all regions and, having invested in key areas this year, is now in a good position to leverage its cost base on future growth across all three regions.

Our EMEA regional sales grew by over 65% year-on-year as we expanded our presence from cafes to include grocery and export markets. During the year the business successfully listed in some major grocery chains and will look to on board other major grocers over the coming year. The business also continued its strong growth in the export markets and online channels. The business also moved to a new logistics partner to support growth in UK and Europe. With strong brand presence and distribution points in EMEA, the business is optimistic on opportunities for continued growth in future within the growing plant based category.

North America is a strategic focus for the business with a huge total addressable market and growing trend towards plant based and vegan lifestyle. Our North American operation grew by over 80% in the year as we establish team and brand presence in the region. The business set up regional production in the year and now has growing presence across all major US states. The business has experienced strong growth in both the on-trade and retail channels and is on course to list in a national retailer over the coming year.

Our APAC region has shown robust growth in the year at over 40% despite the challenges around covid lockdown in the China region. The business has strong presence in the Australian market in the On-trade channel and is listed in Australia's top two supermarkets. The business has invested in setting up regional production and team during the year and is now well place to serve the strong export opportunities in the APAC markets. The business has strong regional partners both in China and Japan.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

The business has invested in the P&L during the year for continued revenue growth and established market presence. The business is well positioned now to support future revenue growth and leverage on the invested cost base during this year.

Key performance indicators

The directors consider the key performance indicators of the business to be turnover and gross profit margin and these are summarized below:

2022 2021

£m £m

Turnover 29.2 17.9

Gross Profit Margin 41% 40%

As growth is a key focus for the business, the directors consider further important KPIs to be the following:

- Revenue, channel and country growth
- Distribution points and rate of sale
- Gross and contribution margin
- Delivery service levels
- Brand awareness

Group revenue has grown 63% in the year as the business has expanded in each of the regions. During the year the business has continued to grow in the Grocery, On-trade, Export and Ecommerce channels, substantially increasing its distribution points. The directors continue to monitor delivery service levels and brand awareness closely.

The directors and management staff review all KPIs on monthly basis against plan.

Exceptional items

Within administration costs there are a number of exceptional items and one-off costs that were incurred as the group embarked on setting up regional facilities and production of stock. These amounted to a total cost of £672,323.

Key stakeholders and section 172

The directors acknowledge their duty under section 172 of the Companies Act and consider that they have, both individually and collectively, acted in the way that, in good faith, would be most likely to promote the success of the business for the benefit of its members as a whole.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Principal risks and uncertainties

The directors continue to monitor trading performance, as well as risks, on a regular basis and will take necessary steps should a change in performance arise. Going forward, the uncertainties around the ongoing cost of inflation and general macro-economic environment are being closely monitored for potential risks in supply and demand and the directors will take actions as required.

Macro-economic environment

The group's business and financial performance depends significantly on worldwide macroeconomic conditions and their impact on consumer spending. Recessionary economic cycles, higher interest rates, volatile energy costs, access to credit and other economic factors could affect the demand for the group's products. The directors closely review macroeconomic environment on a regular basis and take necessary action to mitigate any identified risk.

Changing consumer habits

Demand for the company's products could be impacted by changing consumer habits. The directors review trends and category statistics on a regular basis, to monitor consumer habits and ensure the business is well positioned to navigate any risk and seize any new opportunities that arise from changing habits

Reliance on third parties

The group relies on third party service providers for certain services relating to manufacturing and distribution of its products. These providers may not perform as expected under the group's agreement, including reasons outside the providers control. During the year the business has mitigated these risks by de-centralizing and setting up regional providers, as well as diversifying its base of providers. The directors continue to monitor this closely.

Exchange rate risk

The business has some risk from exchange rate volatility between sterling and other currencies. The business mitigates this risk through natural hedging and fixed prices. The business will also use financial instruments if required to mitigate any risk.

Liquidity Risk

The group completed a successful fund raise in May 2022 and the directors are continually reviewing funding requirements to ensure sufficient solutions are available to the group.

The group has working capital facilities in place, if required, if there is insufficient liquidity due to higher stock and production requirements then planned.

Future developments

We are confident that our continued focus on producing high quality Oat milk in this fast growth category across all three regions we operate in will lead to another year of strong revenue growth. We expect the trend of moving away from dairy to plant-based products will continue. Minor Figures has experienced fast growth in each year since its launch. Business growth will be driven by channel growth, increased distribution points and geographical expansion, underpinned by an increasing demand for plant-based products.

MINOR FIGURES LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Going concern

The directors have reviewed the group cash requirements for a period of more than 12 months from the date of signing these financial statements, and are confident the group will have sufficient resources to continue to meet its obligations. The directors have accordingly adopted the going concern basis for preparing these financial statements. See note 2.3 for further information.

This report was approved by the board on 17 March 2023 and signed on its behalf.

S Forsyth
Director

MINOR FIGURES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report and the financial statements for the year ended 30 June 2022.

Directors' responsibilities statement

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 directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £7,103,646 (2021 - loss £3,609,545).

Directors

The directors who served during the year were:

J Chiu
S Forsyth
W J Rixon (resigned 1 February 2023)
C Delcourt (appointed 30 May 2022)
S McBride (resigned 24 January 2023)

Future developments

We are confident that our continued focus on producing high quality Oat milk in this fast growth category across all three regions we operate in will lead to another year of strong revenue growth. We expect the trend of moving away from dairy to plant-based products will continue. Minor Figures has experienced fast growth in each year since its launch. Business growth will be driven by channel growth, increased distribution points and geographical expansion, underpinned by an increasing demand for plant-based products.

Sustainability

Minor Figures continues to focus on its core values on sustainability. The group is Carbon neutral and was certified with B Corp status in March 2022.

MINOR FIGURES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Donald Reid Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 March 2023 and signed on its behalf.

S Forsyth
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MINOR FIGURES LIMITED

Qualified opinion

We have audited the financial statements of Minor Figures Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2022, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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).

Except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report, in our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

This is the first year of audit for the Group. As a result, we did not observe the physical inventory count of the prior year stock numbers as at 30 June 2021 and were unable to satisfy ourselves by alternative means concerning the inventories quantities of £2.1m held at 30 June 2021. Whilst margins for the prior year are consistent, we were unable to determine whether any adjustment to this amount at 30 June 21 was necessary or whether there was any consequential effect on the costs of sales for the year ended 30 June 2022.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 qualified opinion.

Conclusions relating to going concern

In auditing the 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's or the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MINOR FIGURES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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 regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 directors' 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 set out on page 5, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the 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 or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MINOR FIGURES LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 Group financial statements

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:

- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual results that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings;
- assessing any management override of controls by testing journal entries and other adjustments and reviewing accounting estimates for indications of potential bias;
- evaluating any transactions that are unusual or outside the normal course of business; and
- maintaining alert to any fraud risks throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Other matters

In the previous accounting period, the directors of the company took advantage of the audit exemption under s477 of the Companies Act. As such, the previous period financial statements were not subject to audit.

Use of our report

This report is made solely to the 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 Company's members those matters we are required to state to them in an Auditors' 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

MINOR FIGURES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MINOR FIGURES LIMITED (CONTINUED)

Jacqui Williams FCA (Senior statutory auditor)

for and on behalf of
Donald Reid Limited

Chartered Accountants
Statutory Auditors

18a/20 King Street
Maidenhead
Berkshire
SL6 1EF

29 March 2023

MINOR FIGURES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Turnover		29,240,706	17,945,315
Cost of sales		(17,331,133)	(10,720,992)
Gross profit		11,909,573	7,224,323
Distribution costs		(5,924,015)	(3,701,491)
Administrative expenses		(12,281,479)	(7,190,585)
Exceptional administrative expenses	13	(672,323)	-
Other operating income	5	2,047	112,935
Operating loss	6	(6,966,197)	(3,554,818)
Interest receivable and similar income	10	5	27
Interest payable and similar expenses	11	(137,454)	(55,342)
Loss before taxation		(7,103,646)	(3,610,133)
Tax on loss	12	-	588
Loss for the financial year		(7,103,646)	(3,609,545)
Foreign exchange (loss)/gain on consolidation		(467,191)	147,804
Other comprehensive income for the year		(467,191)	147,804
Total comprehensive income for the year		(7,570,837)	(3,461,741)
(Loss) for the year attributable to:			
Owners of the parent Company		(7,103,646)	(3,609,545)
		(7,103,646)	(3,609,545)

The notes on pages 20 to 45 form part of these financial statements.

MINOR FIGURES LIMITED
REGISTERED NUMBER: 09086859

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	143,092	126,523
Tangible assets	15	452,524	431,950
		<u>595,616</u>	<u>558,473</u>
Current assets			
Stocks	17	5,457,785	2,066,612
Debtors: amounts falling due after more than one year	18	34,194	29,832
Debtors: amounts falling due within one year	18	4,862,993	3,174,007
Cash at bank and in hand	19	13,680,126	5,598,167
		<u>24,035,098</u>	<u>10,868,618</u>
Creditors: amounts falling due within one year	20	(7,223,021)	(2,613,353)
Net current assets		<u>16,812,077</u>	<u>8,255,265</u>
Total assets less current liabilities		<u>17,407,693</u>	<u>8,813,738</u>
Net assets		<u>17,407,693</u>	<u>8,813,738</u>
Capital and reserves			
Called up share capital	22	226	191
Share premium account	23	29,597,649	8,035,383
Other reserves	23	103,180	5,500,689
Profit and loss account	23	(12,293,362)	(4,722,525)
Equity attributable to owners of the parent Company		<u>17,407,693</u>	<u>8,813,738</u>
		<u>17,407,693</u>	<u>8,813,738</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 March 2023.

S Forsyth
Director

The notes on pages 20 to 45 form part of these financial statements.

MINOR FIGURES LIMITED
REGISTERED NUMBER: 09086859

COMPANY BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Intangible assets	14	143,092	126,523
Tangible assets	15	279,590	327,429
Investments	16	8,932,508	1,651
		<u>9,355,190</u>	<u>455,603</u>
Current assets			
Stocks	17	2,984,036	1,644,477
Debtors: amounts falling due after more than one year	18	29,832	29,832
Debtors: amounts falling due within one year	18	3,157,452	6,733,481
Cash at bank and in hand	19	12,210,122	4,053,225
		<u>18,381,442</u>	<u>12,461,015</u>
Creditors: amounts falling due within one year	20	(4,404,185)	(1,936,242)
Net current assets		<u>13,977,257</u>	<u>10,524,773</u>
Total assets less current liabilities		<u>23,332,447</u>	<u>10,980,376</u>
Net assets		<u><u>23,332,447</u></u>	<u><u>10,980,376</u></u>
Capital and reserves			
Called up share capital	22	226	191
Share premium account	23	29,597,649	8,035,383
Other reserves	23	103,180	5,500,689
Profit and loss account brought forward		(2,555,887)	(788,964)
Loss for the year		(3,812,721)	(1,766,923)
Profit and loss account carried forward		<u>(6,368,608)</u>	<u>(2,555,887)</u>
		<u><u>23,332,447</u></u>	<u><u>10,980,376</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 March 2023.

S Forsyth
Director

The notes on pages 20 to 45 form part of these financial statements.

MINOR FIGURES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 July 2021 (as previously stated)	191	8,035,383	5,500,689	(4,387,992)	9,148,271	9,148,271
Prior year adjustment	-	-	-	(334,533)	(334,533)	(334,533)
At 1 July 2021 (as restated)	191	8,035,383	5,500,689	(4,722,525)	8,813,738	8,813,738
Comprehensive income for the year						
	-	-	-	(7,103,646)	(7,103,646)	(7,103,646)
Loss for the year						
	-	-	-	(467,191)	(467,191)	(467,191)
Foreign exchange (loss)/gain on consolidation						
	-	-	-	(7,570,837)	(7,570,837)	(7,570,837)
Total comprehensive income for the year						
Contributions by and distributions to owners						
Shares issued during the year	35	21,562,266	-	-	21,562,301	21,562,301
Convertible loan note	-	-	(5,499,979)	-	(5,499,979)	(5,499,979)
Share options	-	-	102,470	-	102,470	102,470
Total transactions with owners	35	21,562,266	(5,397,509)	-	16,164,792	16,164,792
At 30 June 2022	226	29,597,649	103,180	12,293,362	17,407,693	17,407,693

The notes on pages 20 to 45 form part of these financial statements.

MINOR FIGURES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 July 2020	191	8,035,383	689	(1,260,784)	6,775,479	6,775,479
Comprehensive income for the year	-	-	-	(3,609,545)	(3,609,545)	(3,609,545)
Loss for the year						
Foreign exchange (loss)/gain on consolidation	-	-	-	147,804	147,804	147,804
Total comprehensive income for the year	-	-	-	(3,461,741)	(3,461,741)	(3,461,741)
Contributions by and distributions to owners						
Convertible loan note	-	-	5,500,000	-	5,500,000	5,500,000
Total transactions with owners	-	-	5,500,000	-	5,500,000	5,500,000
At 30 June 2021	<u>191</u>	<u>8,035,383</u>	<u>5,500,689</u>	<u>(4,722,525)</u>	<u>8,813,738</u>	<u>8,813,738</u>

The notes on pages 20 to 45 form part of these financial statements.

MINOR FIGURES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2021 (as previously stated)	191	8,035,383	5,500,689	(2,221,354)	11,314,909
Prior year adjustment	-	-	-	(334,533)	(334,533)
At 1 July 2021 (as restated)	191	8,035,383	5,500,689	(2,555,887)	10,980,376
Comprehensive income for the year					
Loss for the year	-	-	-	(3,812,721)	(3,812,721)
Total comprehensive income for the year	-	-	-	(3,812,721)	(3,812,721)
Contributions by and distributions to owners					
Shares issued during the year	35	21,562,266	-	-	21,562,301
Convertible loan note	-	-	(5,499,979)	-	(5,499,979)
Share options	-	-	102,470	-	102,470
Total transactions with owners	35	21,562,266	(5,397,509)	-	16,164,792
At 30 June 2022	226	29,597,649	103,180	(6,368,608)	23,332,447

The notes on pages 20 to 45 form part of these financial statements.

MINOR FIGURES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2020	191	8,035,383	689	(788,964)	7,247,299
Comprehensive income for the year					
Loss for the year	-	-	-	(1,766,923)	(1,766,923)
Total comprehensive income for the year	-	-	-	(1,766,923)	(1,766,923)
Contributions by and distributions to owners					
Convertible loan note	-	-	5,500,000	-	5,500,000
Total transactions with owners	-	-	5,500,000	-	5,500,000
At 30 June 2021	191	8,035,383	5,500,689	(2,555,887)	10,980,376

The notes on pages 20 to 45 form part of these financial statements.

MINOR FIGURES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(7,103,646)	(3,609,545)
Adjustments for:		
Amortisation of intangible assets	20,916	8,744
Depreciation of tangible assets	170,230	97,318
Loss on disposal of tangible assets	(1,102)	(66)
Interest paid	137,454	55,342
Interest received	(5)	(27)
Taxation charge	-	(588)
(Increase)/decrease in stocks	(3,391,173)	1,215,064
(Increase) in debtors	(1,693,348)	(1,705,223)
Increase in creditors	4,622,539	767,479
Corporation tax received/(paid)	-	(588)
Net cash generated from operating activities	(7,238,135)	(3,172,090)
Cash flows from investing activities		
Purchase of intangible fixed assets	(37,486)	(68,897)
Purchase of tangible fixed assets	(193,661)	(154,230)
Sale of tangible fixed assets	-	1,650
Interest received	5	27
Net cash from investing activities	(231,142)	(221,450)
Cash flows from financing activities		
Issue of ordinary shares	16,150,000	5,500,000
New secured loans	16,526	15,358
Repayment of/new finance leases	(10,645)	(4,994)
Interest paid	(137,454)	(55,342)
Net cash used in financing activities	16,018,427	5,455,022

MINOR FIGURES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
Net increase in cash and cash equivalents	8,549,150	2,061,482
Cash and cash equivalents at beginning of year	5,598,167	3,388,881
Foreign exchange gains and losses	(467,191)	147,804
Cash and cash equivalents at the end of year	13,680,126	5,598,167
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,680,126	5,598,167
	13,680,126	5,598,167

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. General information

Minor Figures Limited is a private company limited by shares. The company was incorporated in the United Kingdom and is registered in England and Wales. The registered office address is Unit 12a Uplands Business Park, Blackhorse Lane, London, England, E17 5QJ.

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 judgment 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.3 Going concern

The Group made a loss after tax of £7,103,646 (2021: £3,609,545) and had a negative profit and loss reserve of £12,293,362 (2021: £4,722,525).

The directors have reviewed the group cash requirements for a period of more than 12 months from the date of signing these financial statements, and are confident the group will have sufficient resources to continue to meet its obligations. The directors have accordingly adopted the going concern basis for preparing these financial statements.

The Group's base case forecasts are underpinned by an increasing demand for plant-based products and the Group's growing international brand. Trading over the previous three financial years has demonstrated the Group's continued revenue growth and enabled Minor Figures to establish a formidable market presence with a number of successful funding rounds. This base case has the full support of the Group's investors with a strategy for revenue growth and market penetration across all three key regions with significant investment over the last two years to underpin the growth. The directors believe the business is now in a good position to leverage the cost base on future revenue growth with a reduction in losses and a path to cash generation.

In considering the appropriateness of adopting the going concern basis in preparing the financial statements, the directors have assessed the potential cash requirement of the Group for the foreseeable future (being twelve months from the date of approving these financial statements) and considered and reviewed a range of scenarios. The directors have considered the uncertainty around the macroeconomic environment, cost of living crisis, continued global inflationary pressures and the ongoing war in Ukraine.

The group has recently signed off working capital facilities with two providers, securing the group with additional liquidity. Despite having adequate cash and working capital headroom to meet its obligations, the group also has further options available via an investment round. The group has a strong demonstrated history of the ability to raise and the directors are confident the next raise will be concluded in the first quarter of the group's financial year to June 2024. Funds from the raise will assist in accelerating the group's rapid growth plans and the directors' intention is to secure additional investment well in advance of the cash being required.

Whilst there remains uncertainty in the macroeconomic environment, the group considers it has sufficient liquidity and is well placed to continue, with the backing of investors, in its strategic goal of becoming one of the major players in the fast growth oat category.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'administrative expenses'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.5 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.

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.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

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

2.7 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 10 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.10 Interest income

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

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Borrowing costs

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

2.13 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.14 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

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

2.15 Taxation

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 balance sheet date in the countries where the Company and the Group operate and generate income.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.17 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents, trademarks & licenses	-	10	years
Development expenditure	-	10	years
Computer software	-	10	years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.18 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Leasehold improvements	- over the lease term
Plant and machinery	- over 4 years
Motor vehicles	- 4-5 years
Office equipment	- 3-5 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.

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.20 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.21 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.22 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.23 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.

2.24 Holiday pay accrual

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

2.25 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 creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. 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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.25 Financial instruments (continued)

balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.26 Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components and presented separately in the Balance sheet.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently remeasured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for income and expenditure during the period. The following are the areas where judgement has been exercised and/or there is considered to be a source of estimation uncertainty that may be regarded as giving rise to the risk of material adjustment to the carrying amounts of asset and liabilities within the next financial period.

Intangible assets

Judgement is required in determining whether costs capitalised with regard to the development of intangible assets (website and/or software) meet the criteria for capitalisation as set out in FRS 102, including the probability of economic benefits being derived therefrom. Note 14 sets out details of such assets and the amounts capitalised in the period.

Useful economic lives

Tangible and intangible fixed assets are amortised over their estimated useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are regularly assessed and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Refer to notes 14 and 15 for details of such assets. Note 2 details the useful economic lives applied.

Stock provision

A provision for damaged stock and stock where net realisable value is expected to be less than cost has been included in the financial statements. This provision requires management's best estimate based on the nature and condition of the stock. Please refer to note 17 for details of stock held at period end and the provision held against such stock.

Share based payments

To the extent that share based payments are made to directors and/or employees of the Company an assessment is required of the fair value of such payments. Such an assessment requires judgement and is underpinned by an estimate of the Company's (or wider Group's) value and the rights attributable to the shares issued.

Amounts owed by Group undertakings

Judgement is required in determining whether there are any indicators of whether the amounts due to the company from group undertakings are materially impaired. In the event that such indicators are identified an estimation of the extent to which an impairment has arisen is then required. Taking account of the group's trading performance and wider financial position, it has been determined that no indicators of impairment presently exist. Refer to note 18 for details of the amounts owed by group undertakings.

Investments

Judgement is required in determining whether there are any indicators of whether the carrying value of investments is materially impaired. In the event that such indicators are identified an estimation of the extent to which an impairment has arisen is then required. Such an estimation process takes into account the recoverable amount of investments based on either its realisable value or the value of cashflows that will be generated therefrom. Refer to note 16 for details of the investments held.

MINOR FIGURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

4. Turnover

The whole of the turnover is attributable to the sale of oat milk and coffee related products.

Analysis of turnover by region:

	2022	2021
	£000's	£000's
Europe, the Middle East and Africa	12,052	7,198
Asia-Pacific	9,041	6,320
North America	8,148	4,427
	<u>29,241</u>	<u>17,945</u>

5. Other operating income

	2022	2021
	£	£
Other operating income	2,047	112,935
	<u>2,047</u>	<u>112,935</u>

6. Operating loss

The operating loss is stated after charging:

	2022	2021
	£	£
Research & development charged as an expense	160,643	(3,265)
Exchange differences	(396,086)	447,688
Other operating lease rentals	160,435	136,937
Share based payment	<u>102,470</u>	<u>-</u>

7. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	12,000	-

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8. Employees

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

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Wages and salaries	5,123,108	3,005,548	2,786,080	1,485,497
Social security costs	417,520	163,218	297,914	162,861
Cost of defined contribution scheme	166,776	86,449	46,841	20,009
	<u>5,707,404</u>	<u>3,255,215</u>	<u>3,130,835</u>	<u>1,668,367</u>

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

	Group 2022 No.	<i>Group 2021 No.</i>	Company 2022 No.	<i>Company 2021 No.</i>
Directors	4	4	4	4
Finance and operational	80	51	50	33
	<u>84</u>	<u>55</u>	<u>54</u>	<u>37</u>

9. Directors' remuneration

	2022 £	<i>2021 £</i>
Directors' emoluments	338,281	261,002
Group contributions to defined contribution pension schemes	12,718	9,595
	<u>350,999</u>	<u>270,597</u>

During the year retirement benefits were accruing to 2 directors (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £153,483 (2021: £101,000).

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10. Interest receivable

	2022 £	2021 £
Other interest receivable	5	27
	<u>5</u>	<u>27</u>

11. Interest payable and similar expenses

	2022 £	2021 £
Other loan interest payable	137,454	55,342
	<u>137,454</u>	<u>55,342</u>

12. Taxation

	2022 £	2021 £
Foreign tax		
Foreign tax on income for the year	-	(588)
	<u>-</u>	<u>(588)</u>
Total current tax	<u>-</u>	<u>(588)</u>
Deferred tax		
	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>-</u>	<u>(588)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(7,103,646)</u>	<u>(3,610,133)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(1,349,693)	(685,925)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,934	1,481
Unrelieved tax losses carried forward	1,345,759	683,856
Total tax charge for the year	<u><u>-</u></u>	<u><u>(588)</u></u>

Factors that may affect future tax charges

On 3 March 2021 the UK government announced that the standard rate of corporation tax in the UK would change from 19% to 25% from 2023. This change had been substantively enacted at the balance sheet date.

At 30 June 2022 the group had unutilised trading tax losses. The related deferred tax asset of approximately £1,400,000 (2021: £430,000) has not been recognised on the basis that there is insufficient certainty of future profits in the subsequent financial year to warrant recognition at this stage.

13. Exceptional items

	2022 £	2021 £
Product/supplier change	532,148	-
Warehouse move	85,030	-
One-off costs & waiting charges	55,145	-
	<u><u>672,323</u></u>	<u><u>-</u></u>

The directors consider the expenditure to be of an exceptional and non-recurring nature.

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

14. Intangible assets

Group

	Patents, trademarks & licenses £	Development expenditure £	Computer software £	Total £
Cost				
At 1 July 2021	81,002	65,433	6,462	152,897
Additions	19,614	17,872	-	37,486
At 30 June 2022	100,616	83,305	6,462	190,383
Amortisation				
At 1 July 2021	5,754	20,576	44	26,374
Charge for the year on owned assets	11,489	8,782	646	20,917
At 30 June 2022	17,243	29,358	690	47,291
Net book value				
At 30 June 2022	83,373	53,947	5,772	143,092
At 30 June 2021	75,248	44,857	6,418	126,523

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

14. Intangible assets (continued)

Company

	Patents, trademarks & licenses £	Development expenditure £	Computer software £	Total £
Cost				
At 1 July 2021	81,002	64,841	6,462	152,305
Additions	19,614	17,872	-	37,486
At 30 June 2022	100,616	82,713	6,462	189,791
Amortisation				
At 1 July 2021	5,754	19,984	44	25,782
Charge for the year	11,489	8,782	646	20,917
At 30 June 2022	17,243	28,766	690	46,699
Net book value				
At 30 June 2022	83,373	53,947	5,772	143,092
At 30 June 2021	75,248	44,857	6,418	126,523

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

15. Tangible fixed assets

Group

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Office equipment £
Cost or valuation				
At 1 July 2021	210,210	316,738	3,257	95,982
Additions	13,240	32,475	36,765	111,181
At 30 June 2022	223,450	349,213	40,022	207,163
Depreciation				
At 1 July 2021	24,773	132,889	1,901	34,674
Charge for the year on owned assets	61,409	69,471	2,968	39,239
At 30 June 2022	86,182	202,360	4,869	73,913
Net book value				
At 30 June 2022	137,268	146,853	35,153	133,250
At 30 June 2021	185,437	183,849	1,356	61,308

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

15. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 July 2021	626,187
Additions	193,661
	<hr/>
At 30 June 2022	819,848
	<hr/>
Depreciation	
At 1 July 2021	194,237
Charge for the year on owned assets	173,087
	<hr/>
At 30 June 2022	367,324
	<hr/>
Net book value	
At 30 June 2022	<u>452,524</u>
At 30 June 2021	<u>431,950</u>

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

15. Tangible fixed assets (continued)

Company

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Office equipment £
Cost or valuation				
At 1 July 2021	132,420	316,738	-	54,505
Additions	13,240	32,475	24,250	28,190
At 30 June 2022	145,660	349,213	24,250	82,695
Depreciation				
At 1 July 2021	23,535	132,889	-	19,810
Charge for the year on owned assets	59,323	69,471	-	17,200
At 30 June 2022	82,858	202,360	-	37,010
Net book value				
At 30 June 2022	62,802	146,853	24,250	45,685
At 30 June 2021	108,885	183,849	-	34,695

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

15. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 July 2021	503,663
Additions	98,155
	<hr/>
At 30 June 2022	601,818
	<hr/>
Depreciation	
At 1 July 2021	176,234
Charge for the year on owned assets	145,994
	<hr/>
At 30 June 2022	322,228
	<hr/>
Net book value	
At 30 June 2022	<u>279,590</u>
At 30 June 2021	<u>327,429</u>

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2021	1,651
Additions	8,930,857
At 30 June 2022	<u>8,932,508</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Minor Figures, Inc	1950 W Corporate Way #11042, Anaheim, CA, 92801, United States	Common Shares	100 %
Minor Figures PTY. Ltd	100 Spring Street North, Port Melbourne, Victoria, 3207, Australia	ORD	100 %

17. Stocks

	Group 2022 £	Group <i>As restated</i> 2021 £	Company 2022 £	Company <i>As restated</i> 2021 £
Raw materials and consumables	821,082	225,198	403,570	225,198
Finished goods and goods for resale	4,636,703	1,841,414	2,580,466	1,419,279
	<u>5,457,785</u>	<u>2,066,612</u>	<u>2,984,036</u>	<u>1,644,477</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stocks are stated after provisions for impairments of £358,385 (2021: £Nil).

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

18. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Due after more than one year				
Other debtors	34,194	29,832	29,832	29,832
	<u>34,194</u>	<u>29,832</u>	<u>29,832</u>	<u>29,832</u>

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Due within one year				
Trade debtors	4,034,471	2,657,805	2,600,578	1,596,125
Amounts owed by group undertakings	-	-	-	4,824,708
Other debtors	471,864	277,904	370,099	167,784
Prepayments and accrued income	356,658	238,298	186,775	144,864
	<u>4,862,993</u>	<u>3,174,007</u>	<u>3,157,452</u>	<u>6,733,481</u>

19. Cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Cash at bank and in hand	13,680,126	5,598,167	12,210,122	4,053,225
	<u>13,680,126</u>	<u>5,598,167</u>	<u>12,210,122</u>	<u>4,053,225</u>

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

20. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	5,315,619	1,848,215	3,013,768	1,460,684
Other taxation and social security	118,564	55,651	118,564	55,651
Obligations under finance lease and hire purchase contracts	9,967	20,612	9,967	20,612
Other creditors	335,785	268,308	192,407	185,044
Accruals and deferred income	1,411,202	405,209	1,069,479	214,251
Premium finance	31,884	15,358	-	-
	<u>7,223,021</u>	<u>2,613,353</u>	<u>4,404,185</u>	<u>1,936,242</u>

There exists a fixed and floating charge over the assets of the Company in relation to an invoice financing facility.

21. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>4,567,229</u>	<u>2,996,762</u>	<u>2,970,677</u>	<u>6,588,617</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(6,994,595)</u>	<u>(2,522,413)</u>	<u>(4,243,750)</u>	<u>(1,880,591)</u>

Financial assets within the group measured at amortised cost comprise trade debtors of £4,034,471 (2021: £2,657,805), and other debtors of £532,758 (2021: £338,957).

Financial assets within the company measured at amortised cost comprise trade debtors of £2,600,578 (2021: £1,596,125), other debtors of £370,099 (2021: £167,784) and amounts owed by group undertakings of £Nil (2021: £4,824,708).

Financial liabilities for the group measured at amortised cost comprise trade creditors of £5,315,619 (2021: £1,848,215), premium funding of £32,100 (2021: £15,370), obligations under finance lease and hire purchase obligations of £9,967 (2021: £20,612), other creditors of £335,785 (2021: £268,308) and accruals of £1,301,124 (2021: £369,908).

Financial liabilities for the company measured at amortised costs comprise trade creditors of £3,013,768 (2021: £1,460,684), obligations under finance lease and hire purchase obligations of £9,967 (2021: £20,612) and accruals and other creditors of £1,220,015 (2021: £399,295).

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

22. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
14,258,917 (2021 - 18,468,999) A Ordinary shares of £0.00001 each	142.59	184.69
669,852 (2021 - 669,852) B Investment shares of £0.00001 each	6.70	6.70
4,127,987 (2021 - nil) A1 Ordinary shares of £0.00001 each	41.28	-
2,291,818 (2021 - nil) B1 Preferred shares of £0.00001 each	22.92	-
1,279,307 (2021 - nil) B2 Preferred shares of £0.00001 each	12.79	-
	<u>226.28</u>	<u>191.39</u>

During the year, 2,209,723 B1 Preferred shares of £0.00001 each were allotted for the aggregate consideration of £16,150,000. 82,095 existing A Ordinary shares of £0.00001 each were subsequently redesignated as 82,095 B1 Preferred shares.

During the year, 1,279,307 B2 Preferred shares of £0.00001 each were allotted for the aggregate consideration of £5,500,000, being the conversion of a convertible loan notes issued in 2021.

23. Reserves

Share premium account

The share premium account records the amount above the nominal value received for shares sold, less transaction costs.

Other reserves

Other reserves consist of share options granted and convertible loan notes.

Profit and loss account

The profit and loss account includes all current and prior period retained profit and losses made by the company.

24. Analysis of net debt

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	5,598,167	8,081,959	13,680,126
Debt due within 1 year	(169,677)	(34,197)	(203,874)
Finance leases	(20,612)	10,645	(9,967)
	<u>5,407,878</u>	<u>8,058,407</u>	<u>13,466,285</u>

MINOR FIGURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

25. Share based payments

Minor Figures Limited has an equity-settled Enterprise Management Incentive Scheme ("EMI") which is available to UK employees who work for the Company and satisfy the qualifying conditions and the EMI working time requirements. The Company also operates an unapproved option scheme.

The options vest over a period of up to 5 years from grant date. The Black-Scholes valuation method was used to determine the fair-value of the options vested during the year.

Employees of the subsidiary companies are also eligible to participate in the scheme. The parent company issues options directly to Group employees involved in the scheme.

A total charge of £102,470 (2021: £Nil) has been recognised within the consolidated profit and loss in relation to the share-based payment transactions. The charge in respect of the options granted to employees of the subsidiary companies totalling £20,772 (2021: £Nil) has been recognised within the individual subsidiaries' profit and loss accounts, with a corresponding increase to the cost of investment held by the parent company.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	124	449,711	10	175,681
Granted during the year	181	482,051	182	283,937
Forfeited during the year	-181	(5,521)	-182	(9,907)
Outstanding at the end of the year	162	926,241	124	449,711

	2022 Black-Scholes	2021 Black-Scholes
Option pricing model used		
Weighted average share price (pence)	98	83
Exercise price (pence)	181	182
Weighted average contractual life (days)	1366	603
Expected volatility	75%	70%
Expected dividend growth rate	0	0
Risk-free interest rate	0.71%	0.08%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

26. Prior year adjustment

The prior year comparatives have been restated in order to correct a stock provision at 30 June 2021. Due to the fast-changing nature of the business and regionalisation of production facilities, it was determined that a further stock provision was required on certain lines held on the balance sheet at 30th June 2021.

As a result of this restatement, prior period cost of sales have increased by £334,533, with a corresponding decrease in stock.

As a result of these changes, the profit and loss reserves and net assets are decreased by £334,533.

27. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £166,776 (2021 - £86,449). Contributions totalling £19,427 (2021 - £5,518) were payable to the fund at the balance sheet date and are included in creditors.

28. Commitments under operating leases

At 30 June 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group</i> <i>2021</i> £	Company 2022 £	<i>Company</i> <i>2021</i> £
Not later than 1 year	175,392	148,158	125,344	108,952
Later than 1 year and not later than 5 years	170,940	235,674	131,661	182,093
	346,332	383,832	257,005	291,045

29. Related party transactions

The company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies.

At the year end, included in other creditors is the amount of £152,563 (2021: £148,801) owed by the company to the directors.

30. Controlling party

The directors do not consider there to be an overall controlling party of the Group.

This is the largest and smallest Group for which consolidated financial statements are prepared.

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