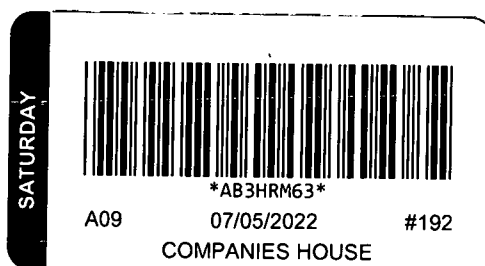


**Mindful Chef Limited**

**Annual Report and Financial Statements  
Year Ended 31 December 2021**

**Registration number: 09270945**



# **Mindful Chef Limited**

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## Mindful Chef Limited

### Company Information

<b>Directors</b>	Robert Grieg-Gran Myles Hopper Giles Humphries Timothy Lee Stefano Agostini Wayne England Jorge Llach Fernandez
<b>Registered office</b>	Unit D Discovery House Juniper Drive London SW18 1UY
<b>Solicitors</b>	Michelmores LLP Woodwater House Pynes Hill Exeter Devon EX3 5WR
<b>Auditors</b>	PKF Francis Clark Statutory Auditor Ground Floor Blackbrook Gate 1 Blackbrook Business Park Taunton Somerset TA1 2PX

# Mindful Chef Limited

## Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

### Principal activity

The principal activity of the company is the retail of premium healthy recipe kit boxes.

### Review of the business

The company has seen significant growth during the past year, with turnover increasing from £48,121,171 to £67,022,775, an annual growth rate of 39%, as it has continued to execute its strategy of *making healthy eating easy*. The company focused on growing and refining its existing direct to consumer business in the UK, across recipe kit boxes and a ready to go offering (prepared meals, smoothie kits, desserts, soups and broths). At the same time the company has focused on driving efficiencies in cost as it scales, improving gross profit margin by 2.9%pts.

The directors consider the key performance indicators of the business to be turnover growth and gross profit as a percentage of sales. These are summarised below:

	Unit	2021	2020
Turnover growth	%	39.3	228.4
Gross profit as a % of sales	%	30.7	28.0

A profit after tax of £33,754,156 was achieved in the financial year ended 31 December 2021 primarily due to a one-off gain arising from the sale of intellectual property to another member of the Nestle group. Excluding this one-off gain, the operating loss of the business was £2,569,616 compared to a loss of £1,017,737 in 2020. This decrease was in line with the business strategy to invest in driving customer awareness, building the brand and acquiring new customers. As at 31 December 2021, the company has cash at bank and in hand of £6,586,611 (2020 - £10,409,069) as well as amounts owed by group undertakings of £36,602,760 (2020 - £nil) which provides the ability to fund the ongoing expansion of the business.

The company was well-placed to support the accelerated demand driven by the Covid-19 pandemic and indications suggest the customer base remains loyal despite the ever changing macro-economic environment. The company was aware how difficult 2021 was for customers and focussed on supporting its community throughout the pandemic. The response included remaining open to all new and existing customers by successfully flexing up our operating capacity, supporting the NHS key workers with an ongoing discount and offering a Care Box for customers to send to friends and family in need. The directors recognise the continued ongoing risks associated with the pandemic and wider economic uncertainties and the impact on business performance.

Being the first recipe box to be registered as a B Corporation, the company continued to leverage its brand positioning to be a force for good during 2021. Examples include donating 5.2 million meals (2020 - 3.8 million) charity One Feeds Two, being the first recipe box to offer carbon labelling on its recipes and hosting the UK's largest Coastal CleanUp.

The directors are pleased with the performance of the company for the year ended 31 December 2021 and its success in helping more and more customers solve the problem of healthy eating.

## Mindful Chef Limited

### Strategic Report for the Year Ended 31 December 2021

#### Principal risks and uncertainties

The directors are aware of the continued macroeconomic risks that face the business and wider market. The uncertainties around the ongoing Covid-19 situation, cost inflation and the situation in the Ukraine are being closely monitored for potential impacts on supply and demand. There is a robust forecasting process in place and regular performance reviews, with optionality and flexibility built into the business plan. The company is well placed to take any necessary action associated with the risks identified.

#### Operating risks

The company is reliant on its digital product and third-party warehouse operations. The company has a framework of policies and controls in place to ensure minimal downtime and disruption to the operation, as well as a robust testing programme and contingency plans. The company has in place reliable security measures to safeguard the information it holds in order to deliver its service to customers.

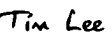
#### Food safety risks

The company depends on suppliers providing fresh ingredients that are essential to the end product. The company has in place appropriate controls and safety procedures to mitigate risks associated with product recall or consumer harm, as well as working with a BRC accredited (grade A) fulfilment provider.

#### Future developments

The directors are confident in the ongoing long-term strategy to focus on high quality healthy food. The company continues to stretch the brand and diversify its product offering, to support the company mission to help make healthy eating easy for as many people as possible.

Approved by the Board on 21 April 2022 and signed on its behalf by:

DocuSigned by:  
  
 171202F871324F0...  
 Timothy Lee  
 Director

## **Mindful Chef Limited**

### **Directors' Report for the Year Ended 31 December 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

#### **Directors of the company**

The directors who held office during the year were as follows:

Robert Grieg-Gran

Myles Hopper

Giles Humphries

Timothy Lee

Stefano Agostini

Wayne England

Jorge Llach Fernandez

#### **Financial instruments**

##### ***Objectives and policies***

The company's principal financial instruments comprise bank balances, trade creditors and group debtors and creditors. All of the company's financial instruments are assessed as being basic in nature. The company's primary financial risk is liquidity.

##### ***Liquidity risk***

Liquidity risk is regularly assessed through a regular cash forecasting process and robust management of discretionary marketing spend. The forecasting process is designed to ensure the company is well positioned to support the business strategy and growth plans.

##### ***Currency risk***

The company operates only in the UK and as such the currency risk is low.

##### ***Credit risk***

Due to the direct to consumer business model, the company takes payment from the customer prior to delivering the product, therefore the credit risk is also low.

#### **Research and development**

The company continues to invest in its direct-to-consumer meal-kit delivery software with the aim to improve both customer experience and streamline the company's supply chain. Expenditure on research and development in 2021 was £182,999 (2020 - £103,981).

## Mindful Chef Limited

### Directors' Report for the Year Ended 31 December 2021

#### Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 21 April 2022 and signed on its behalf by:

DocuSigned by:  
Tim Lee  
171202F671324F0...  
Timothy Lee  
Director

## **Mindful Chef Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



## **Mindful Chef Limited**

### **Independent Auditor's Report to the Members of Mindful Chef Limited**

#### **Opinion**

We have audited the financial statements of Mindful Chef Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit 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 opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## Mindful Chef Limited

### Independent Auditor's Report to the Members of Mindful Chef Limited

#### **Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities set out on page 6, 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 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 company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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:

## Mindful Chef Limited

### Independent Auditor's Report to the Members of Mindful Chef Limited

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the company. We gained an understanding of the industry in which the company operates as part of this assessment to identify the key laws and regulations affecting the company. As part of this, we reviewed the company's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were employment law, Food Standards Agency regulations, and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the company's ability to continue operating and the risk of material misstatement to the accounts. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Reviewing the company's GDPR policy and enquiries to the company's legal counsel as to the occurrence and outcome of any reportable breaches.
- Reviewing the Information Commissioner's Office (ICO) website for any enforcement actions or decision notices impacting the company.
- Reviewing legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

As part of our enquiries, we discussed with management whether there had been any instances of known or alleged fraud, of which management confirmed there were none.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to income and expenditure, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. The key risks we identified were the reduction of tax liabilities and the overstatement of the financial position of the company for commercial purposes. Based upon our understanding we designed and conducted audit procedures including:

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.
- Undertook specific cut-off procedures in respect of revenue recognition.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

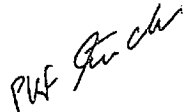
A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Mindful Chef Limited

### Independent Auditor's Report to the Members of Mindful Chef Limited

#### 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

Date: 28 April 2022  
.....

## Mindful Chef Limited

### Profit and Loss Account

Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	67,022,775	48,121,171
Cost of sales		<u>(46,446,409)</u>	<u>(34,654,873)</u>
Gross profit		20,576,366	13,466,298
Administrative expenses		(23,217,332)	(14,485,557)
Other operating income	4	<u>71,350</u>	<u>-</u>
Operating loss	5	<u>(2,569,616)</u>	<u>(1,019,259)</u>
Profit on sale of intellectual property	9	42,773,000	-
Other interest receivable and similar income	10	81,738	1,522
Interest payable and similar expenses	11	<u>(484,410)</u>	<u>-</u>
		<u>42,370,328</u>	<u>1,522</u>
Profit/(loss) before tax		39,800,712	(1,017,737)
Tax on profit/(loss)	12	<u>(6,046,556)</u>	<u>-</u>
Profit/(loss) for the financial year		<u><u>33,754,156</u></u>	<u><u>(1,017,737)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

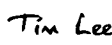
# Mindful Chef Limited

## Balance Sheet

31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	2,473,116	1,267,852
Tangible assets	14	<u>1,754,628</u>	<u>413,726</u>
		<u>4,227,744</u>	<u>1,681,578</u>
<b>Current assets</b>			
Stocks	15	1,789,089	2,192,912
Debtors	16	41,850,014	2,752,507
Cash at bank and in hand	17	<u>6,586,611</u>	<u>10,409,069</u>
		50,225,714	15,354,488
<b>Creditors: Amounts falling due within one year</b>	18	<u>(8,546,053)</u>	<u>(15,248,396)</u>
<b>Net current assets</b>		<u>41,679,661</u>	<u>106,092</u>
<b>Total assets less current liabilities</b>		45,907,405	1,787,670
<b>Creditors: Amounts falling due after more than one year</b>	18	(10,217,542)	-
<b>Provisions for liabilities</b>	21	<u>(228,994)</u>	<u>(80,957)</u>
<b>Net assets</b>		<u><u>35,460,869</u></u>	<u><u>1,706,713</u></u>
<b>Capital and reserves</b>			
Called up share capital		534	534
Share premium reserve		9,023,749	9,023,749
Other reserves		10,000	10,000
Profit and loss account		<u>26,426,586</u>	<u>(7,327,570)</u>
Shareholder's funds		<u><u>35,460,869</u></u>	<u><u>1,706,713</u></u>

Approved and authorised by the Board on 21 April 2022 and signed on its behalf by:

DocuSigned by:  
  
 Timothy Lee  
 Director

Company Registration Number: 09270945

## Mindful Chef Limited

### Statement of Changes in Equity Year Ended 31 December 2021

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 January 2021	534	9,023,749	10,000	(7,327,570)	1,706,713
Profit for the year	-	-	-	33,754,156	33,754,156
Total comprehensive income	-	-	-	33,754,156	33,754,156
At 31 December 2021	534	9,023,749	10,000	26,426,586	35,460,869

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 January 2020	506	8,094,588	10,000	(6,309,833)	1,795,261
Loss for the year	-	-	-	(1,017,737)	(1,017,737)
Total comprehensive income	-	-	-	(1,017,737)	(1,017,737)
New share capital subscribed	28	929,161	-	-	929,189
At 31 December 2020	534	9,023,749	10,000	(7,327,570)	1,706,713

The notes on pages 14 to 30 form an integral part of these financial statements.  
Page 13

# **Mindful Chef Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2021**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office and its principal place of business is:

Unit D Discovery House  
Juniper Drive  
London  
SW18 1UY

#### **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 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There are no material departures from FRS 102.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

The functional currency of the company is considered to be pounds sterling because this is the currency of the primary economic environment in which the company operates.

##### **Summary of disclosure exemptions**

Mindful Chef Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management.

##### **Going concern**

On the basis of their assessment of the company's financial position and resources, and having made all necessary enquiries, the directors are satisfied that the company will continue to meet its liabilities as they fall due, and are satisfied that the company will continue to operate with sufficient cash headroom for a period of at least 12 months (from the date of approval of these financial statements).

Therefore the directors are satisfied that it remains appropriate for the company to adopt the going concern basis of accounting in preparing these financial statements.



## **Mindful Chef Limited**

### **Notes to the Financial Statements**

#### **Year Ended 31 December 2021**

##### **Key judgements and sources of estimation uncertainty**

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key accounting judgement that has a significant impact on these financial statements is that of going concern, as described above.

The key estimates that have a significant effect on the amounts recognised in the financial statements are as follows.

The carrying value of intangible assets requires estimation as to the useful economic life of the assets, in addition to the value of any impairment provision to be recognised against the asset. The carrying value of intangible assets is reviewed in light of the operational performance of the assets. The carrying amount is £2,473,116 (2020 - £1,267,852).

The carrying value of stocks held at year end requires estimation as to the recoverable value of stock held. Provision is made against amounts which are considered irrecoverable on a line-by-line basis. The carrying amount is £1,789,089 (2020 - £2,192,912).

##### **Revenue recognition**

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

The company recognises revenue upon delivery to the customer. Revenue from the sale of gift vouchers is deferred and recognised on use of the voucher by the customer.

##### **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.

## Mindful Chef Limited

### Notes to the Financial Statements

#### Year Ended 31 December 2021

##### **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 corporation 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.

Deferred tax is recognised on all timing differences at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

##### **Intangible assets**

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and any accumulated impairment losses.

##### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

##### **Asset class**

Software development

##### **Amortisation method and rate**

Straight line over 3 years

##### **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**

Leasehold improvements

Furniture, fittings and equipment

Motor vehicles

Other property, plant and equipment

##### **Depreciation method and rate**

Over life of lease

Straight line over 2-5 years

Straight line over 2 years

Straight line over 2-5 years

## **Mindful Chef Limited**

### **Notes to the Financial Statements**

#### **Year Ended 31 December 2021**

##### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the average cost method.

At each reporting date, stocks are assessed for impairment. If stocks are 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.

##### **Provisions**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

##### **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.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

##### **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.

# Mindful Chef Limited

## Notes to the Financial Statements

### Year Ended 31 December 2021

#### Financial instruments

##### **Classification**

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Intercompany debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

##### **Recognition and measurement**

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Sale of goods	<u>67,022,775</u>	<u>48,121,171</u>

The analysis of the company's turnover for the year by class of business is as follows:

	2021 £	2020 £
Sale of recipe boxes and meals	<u>67,022,775</u>	<u>48,121,171</u>

The analysis of the company's turnover for the year by market is as follows:

	2021 £	2020 £
UK	<u>67,022,775</u>	<u>48,121,171</u>

# Mindful Chef Limited

## Notes to the Financial Statements

### Year Ended 31 December 2021

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021 £	2020 £
Research and development tax credit	<u>71,350</u>	<u>-</u>

#### 5 Operating profit/(loss)

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	277,418	114,476
Amortisation expense	878,430	370,191
Research and development cost	182,999	103,981
Foreign exchange losses	1,928	173
Profit on disposal of property, plant and equipment	<u>(313)</u>	<u>-</u>

#### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	4,675,520	2,640,707
Social security costs	519,364	296,328
Pension costs, defined contribution scheme	<u>81,677</u>	<u>43,577</u>
	<u>5,276,561</u>	<u>2,980,612</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Production	21	13
Head Office	<u>84</u>	<u>47</u>
	<u>105</u>	<u>60</u>

# Mindful Chef Limited

## Notes to the Financial Statements

Year Ended 31 December 2021

### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	502,659	429,152
Contributions paid to money purchase schemes	6,806	5,016
	<u>509,465</u>	<u>434,168</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>5</u>

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	153,207	148,643
Company contributions to money purchase pension schemes	<u>1,318</u>	<u>1,314</u>

### 8 Auditor's remuneration

	2021 £	2020 £
Audit of the financial statements	<u>11,390</u>	<u>10,280</u>

### 9 Profit on sale of intellectual property

	2021 £	2020 £
Profit on sale of intellectual property	<u>42,773,000</u>	<u>-</u>

During the year, the company sold its intellectual property, including the brand, trade marks, domain names and patents, to a fellow group company. See note 25 for further information.

# Mindful Chef Limited

## Notes to the Financial Statements

Year Ended 31 December 2021

### 10 Interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	-	1,522
Other interest income	7,978	-
Interest on amounts owed by group undertakings	73,760	-
	<u>81,738</u>	<u>1,522</u>

### 11 Interest payable and similar expenses

	2021 £	2020 £
Interest on obligations under finance leases	1,450	-
Interest expense on other finance liabilities	482,960	-
	<u>484,410</u>	<u>-</u>

### 12 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	5,836,556	-
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	210,000	-
Tax expense in the income statement	<u>6,046,556</u>	<u>-</u>

# Mindful Chef Limited

## Notes to the Financial Statements

### Year Ended 31 December 2021

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit/(loss) before tax	39,800,712	(1,017,737)
Corporation tax at standard rate	7,562,135	(193,370)
Expenses not deductible in determining taxable profit	12,272	(255,997)
Income not taxable for tax purposes	(2,168)	-
Tax (decrease)/increase from effect of capital allowances and depreciation	(65,649)	118,629
(Decrease)/increase from effect of R&D tax incentives	(116,922)	13,557
Tax decrease arising from group relief	(3,349)	-
Deferred tax expense/(credit) relating to changes in tax rates or laws	50,364	(112,942)
(Decrease)/increase from tax losses for which no deferred tax asset was recognised	(1,390,127)	430,123
Total tax charge	6,046,556	-

#### Deferred tax

Deferred tax assets and liabilities

2021	Liability £	
Fixed asset timing differences		(210,000)
Losses carried forward		-
		<u>(210,000)</u>
		<u>(210,000)</u>
2020	Asset £	Liability £
Fixed asset timing differences	80,977	-
Losses carried forward	-	(80,977)
	<u>80,977</u>	<u>(80,977)</u>



# Mindful Chef Limited

## Notes to the Financial Statements

### Year Ended 31 December 2021

#### 13 Intangible assets

	Internally generated software development costs £	Total £
<b>Cost or valuation</b>		
At 1 January 2021	1,720,914	1,720,914
Additions acquired separately	2,083,694	2,083,694
At 31 December 2021	3,804,608	3,804,608
<b>Amortisation</b>		
At 1 January 2021	453,062	453,062
Amortisation charge	878,430	878,430
At 31 December 2021	1,331,492	1,331,492
<b>Carrying amount</b>		
At 31 December 2021	2,473,116	2,473,116
At 31 December 2020	1,267,852	1,267,852

The aggregate amount of research and development expenditure recognised as an expense during the period is £182,999 (2020 - £103,981).

## Mindful Chef Limited

### Notes to the Financial Statements Year Ended 31 December 2021

#### 14 Tangible assets

	Leasehold improvements £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	100,000	61,069	2,875	444,628	608,572
Additions	402,971	118,898	-	1,109,740	1,631,609
Disposals	-	-	-	(16,630)	(16,630)
At 31 December 2021	<u>502,971</u>	<u>179,967</u>	<u>2,875</u>	<u>1,537,738</u>	<u>2,223,551</u>
<b>Depreciation</b>					
At 1 January 2021	21,667	43,803	2,875	126,501	194,846
Charge for the year	67,707	44,413	-	165,298	277,418
Eliminated on disposal	-	-	-	(3,341)	(3,341)
At 31 December 2021	<u>89,374</u>	<u>88,216</u>	<u>2,875</u>	<u>288,458</u>	<u>468,923</u>
<b>Carrying amount</b>					
At 31 December 2021	<u>413,597</u>	<u>91,751</u>	<u>-</u>	<u>1,249,280</u>	<u>1,754,628</u>
At 31 December 2020	<u>78,333</u>	<u>17,266</u>	<u>-</u>	<u>318,127</u>	<u>413,726</u>

# Mindful Chef Limited

## Notes to the Financial Statements

### Year Ended 31 December 2021

#### Assets held under finance leases

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases:

	2021 £	2020 £
Other property, plant and equipment	108,158	-

Included within the net book value of leasehold improvements above is £413,597 (2020 - £78,333) in respect of short leasehold land and buildings.

#### 15 Stocks

	2021 £	2020 £
Raw materials	1,030,707	1,066,159
Finished goods	390,602	651,104
Packaging	367,780	475,649
	<u>1,789,089</u>	<u>2,192,912</u>

#### 16 Debtors

	Note	2021 £	2020 £
Trade debtors		148,203	88,792
Amounts owed by group undertakings	25	36,602,760	-
Other debtors		3,165,656	1,739,039
Prepayments		1,512,395	843,719
Corporation tax debtor	12	421,000	-
Deferred tax assets	12	-	80,957
		<u>41,850,014</u>	<u>2,752,507</u>
Less non-current portion		<u>(38,232,021)</u>	<u>(1,223,777)</u>
		<u>3,617,993</u>	<u>1,528,730</u>

The non-current portion comprises £36,602,760 due from a fellow group company in respect of the sale of intellectual property and £1,629,261 due from directors and key employees in respect of share options, deal fees and associated taxes. Further details are provided in Note 25.

# Mindful Chef Limited

## Notes to the Financial Statements Year Ended 31 December 2021

### 17 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>6,586,611</u>	<u>10,409,069</u>

### 18 Creditors

	Note	2021 £	2020 £
<b>Due within one year</b>			
Loans and borrowings	19	41,265	-
Trade creditors		4,859,386	4,274,067
Amounts due to group undertakings		-	9,667,953
Social security and other taxes		174,515	110,424
Outstanding defined contribution pension costs		43,185	12,982
Other creditors		34,988	57,358
Accruals		3,051,662	854,552
Deferred income		<u>341,052</u>	<u>271,060</u>
		<u>8,546,053</u>	<u>15,248,396</u>
<b>Due after one year</b>			
Loans and borrowings	19	<u>10,217,542</u>	<u>-</u>

### 19 Loans and borrowings

	Note	2021 £	2020 £
<b>Non-current loans and borrowings</b>			
Finance lease liabilities	20	66,628	-
Amounts owed to group undertakings		<u>10,150,914</u>	<u>-</u>
		<u>10,217,542</u>	<u>-</u>

	2021 £	2020 £
<b>Current loans and borrowings</b>		
Finance lease liabilities	<u>41,265</u>	<u>-</u>

# Mindful Chef Limited

## Notes to the Financial Statements

### Year Ended 31 December 2021

#### Amounts owed to group undertakings

The intra-group loan is denominated in sterling with a nominal interest rate of LIBOR + 4.46%, is unsecured, and is due for repayment in full on 1 December 2025. The carrying amount at year end is £10,150,914 (2020 - £Nil). In the previous year, amounts owed to group undertakings were repayable on demand.

#### Finance lease liabilities

Finance leases relate to other property, plant and equipment. Interest rates underlying all obligations under finance leases are fixed at 3%. The finance leases are secured by the lessors' title to the leased assets.

### 20 Obligations under leases

#### Finance leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	41,265	-
Later than one year and not later than five years	66,628	-
	<u>107,893</u>	<u>-</u>

#### Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	1,211,356	979,597
Later than one year and not later than five years	4,979,452	3,189,756
Later than five years	2,117,044	265,000
	<u>8,307,852</u>	<u>4,434,353</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,731,503 (2020 - £1,517,630).

### 21 Provisions for liabilities

	Deferred tax £	Dilapidation provisions £	Total £
At 1 January 2021	80,957	-	80,957
Increase in existing provisions	<u>129,043</u>	<u>18,994</u>	<u>148,037</u>
At 31 December 2021	<u>210,000</u>	<u>18,994</u>	<u>228,994</u>

Provisions have been recognised in respect of obligations under property leases. It is anticipated that the rectification works will be payable at the termination of the lease term.

## Mindful Chef Limited

### Notes to the Financial Statements

#### Year Ended 31 December 2021

#### 22 Share capital

##### Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary of £0.00001 each	37,417,931	374	37,417,931	374
A Ordinary of £0.00001 each	13,195,695	132	13,195,695	132
B Ordinary of £0.00001 each	2,781,177	28	2,781,177	28
	<u>53,394,803</u>	<u>534</u>	<u>53,394,803</u>	<u>534</u>

##### Rights, preferences and restrictions

Shares have the following rights, preferences and restrictions:

Full voting, dividend and capital distribution (including on winding up) rights.

#### 23 Pension schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £81,677 (2020 - £43,577).

Contributions totalling £43,185 (2020 - £12,982) were payable to the scheme at the end of the year and are included in creditors.

#### 24 Parent and ultimate parent undertaking

Until 17 December 2021, the company's immediate parent was Mindful Chef Holdco Limited, a company incorporated in England and Wales.

With effect from 17 December 2021, the company's immediate parent is Mindful Chef Topco Limited, incorporated in England and Wales.

The ultimate parent is Nestlé S.A., incorporated in Switzerland.

The largest and smallest group in which the financial statements of the company are consolidated is that headed by Nestlé S.A. These financial statements are available upon request to the public and may be obtained from Nestlé S.A., CH-1800, Vevey, Switzerland.

# Mindful Chef Limited

## Notes to the Financial Statements

### Year Ended 31 December 2021

#### 25 Related party transactions

The company has taken advantage of the exemption in FRS102 from disclosing transactions with other members of the Mindful Chef Topco Limited group.

#### Transactions with directors

	At 1 January 2021 £	Advances to directors £	At 31 December 2021 £
<b>2021</b>			
<b>A Director</b>			
Issue of share options	812,747	-	812,747
<b>The Directors</b>			
Deal fees	281,849	7,639	289,488
	At 1 January 2020 £	Advances to directors £	At 31 December 2020 £
<b>2020</b>			
<b>A Director</b>			
Issue of share options	-	812,747	812,747
<b>The Directors</b>			
Deal fees	-	281,849	281,849

During the year ended 31 December 2020, share options were exercised by a Director. The company loaned the required funds to the Director. The loan is repayable in full at the expiry of the call option in 2025, and the loan is unsecured. The loan is interest free.

During the year ended 31 December 2020 the company paid deal fees on behalf of the directors. The amounts are repayable in full in 2025, and the loans are unsecured. Interest is charged on the loans at 2.5% per annum.

#### Summary of transactions with group undertakings

During the year, the company sold its intellectual property to a fellow group company for £42,773,000 via an intercompany loan. The balance outstanding on the loan at 31 December 2021 was £36,602,760 (2020 - £Nil). Interest is accrued on the outstanding balance at 0.81% + 3-month LIBOR, and the charge for the year was £73,760 (2020 - £Nil). The balance is repayable in full on 31 December 2024.

The intellectual property is leased back to the company free of charge until 31 December 2024.

## Mindful Chef Limited

### Notes to the Financial Statements

#### Year Ended 31 December 2021

##### Income and receivables from related parties

	Entities under common control £
<b>2021</b>	
Sale of goods	<u>14,000</u>

There was no income received from entities under common control in the previous year.

##### Expenditure with and payables to related parties

	Entities under common control £
<b>2021</b>	
Purchase of goods	<u>1,441</u>

There was no expenditure with entities under common control in the previous year.