Company Registration No. 06146113 (England and Wales)

GOHENRY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

GOHENRY LIMITED AND ITS SUBSIDIARIES
COMPANY INFORMATION

Directors	N Brauer R D Jones B D Roche A Zivoder L M Hill
Registration No.	06146113
Registered Office	9 Angel Court High Street Lymington Hampshire SO41 9AP
Auditors	Wilson Wright LLP Chartered Accountants Thavies Inn House 3 - 4 Holborn Circus London EC1N 2HA

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The directors present their strategic report for the year ended 31 December 2018.

Business Review

gohenry was launched in July 2012, after a small group of friends got talking about the challenges of helping children to understand and manage money. The product itself is two parts, a pre-paid debit card for children with a companion service app for parents and child users. On the app, parents can set up automatic allowance transfers, make ad-hoc transfers, set up chores and also receive real-time notifications of their children's spending. The children are able to spend under parental control limits, to earn money, set savings goals, visualise their spending habits and also set up regular payments to charity.

gohenry operates a subscription-based model whereby parents pay a monthly membership fee. We generate additional revenue via interchange, custom card and load fees.

In April 2018, gohenry launched in the US market. With continued regional and international expansion, headcount grew to 96 employees spread across offices in the UK, US, Canada.

In December 2018, gohenry raised £6m of equity capital in conjunction with the UK's leading equity crowdfunding platform from over 3,000 investors made up of new and existing shareholders.

Principal risks and uncertainties

Strategic Risk
This is the risk that gohenry fails to execute its strategic plan due to poor planning or changes in the macroeconomic environment. As a consumer product, gohenry relies on consumers' willingness and disposable income available to pay for the service. We are dealing with competitive pressure as new entrants come into the market forcing us to stay ahead of the curve in terms of product and price proposition.

Mitigating controls
gohenry assumes a corporate governance framework with a board of experienced executive and non-executive directors, supported by an operating board comprised of the group's senior management team, both of which oversee and address strategic issues in an agile way as they arise.

Capital risk
This is the risk that the business has insufficient capital resources to meet the operational capital requirements and to absorb the expected losses generated by its high growth business plans, and unexpected losses if they were to occur.

Mitigating controls
Whilst the Board operate a strict policy of prudent capital management as a minimum, the Board and Executive team also review the business' cash flow position on a recurring basis. The Executive team also regularly run plausible scenarios and forecasting to ensure that the group's capital is managed sustainably.

Financial crime risk
This is the risk that the gohenry product is used to launder the proceeds of crime, finance terrorist activities, commit fraud or evade financial sanctions.

Mitigating controls
Financial crime policies and procedures and regular quality assurance is in place. gohenry operates robust KYC and AML procedures and performs ongoing monitoring of transactions led by a highly skilled and dedicated risk team. Fraud prevention software helps to provide multi-layered checks on email addresses and personal details provided in the signup process. These policies have been adapted for the US market to ensure our monitoring systems move with the business.

Operational risk
This is the risk that failures in people, systems or processes could lead to a service disruption, financial losses or customer harm. This risk is heightened because gohenry deals so widely in children's spending and data.

Mitigating controls
gohenry has a range of operational risk policies and procedures which cover our people, systems, data, security and how we work with third parties. The group has partnered with carefully selected software providers and issuing banks to provide the foundations for a world-class infrastructure. In-house, we are continuing to build resilient technology APIs to ensure that the business is able to respond to unexpected events in an organised and timely manner.

Compliance risk
gohenry operates in an industry subject to extensive and comprehensive regulation. As a result, gohenry is exposed to various regulatory and compliance risks which could cause customer harm, financial losses or reputational damage.

Mitigating controls
All of gohenry's policies ensure that they are compliant with relevant rules and regulations. Specific policies aimed at financial crime, anti-bribery and corruption are in place to guide the business decisions. The management team also continually monitors any changes in legislation so that they can respond in an effective and timely manner.

Data Privacy risk
gohenry handles a variety of personal data, such as name, addresses and bank account details of customers and therefore must adhere to strict data protection and privacy laws. This is the risk that the group's customer data is misappropriated or fraudulently used.

Mitigating controls
The business complies with any and all relevant legislation such as the implementation of GDPR which came into force in 2018. Additionally, the business carries out regular penetration testing to ensure the robustness of their systems and to identify any potential weaknesses.

Conduct and culture risk
This is the risk that gohenry's culture, actions or behaviours cause harm to any customers e.g. developing a product that doesn't meet their needs or provide the promised level of service. This can arise from the actions or inactions of group employees or those acting on behalf of the group.

Mitigating controls
In the first instance, all temporary and permanent employees go through thorough ID checks and background screening, and receive the adequate training required to exercise their functions. Gohenry has a suite of conduct-related policies and procedures covering how employees are expected to behave with particular importance placed on treating customers fairly and preventing customer harm.

Political risk
This is the risk that the UK's departure from the European Union compromises the business' ability to continue providing the service in a sustainable way for all of our users.

Mitigating controls
The group directors are continually monitoring the UK's political position and are maintaining an ongoing open dialogue with our suppliers and third party service providers who may be affected by any changes to EU legislation.

Key performance indicators
~Turnover growth from £6,116K in 2017 to £8,309K in 2018
~Gross profit growth from £2,856K in 2017 to £3,261K in 2018
~Recognised loss after taxation of £3,029K arising from the accelerated investment in customer acquisition in the US and the additional hiring costs.
~Community at the end of the period is made up of over 630,000 active users, of which almost 375,000 are children accounts.

Corporate Governance

The Board of Directors is the governing body of gohenry. On a recurring basis, members of the board set the strategic goals for the business and ensures that the required financial and human resources are in place to meet the strategic and operational objectives of the group. The board has overall responsibility for:

a. Setting and overseeing the business model, strategic decisions and the group's mission statement
b. Defining and monitoring the culture of the organisation
c. Maintaining effective systems and controls to ensure operational efficacy, absolute compliance with applicable laws and regulations and a robust framework for governance
d. Setting and overseeing the budget and capital management
e. Securing the requisite financial and human resources to enable gohenry to fulfil its business strategy
f. Monitoring business performance against the strategic objectives and expected standards
g. Overseeing corporate shareholder management and investor communications
h. Determining the matters that should be reserved for the Board's decision

The board meets once a month. Additional meetings are held as required. The Board comprises a balance of Executive and Non-Executive Directors. The Chairperson is appointed to lead and manage the board.

The board has overall responsibility for the effective running of the group. They have delegated to the CEO and through the CEO to the Executives, the day-to-day management of the group in line with the strategy as set by the board. The CEO is required to report to the Board on a regular basis on the performance of the group and is expected to escalate certain matters that may require the Board's consideration on significant developments.

A Zivoder
Director
Date: 25 . 03 . 2019

The directors present their annual report and financial statements for the year ended 31 December 2018.

The directors' review of the business performance and risk exposure of the group is detailed in the Strategic Report.

Principal activity
The principal activity of the groupy is that of a web and mobile-based service that allows the monitoring and management of spending.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N Brauer
R D Jones (appointed 2 February 2018)
B D Roche
A Zivoder
L M Hill

Directors' indemnity insurance
The group has maintained indemnity insurance throughout the year for its directors and officers against legal actions brought against them in relation to their duties for the group. Such provision remains in force as at the date of approval of the directors' report.

Future developments
Society is becoming increasingly cashless. The UK is one of the fastest economies in the world to adopt digital/card payments and there has been a wealth of research demonstrating that the proportion of payments made in cash could be as low as 10% by 2030. gohenry is ensuring that the next generation is up to speed with emerging payment technologies, and we are ideally positioned to become the global leader for Gen Z finance.

In 2019 we will continue to invest in and expand our technical infrastructure to support the growth in market share, number of transactions, product usage and customer enquiries that will come with the increased size of our customer base

Events after the reporting date
On 4 March 2019, 16,667 ordinary A shares were issued following an option exercise at £0.20 per share. And again, on 10 April 2019, 250,000 ordinary A shares were issued following an option exercise at £0.20 per share.

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic Report, Directors' 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 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 and then apply them consistently;
~ Make judgements and accounting estimates that are reasonable and prudent;
~ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and of the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors
The auditors, Wilson Wright LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

A Zivoder
Director

Date: 25.03.2019

Opinion

We have audited the financial statements of gohenry Limited for the year ended 31 December 2018 set out on pages 8 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 31 December 2018 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 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 group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

~the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

~the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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 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 the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report 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 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.

Respective 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.

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.

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

Other matters which we are required to address
As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year, we have not audited the corresponding amounts for that year.

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.

Wilson Wright LLP
Nikki Crane FCA (Senior Statutory Auditor)
for and behalf of Wilson Wright LLP
Chartered Accountants and Statutory Auditors
Thavies Inn House
3 - 4 Holborn Circus
London
EC1N 2HA

Date: 27/09/19

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Revenue	3	8,309,216	6,115,740
Cost of sales		(5,048,422)	(3,258,919)
Gross Profit		3,260,794	2,856,821
Administrative expenses		(6,512,175)	(3,846,991)
Operating loss		(3,251,381)	(990,170)
Finance costs	8	-	(12,204)
Loss before taxation	4	(3,251,381)	(1,002,374)
Taxation	9	222,254	77,800
Loss for the financial year after taxation		(3,029,127)	(924,574)

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Total comprehensive income for the year and retained earnings at 31 December 2018 are attributable to the owners of the company.

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed Assets					
Intangible assets	10		1,586,821		946,217
Property, plant and equipment	11		100,715		51,356
			1,687,536		997,573
Current Assets					
Inventories	14	503,357		77,730	
Trade and other receivables	15	1,737,225		1,534,143	
Cash at bank and in hand		6,314,116		3,292,443	
		8,554,698		4,904,316	
Current Liabilities	16	(2,417,531)		(1,333,629)	
Net Current Assets			6,137,167		3,570,687
Total Assets less Current Liabilities			7,824,703		4,568,260
Equity					
Called up share capital	21		49,601		42,503
Share premium account	22		20,483,946		14,422,255
Share based payment reserve	22		166,481		145,246
Retained Earnings	22		(12,873,311)		(10,042,364)
Other reserve	22		(2,014)		620
Total Equity			7,824,703		4,568,260

These financial statements were approved by the board of directors and authorised for issue on and are signed for issue on its behalf by:

A Zivoder
Director 25.09.2019

Company Registration No. 06146113

GOHENRY LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed Assets					
Intangible assets	10		1,586,821		946,217
Property, plant and equipment	12		99,486		51,356
Investment	13		2		2
			1,686,309		997,575
Current Assets					
Inventories	14	503,357		77,730	
Trade and other receivables	15	1,980,095		1,589,574	
Cash at bank and in hand		6,308,085		3,290,764	
		8,791,537		4,958,068	
Current Liabilities	16	(2,660,105)		(1,332,538)	
Net Current Assets			6,131,432		3,625,530
Total Assets less Current Liabilities			7,817,741		4,623,105
Equity					
Called up share capital	21		49,601		42,503
Share premium account	22		20,483,946		14,422,255
Share based payment reserve	22		166,481		145,246
Retained Earnings	22		(12,882,287)		(9,986,899)
Total Equity			7,817,741		4,623,105

These financial statements were approved by the board of directors and authorised for issue on and are signed for issue on its behalf by:

A Zivoder
Director 25.09.2019

Company Registration No. 06146113

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Other reserve £	Retained earnings £	Total £
Balance at 1 January 2017		39,025	11,716,327	-	-	(9,118,190)	2,637,162
Year ended 31 December 2017							
Loss and total comprehensive income for the year		-	-	-	-	(924,574)	(924,574)
Issue of share capital		3,478	2,705,928	-	-	-	2,709,406
Share based payment		-	-	145,646	-	-	145,646
Credit to equity for equity settled share-based payments		-	-	-	-	400	400
Other movements		-	-	(400)	-	-	(400)
Exchange differences on consolidation		-	-	-	620	-	620
Balance at 31 December 2017	**21,22**	42,503	14,422,255	145,246	620	(10,042,364)	4,568,260
Year ended 31 December 2018							
Loss and total comprehensive income for the year		-	-	-	-	(3,029,127)	(3,029,127)
Issue of share capital		7,098	6,061,691	-	-	-	6,068,789
Share based payment		-	-	219,415	-	-	219,415
Credit to equity for equity settled share-based payments		-	-	-	-	198,180	198,180
Other movements		-	-	(198,180)	-	-	(198,180)
Exchange differences on consolidation		-	-	-	(2,634)	-	(2,634)
Balance at 31 December 2018	**21,22**	49,601	20,483,946	166,481	(2,014)	(12,873,311)	7,824,703

GOHENRY LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Other reserve £	Retained earnings £	Total £
Balance at 1 January 2017		39,025	11,716,327	-	-	(9,118,190)	2,637,162
Year ended 31 December 2017							
Loss and total comprehensive income for the year		-	-	-	-	(869,109)	(869,109)
Issue of share capital		3,478	2,705,928	-	-	-	2,709,406
Share based payment		-	-	145,646	-	-	145,646
Credit to equity for equity settled share-based payments		-	-	-	-	400	400
Other movements		-	-	(400)	-	-	(400)
Balance at 31 December 2017	**21,22**	42,503	14,422,255	145,246	-	(9,986,899)	4,623,105
Year ended 31 December 2018							
Loss and total comprehensive income for the year		-	-	-	-	(3,093,568)	(3,093,568)
Issue of share capital		7,098	6,061,691	-	-	-	6,068,789
Share based payment		-	-	219,415	-	-	219,415
Credit to equity for equity settled share-based payments		-	-	-	-	198,180	198,180
Other movements		-	-	(198,180)	-	-	(198,180)
Balance at 31 December 2018	**21,22**	49,601	20,483,946	166,481	-	(12,882,287)	7,817,741

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Cash Flow Notes	£	2018 £	£	2017 £
Cash flows from operating activities					
Cash used in operations	1		(2,154,473)		(1,652,800)
Interest paid			-		(12,204)
Income taxes received			77,599		55,417
Net cash outflow from operating activities			(2,076,874)		(1,609,587)
Investing activities					
Purchase of property, plant and equipment		(77,724)		(45,209)	
Purchase of intangible assets		(892,518)		(779,464)	
Net cash used in investing activities			(970,242)		(824,673)
Financing activities					
Proceeds from issue of shares		6,068,789		2,709,406	
Net cash generated from financing activities			6,068,789		2,709,406
Net increase in cash and cash equivalents			3,021,673		275,146
Cash and cash equivalents at the beginning of the financial year			3,292,443		3,017,297
Cash and cash equivalents at the end of the financial year			**6,314,116**		**3,292,443**
Cash at bank balances			6,314,116		3,292,443
Cash and cash equivalents			**6,314,116**		**3,292,443**

1	**Reconciliation of operating loss to cash used in from operations**	**2018** **£**	**2017** **£**
	Loss for the financial year after tax	(3,029,127)	(924,574)
	Adjustments for:		
	Taxation charged	(222,254)	(77,800)
	Finance costs	-	12,204
	Operating loss	(3,251,381)	(990,170)
	Adjustments for:		
	Depreciation of property, plant and equipment	28,365	16,530
	Amortisation of intangible assets	251,914	94,527
	Exchange difference on consolidation	(2,635)	620
	Share based payment costs	219,415	145,646
	Operating cash flow before movement in working capital	(2,754,322)	(732,847)
	Movements in working capital		
	(Increase)/decrease in inventories	(425,627)	165,707
	(Decrease) in trade and other receivables	(191,663)	(937,869)
	Increase/(decrease) in trade and other payables	1,217,139	(147,791)
	Cash used in operations	(2,154,473)	(1,652,800)

1 Accounting Policies

Company information
gohenry Limited is a public company limited by shares incorporated in England and Wales. The registered office is 9 Angel Court, High Street, Lymington, Hampshire, SO41 9AP.

1.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

1.2 Going concern
The group incurred losses of £3,029,127 (2017 - £924,574) in the year.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The directors consider that sufficient funds can be raised to meet the working capital requirements of the group, and additionally that operational plans can be adjusted if necessary.

At the time of approving the financial statements, the directors have a reasonable expectation that the company and the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

1.3 Basis of consolidation
The group financial statements include the accounts of the company and of its subsidiary undertakings drawn up to 31 December 2018 as detailed in note 13 to the accounts. Profits or losses on intra-group transactions are eliminated in full. The results of the subsidiaries have been consolidated from the date of their acquisition.

1.4 Revenue
Turnover comprises membership fee income and commissions receivable on transactions executed using the service offering, excludes value added tax and trade discounts.

1.5 Research and development expenditure
Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets - Domain names
Domain names acquired are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost on a systematic basis over its estimated useful economic life of 10 years.

1.7 Intangible fixed assets - Development costs
Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost on a systematic basis over its estimated useful economic life of 3 to 5 years.

Identifiable development expenditure is capitalised where there is expected to be a benefit to future periods, its technical, commercial and financial feasibility can be demonstrated and it can be reliably measured. All other development expenditure is recognised as an expense in the period in which it is incurred.

1 Accounting Policies (continued)

1.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised on a straight line basis so as to write off the cost of the assets less their residual values over their useful lives:

Fixtures, fittings & equipment - 20-33% per annum

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

1.9 Inventories

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

1.10 Non-current investments

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

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

1.11 Impairment of non-current assets

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

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts where applicable. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

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

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

1 Accounting Policies (continued)

1.13 Financial instruments (continued)

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Impairment of financial assets
Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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

Basic financial liabilities
Basic financial liabilities, including trade and other payables are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost .

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1 Accounting Policies (continued)

1.15 Taxation

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

Current tax

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

Deferred tax

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

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

1.16 Employee benefits

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

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

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

1.17 Retirement benefits

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

1.18 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using an appropriate pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

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

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

1 Accounting Policies (continued)

1.19 Leases

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

1.20 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

The rate of exchange ruling at the statement of financial position date is used for translating into sterling the assets and liabilities of the overseas subsidiaries whilst the results and cash flows are translated at the average rate of exchange for the year. Exchange differences arising on consolidation are taken directly to reserves.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Deferred tax asset
Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits.

Research and development expenditure
The directors use their judgments in the assessment of the extent, if any, to which expenditure is identified as development expenditure rather than research expenditure.

Impairment of non-current assets
The directors review the carrying value of non-current assets including intangible assets for indications of impairment at the financial year end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its estimated recoverable amount.

Share-based payments
The group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Judgement is required in determining the most appropriate valuation model and the most appropriate inputs into the model including the level of volatility, the number of options that are expected to vest and the expected life of the option.

3 Revenue

Revenue, analysed geographically between markets, was as follows:-

	2018 £	2017 £
United Kingdom	8,080,774	6,115,740
Rest of the World	228,442	-
	8,309,216	6,115,740

4 Loss before tax

		2018 £	2017 £
Loss before tax is stated after charging:			
Cost of inventories recognised as an expense		1,167,745	604,531
Amortisation of intangible assets		251,914	94,596
Depreciation of property, plant and equipment		28,365	16,530
Operating lease rentals		246,352	160,870
Auditors' remuneration	- group	15,000	-
	- company	12,000	-
Exchange losses		36,936	13,225

5 Loss for the Financial Year

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Group loss for the financial year includes a loss of £3,093,568 (2017 - £869,109) which is dealt with in the financial statements of the Company.

6 Employees (including directors)

Number of employees

The average number of employees (including directors) during the year was:

	2018 Number	2017 Number
Administrative and management	89	64

Employment costs

	2018 £	2017 £
Salaries	3,137,842	2,008,445
Social security costs	268,980	163,145
Pension costs	13,824	6,283
Share-based payments	219,415	145,646
Total staff costs	3,640,061	2,323,519
Amounts capitalised	(658,323)	(529,215)
Staff costs charged to profit and loss	2,981,738	1,794,304

7 Directors' Emoluments

	2018 £	2017 £
Emoluments	368,700	254,396
Company pension contributions to defined contribution schemes	1,448	730
	370,148	255,126

Emoluments disclosed above include the following in respect of the highest paid director:

	2018 £	2017 £
Emoluments	221,400	200,000
Company pension contributions to defined contribution schemes	-	62
	221,400	200,062

Key management personnel are considered to be the Board of Directors.

The number of directors for whom retirement benefits are accruing under defined contribution pension schemes amounted to 3 (2017 - 3).

One director, also the highest paid director, exercised share options during the year (2017 - nil).

8 Finance costs

	2018 £	2017 £
Other interest	-	12,204
	-	12,204

9 Taxation

	2018	2017
	£	£
Current tax credit		
UK corporation tax	(222,254)	(77,800)

The tax credit for the year can be reconciled to the loss per the income statement as follows:

	2018	2017
Loss before taxation	3,251,381	1,002,374
Expected tax credit based on the standard rate of UK corporation tax of 19.00% (2017 - 19.00%)	(617,762)	(190,451)
Effects of:		
Non deductible expenses	16,533	8,515
Losses carried forward not provided	569,022	427,823
Share based payment charge	41,689	27,673
Movement in deferred tax not provided	(9,482)	(108,952)
R&D enhanced deduction	-	(164,608)
R&D tax credit	(222,254)	(77,800)
Current tax charge for the year	(222,254)	(77,800)

The company has estimated tax losses of £12,422,000 (2017 - £9,365,000) available for carry forward against future trading profits.

10 Intangible Fixed Assets

Group and Company	Domain Names	Development Costs	Total
	£	£	£
Cost			
At 1 January 2018	7,737	1,054,998	1,062,735
Additions	58,129	834,389	892,518
At 31 December 2018	65,866	1,889,387	1,955,253
Amortisation			
At 1 January 2018	843	115,675	116,518
Charge for the year	5,031	246,883	251,914
At 31 December 2018	5,874	362,558	368,432
Net book values			
At 31 December 2018	59,992	1,526,829	1,586,821
At 31 December 2017	6,894	939,323	946,217

11 Property, plant and equipment

Group	Plant and machinery
	£
Cost	
At 1 January 2018	110,958
Additions	77,724
At 31 December 2018	188,682
Depreciation	
At 1 January 2018	59,602
Charge for the year	28,365
At 31 December 2018	87,967
Net book values	
At 31 December 2018	100,715
At 31 December 2017	51,356

12 Property, plant and equipment

Company	Plant and machinery
	£
Cost	
At 1 January 2018	110,958
Additions	76,495
At 31 December 2018	187,453
Depreciation	
At 1 January 2018	59,602
Charge for the year	28,365
At 31 December 2018	87,967
Net book values	
At 31 December 2018	99,486
At 31 December 2017	51,356

13 Fixed Asset Investment - Company

	Shares in Group Undertakings £
13.1 Cost	
At 1 January 2018 and at 31 December 2018	2

13.2 At 31 December 2018 the company held more than 20% of the equity of the following:

Name of Company	Country of incorporation	Shares Held Class	Proportion of Shares Held	Nature of Business
gohenry Inc	USA	Ordinary	100%	Business support
gohenry Financial Technology Inc	Canada	Ordinary	100%	Business support

Both subsidiaries have been included in the consolidated accounts.

14 Inventories

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Goods held for distribution	503,357	77,730	503,357	77,730
	503,357	77,730	503,357	77,730

15 Trade and other receivables

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Amounts owed by group undertakings	-	-	265,089	131,878
Corporation tax	222,456	77,800	222,456	77,800
Other receivables	1,320,485	221,366	1,320,485	1,219,447
Prepayments	194,284	1,234,977	172,065	160,449
	1,737,225	1,534,143	1,980,095	1,589,574

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16 Current liabilities

	Group		Company	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Amounts falling due within one year:				
Trade payables	1,329,756	583,712	1,309,068	583,497
Other taxation and social security	205,479	250,837	205,504	249,961
Other payables	57,215	100	57,215	100
Accruals	825,081	498,980	1,088,318	498,980
	2,417,531	1,333,629	2,660,105	1,332,538

17 Financial instruments

	Group		Company	
	2018	**2017**	**2018**	**2017**
Carrying amount of financial assets	**£**	**£**	**£**	**£**
Debt instruments measured at amortised cost				
- *Cash and cash equivalents*	6,314,116	3,292,443	6,308,084	3,290,764
- Amounts owed by group undertakings	-	-	265,091	131,878
- Other receivables	1,320,485	1,234,977	1,320,485	1,219,447
	7,634,601	4,527,420	7,893,660	4,642,089

	Group		Company	
	2018	**2017**	**2018**	**2017**
Carrying amount of financial liabilities	**£**	**£**	**£**	**£**
Measured at amortised cost				
- Trade payables	1,329,756	583,712	1,309,068	583,497
- Other payables	57,215	100	57,215	100
	1,386,971	583,812	1,366,283	583,597

18 Operating lease commitments

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

	2018	**2017**
	£	**£**
Operating leases which expire:		
Within one year	340,230	200,482
Between two and five years	8,000	168,666
	348,230	369,148

19 Retirement benefit schemes

The group operates a defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the group in independently administered funds.

The charge to the income statement in respect of defined contribution pension schemes was £13,824 (2017 - £6,283) of which £5,572 (2017 - £1,436) was unpaid at the statement of financial position date.

20 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2018	2017	2018	2017
	Number	Number	£	£
Outstanding at 1 January 2018	2,320,820	1,936,669	0.20	0.20
Granted	-	392,151	-	0.20
Exercised	(953,819)	(8,000)	0.20	0.20
Expired	(98,334)	-	0.20	-
Outstanding at 31 December 2018	1,268,667	2,320,820	0.20	0.20
Exercisable at 31 December 2018	1,200,334	1,526,889	0.20	0.20

The weighted average share price at the date of exercise for share options exercised during the year was £0.20 (2017 - £0.20).

The options outstanding at 31 December 2018 had an exercise price of £0.20, and a remaining contractual life of between 5 and 6 years.

Liabilities and expenses
In May 2014 756,334 options were granted under an Enterprise Management Incentive (EMI) scheme, and 140,000 options were granted under a non-qualifying share option scheme.
In August 2015, a further 1,572,335 options were granted and 500,000 were exercised. The exercise price in respect of the options granted was £0.20. At 31 December 2016 the group had 1,796,669 EMI options in issue.

392,151 options were granted during the year ended 31 December 2017 and 8,000 options had been exercised at £0.20.

No options were granted in the year to 31 December 2018 and 953,819 options had been exercised at £0.20.

The vesting requirements of the options vary, however other than some of the options granted in May 2014 which vested immediately the remaining options vest between two and three years as long as the option holder remains an employee of the group.

The weighted average fair value of the options granted in the previous year was determined using the Black-Scholes option pricing model. The inputs used in the model were applied by the directors with reference to their specific knowledge of the group.

During the year, the group recognised total share-based payment expenses of £219,415 (2017 £145,646).

21 Share capital

	2018 £	2017 £
Allotted, issued and fully paid		
18,354,150 (2017: 16,329,150) Ordinary Shares of 0.25p each	45,886	40,823
1,485,818 (2017: 672,000) Ordinary A Shares of £0.25p each	3,715	1,680
	49,601	42,503

During the year, 2,025,000 Ordinary Shares and 813,818 Ordinary A shares were issued for a consideration totalling £6,068,789.

Both share classes carry the same rights.

22 Reserves

Share premium (Group and Company)
The share premium reserve contains the premium in excess of par value arising on the issue of share capital, net of issue expenses.

Share-based payment reserve (Group and Company)
The share-based payment reserve captures the fair value of share options measured at the grant date of options, comprising the cumulative charge to the income statement for the fair value of the options less amounts released to retained earnings upon the exercise of options.

Other reserve (Group)
Other reserve comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling.

Retained earnings - Group
The retained earnings reserve represents both the company and the subsidiaries' relevant proportion of cumulative profits and losses, net of the parent company's dividends paid and other adjustments where applicable.

Retained earnings - Company
The retained earnings reserve represents cumulative profits and losses, net of dividends paid and other adjustments where applicable.

23 Controlling party
The company is owned by a number of private shareholders and companies, none of whom own more than 20% of the issued share capital of the company.
Accordingly there is no parent entity nor ultimate controlling party.

24 Related party transactions
The company has taken advantage of the exemption available in accordance with Section 33.1A of Financial Reporting Standard 102 whereby it has not disclosed transactions entered into between two or more members of a group, where a party to the transaction is a wholly owned subsidiary undertaking of gohenry Limited.

25 Events after the reporting date
Subsequent to the reporting date, 266,667 share options were exercised at a grant price of £0.20 per share.