Company Registration No. 06146113 (England and Wales)

GOHENRY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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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GOHENRY LIMITED AND ITS SUBSIDIARIES
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the year ended 31 December 2019.

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 £8,309K in 2018 to £12,783K in 2019
~Gross profit growth from £3,261K in 2018 to £5,513K in 2019
~Recognised loss after taxation of £5,453K arising from the accelerated investment in customer acquisition in both markets (UK & US) and the additional hiring costs.
~Community at the end of the period is made up of over 923,533 active users, of which almost 543,942 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.

Alex Zivoder

A Zivoder
Director
Date: 13 October 2020

The directors present their annual report and financial statements for the year ended 31 December 2019.

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 group is that of a web and mobile-based service with a payment card for children and teenagers, that allows parents to support their children in learning the use of money, and to have access to family targeted financial services.

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
B D Roche
A Zivoder
L M Hill

Research and development activities

During the year, the company has sustainably been investing in the creation of a proprietary payment infrastructure technology and of product features by investing in 2019 more than 50% of the annual staff and contractors costs.

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 2020 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 29 May 2020, 3,000 ordinary A shares were issued following an option exercise at £0.20 per share.

On 1 October 2020, a new 100% subsidiary company was incorporated in the UK under the name gohenry Family Finance Limited.

During the pandemic period, the company has adjusted swiftly to operating and servicing the programs remotely. Its activities and its customers engagement have been mostly unaffected and the business results have remained strong.

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;
~ State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 Alex Zivoder
Director

Date: 13 October 2020

GOHENRY LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Gohenry Limited for the year ended 31 December 2019 set out on pages 8 to 28. 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 2019 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.

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: 15 October 2020

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Revenue	3	12,783,051	8,309,216
Cost of sales		(7,269,562)	(5,048,422)
Gross Profit		5,513,489	3,260,794
Administrative expenses		(11,343,282)	(6,512,175)
Operating loss		(5,829,793)	(3,251,381)
Investment income	7	6,581	-
Loss before taxation	4	(5,823,212)	(3,251,381)
Taxation	8	367,108	222,254
Loss for the financial year after taxation		(5,456,104)	(3,029,127)
Other comprehensive income		3,001	-
Other comprehensive income for the year		3,001	-
Total comprehensive loss for the year		(5,453,103)	(3,029,127)

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

Total comprehensive loss for the year and retained earnings at 31 December 2019 are attributable to the owners of the company.

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed Assets					
Intangible assets	**9**		1,665,143		1,586,821
Property, plant and equipment	**10**		89,097		100,715
			1,754,240		1,687,536
Current Assets					
Inventories	**13**	327,099		503,357	
Trade and other receivables	**14**	2,691,216		1,737,225	
Cash at bank and in hand		2,833,015		6,314,116	
		5,851,330		8,554,698	
Current Liabilities	**15**	(3,326,477)		(2,417,531)	
Net Current Assets			2,524,853		6,137,167
Total Assets less Current Liabilities			4,279,093		7,824,703
Equity					
Called up share capital	**19**		51,808		49,601
Share premium account	**20**		22,314,933		20,483,946
Share based payment reserve	**20**		192,546		166,481
Retained Earnings	**20**		(18,281,181)		(12,873,311)
Other reserve	**20**		987		(2,014)
Total Equity			4,279,093		7,824,703

These financial statements were approved by the board of directors and authorised for issue on 13 October 2020 and are signed for issue on its behalf by:

A Zivoder Alex Zivoder
Director

Company Registration No. 06146113

GOHENRY LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed Assets					
Intangible assets	9		1,665,143		1,586,821
Property, plant and equipment	11		87,868		99,486
Investment	12		2		2
			1,753,013		1,686,309
Current Assets					
Inventories	13	327,099		503,357	
Trade and other receivables	14	3,033,869		1,980,095	
Cash at bank and in hand		2,828,341		6,308,085	
		6,189,309		8,791,537	
Current Liabilities	15	(3,688,566)		(2,660,105)	
Net Current Assets			2,500,743		6,131,432
Total Assets less Current Liabilities			4,253,756		7,817,741
Equity					
Called up share capital	19		51,808		49,601
Share premium account	20		22,314,933		20,483,946
Share based payment reserve	20		192,546		166,481
Retained Earnings	20		(18,305,531)		(12,882,287)
Total Equity			4,253,756		7,817,741

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 £5,471,478 (2018 - £3,093,568) which is dealt with in the financial statements of the Company.

These financial statements were approved by the board of directors and authorised for issue on 13 October 2020 and are signed for issue on its behalf by:

A Zivoder
Director

Alex Zivoder

Company Registration No. 06146113

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Other reserve £	Retained earnings £	Total £
Balance at 1 January 2018		42,503	14,422,255	145,246	620	(10,042,364)	4,568,260
Year ended 31 December 2018							
Loss and total comprehensive							
Loss 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	**19,20**	49,601	20,483,946	166,481	(2,014)	(12,873,311)	7,824,703
Year ended 31 December 2019							
Comprehensive loss for the year							
Loss for the year		-	-	-	-	(5,456,104)	(5,456,104)
Other comprehensive income for the year							
Exchange differences on consolidation					3,001	-	3,001
Total comprehensive loss for the year					3,001	(5,456,104)	(5,453,103)
Issue of share capital		2,207	1,830,987	-	-	-	1,833,194
Share based payment		-	-	74,299	-	-	74,299
Credit to equity for equity settled							
share-based payments		-	-	-	-	48,234	48,234
Other movements		-	-	(48,234)	-	-	(48,234)
Balance at 31 December 2019	**19,20**	51,808	22,314,933	192,546	987	(18,281,181)	4,279,093

GOHENRY LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Other reserve £	Retained earnings £	Total £
Balance at 1 January 2018		42,503	14,422,255	145,246	-	(9,986,899)	4,623,105
Year ended 31 December 2018							
Loss and total comprehensive							
loss 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	**19,20**	49,601	20,483,946	166,481	-	(12,882,287)	7,817,741
Year ended 31 December 2019							
Loss and total comprehensive							
Loss for the year		-	-	-	-	(5,471,478)	(5,471,478)
Issue of share capital		2,207	1,830,987	-	-	-	1,833,194
Share based payment		-	-	74,299	-	-	74,299
Credit to equity for equity settled							
share-based payments		-	-	-	-	48,234	48,234
Other movements		-	-	(48,234)	-	-	(48,234)
Balance at 31 December 2019	**19,20**	51,808	22,314,933	192,546	-	(18,305,531)	4,253,756

GOHENRY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Cash Flow Notes	£	2019 £	£	2018 £
Cash flows from operating activities					
Cash used in operations	1		(4,612,660)		(2,154,473)
Interest income			6,581		-
Income taxes received			221,374		77,599
Net cash outflow from operating activities			(4,384,705)		(2,076,874)
Investing activities					
Purchase of property, plant and equipment		(35,101)		(77,724)	
Purchase of intangible assets		(894,491)		(892,518)	
Net cash used in investing activities			(929,592)		(970,242)
Financing activities					
Proceeds from issue of shares		1,833,196		6,068,789	
Net cash generated from financing activities			1,833,196		6,068,789
Net (decrease)/ increase in cash and cash equivalents			(3,481,101)		3,021,673
Cash and cash equivalents at the beginning of the financial year			6,314,116		3,292,443
Cash and cash equivalents at the end of the financial year			**2,833,015**		**6,314,116**
Cash at bank balances			2,833,015		6,314,116
Cash and cash equivalents	1.1		**2,833,015**		**6,314,116**

GOHENRY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Reconciliation of operating loss to cash used in from operations	2019 £	2018 £
Loss for the financial year after tax	(5,456,104)	(3,029,127)
Adjustments for:		
Taxation charged	(367,108)	(222,254)
Interest income	(6,581)	-
Operating loss	(5,829,793)	(3,251,381)
Adjustments for:		
Depreciation of property, plant and equipment	46,719	28,365
Amortisation of intangible assets	816,169	251,914
Exchange difference on consolidation	3,001	(2,635)
Share based payment costs	74,299	219,415
Operating cash flow before movement in working capital	(4,889,605)	(2,754,322)
Movements in working capital		
Decrease/(increase) in inventories	176,258	(425,627)
(Increase) in trade and other receivables	(808,260)	(191,663)
Increase in trade and other payables	908,947	1,217,139
Cash used in operations	(4,612,660)	(2,154,473)

1.1 Analysis of changes in net debt

	1 January 2019	Cash flow	31 December 2019
Cash at bank and in hand	6,314,116	(3,481,101)	2,833,015

1 Accounting Policies

Company information
Gohenry Limited is a private 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 £5,453,103 (2018 - £3,029,127) 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.

Subsequent to the reporting date and prior to the approval of these financial statements, the WHO declared a global COVID-19 pandemic and restrictions were put in place in the UK to contain the spread of this disease. Whilst the group has had to make some operational changes as a result of this, the directors have reviewed the effect of COVID-19 for the next 12 months from the approval of these financial statements and considered it to have a negligible effect on the financial performance. At the time of approving the financial statements, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeaable future, thus the directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

1.3 Financial Reporting Standard 102 - reduced disclosure exemptions
The parent company has taken advantage of the following disclosure exemptions in preparing its individual financial statements, as permitted by FRS 102:

- the requirement to present a statement of cash flows for the company;
- the requirements of Section 33 Related Party disclosures paragraph 33.7.

1.4 Basis of consolidation
The group financial statements include the accounts of the company and of its subsidiary undertakings drawn up to 31 December 2019 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.

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

1.6 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.

1.7 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 Accounting Policies (continued)

1.8 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.

Change in accounting estimate

Following a review of the useful economic lives (UEL) of the development costs, certain development costs have been reduced from 5 to 3 years. The change has been applied in the financial statements for the year ended 31 December 2019 and as a result of the change in the accounting estimate, the amortisation charge in the year has been increased from £646,837 to £816,169.

1.9 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 - 3 - 5 years 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.

1.10 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.

1.11 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.

1.12 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 Accounting Policies (continued)

1.13 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.

1.14 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.

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.

1 Accounting Policies (continued)

1.14 Financial instruments (contined)

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.

1.15 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.

1.16 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.

1.17 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.

1.18 Retirement benefits

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

1 Accounting Policies (continued)

1.19 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 payments expense is not adjusted if the modified fair value is less than the original fair value.

1.20 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.

1.21 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:-

	2019 £	2018 £
United Kingdom	11,184,896	8,080,774
Rest of the World	1,598,155	228,442
	12,783,051	8,309,216

4 Loss before tax

		2019 £	2018 £
Loss before tax is stated after charging:			
Amortisation of intangible assets		816,169	251,914
Depreciation of property, plant and equipment		46,719	28,365
Operating lease rentals		347,359	246,352
Auditors' remuneration	- group	16,000	15,000
	- company	13,000	12,000
Exchange losses		24,121	36,936

5 Employees (including directors)

Number of employees

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

	2019 Number	2018 Number
Administrative and management	113	89

Employment costs	**2019 £**	**2018 £**
Salaries	4,227,198	3,137,842
Social security costs	382,162	268,980
Pension costs	37,773	13,824
Share-based payments	74,299	219,415
Total staff costs	4,721,432	3,640,061
Amounts capitalised	(714,391)	(658,323)
Staff costs charged to profit and loss	4,007,041	2,981,738

6 Directors' Emoluments

	2019 £	2018 £
Emoluments	406,750	368,700
Company pension contributions to defined contribution schemes	3,186	1,448
	409,936	370,148

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

	2019 £	2018 £
Emoluments	205,000	221,400
Company pension contributions to defined contribution schemes	-	-
	205,000	221,400

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 (2018 - 3).

One director (2018: 1), also the highest paid director, exercised share options during the year.

7 Investment income

	2019 £	2018 £
Interest on bank deposits	6,581	-
	6,581	-

8 Taxation	2019 £	2018 £
Current tax credit		
UK corporation tax	(367,108)	(222,254)

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

Loss before taxation	5,823,212	3,251,381
Expected tax credit based on the standard rate of UK corporation tax of 19.00% (2018 - 19.00%)	(1,106,410)	(617,762)
Effects of:		
Non deductible expenses	32,304	16,533
Losses carried forward not provided	1,056,391	569,022
Share based payment charge	14,117	41,689
Movement in deferred tax not provided	3,598	(9,482)
R&D tax credit	(367,108)	(222,254)
Current tax credit for the year	(367,108)	(222,254)

The company has estimated tax losses of £17,360,615 (2018 - £11,785,285) available for carry forward against future profits.

9 Intangible Fixed Assets

Group and Company	Domain Names	Development Costs	Total
	£	£	£
Cost			
At 1 January 2019	65,866	1,889,387	1,955,253
Additions	-	894,491	894,491
At 31 December 2019	65,866	2,783,878	2,849,744
Amortisation			
At 1 January 2019	5,874	362,558	368,432
Charge for the year	6,587	809,582	816,169
At 31 December 2019	12,461	1,172,140	1,184,601
Net book values			
At 31 December 2019	53,405	1,611,738	1,665,143
At 31 December 2018	59,992	1,526,829	1,586,821

10 Property, plant and equipment

Group	Plant and machinery
	£
Cost	
At 1 January 2019	188,682
Additions	35,101
At 31 December 2019	223,783
Depreciation	
At 1 January 2019	87,967
Charge for the year	46,719
At 31 December 2019	134,686
Net book values	
At 31 December 2019	89,097
At 31 December 2018	100,715

11 Property, plant and equipment

Company	**Plant and machinery**
	£
Cost	
At 1 January 2019	187,453
Additions	35,101
At 31 December 2019	222,554
Depreciation	
At 1 January 2019	87,967
Charge for the year	46,719
At 31 December 2019	134,686
Net book values	
At 31 December 2019	87,868
At 31 December 2018	99,486

		Shares in Group Undertakings
12	**Fixed Asset Investment - Company**	£
12.1	**Cost**	
	At 1 January 2019 and at 31 December 2019	2

12.2 At 31 December 2019 the company held more than 20% of the equity of the following:

Name of Company	Registered office	Country of incorporation	Shares Held Class	Proportion of Shares Held	Nature of Business
gohenry Inc	165 Broadway, FL 21 New York, 10006	USA	Ordinary	100%	Business support
gohenry Financial Technology Inc	33 Bloors St East Toronto M4W 3H1	Canada	Ordinary	100%	Business support

Both subsidiaries have been included in the consolidated accounts.

13 **Inventories**	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Goods held for distribution	327,099	503,357	327,099	503,357
	327,099	503,357	327,099	503,357

14 **Trade and other receivables**	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Amounts owed by group undertakings	-	-	372,479	265,089
Corporation tax	368,187	222,456	367,170	222,456
Other receivables	2,047,330	1,320,485	2,047,330	1,320,485
Prepayments	275,699	194,284	246,890	172,065
	2,691,216	1,737,225	3,033,869	1,980,095

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

15 Current liabilities

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade payables	1,448,744	1,329,756	1,432,235	1,309,068
Other taxation and social security	352,503	205,479	352,503	205,504
Other payables	72,669	57,215	72,669	57,215
Accruals	1,452,561	825,081	1,828,561	1,088,318
Amounts due to group undertakings	-	-	2,598	-
	3,326,477	2,417,531	3,688,566	2,660,105

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

16 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:

	2019	2018
	£	£
Operating leases which expire:		
Within one year	125,686	340,230
Between two and five years	-	8,000
	125,686	348,230

17 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 £37,773 (2018 - £13,824) of which £10,157 (2018 - £5,572) was unpaid at the statement of financial position date.

18 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2019	2018	2019	2018
	Number	Number	£	£
Outstanding at 1 January 2019	1,268,667	2,320,820	0.20	0.20
Granted	3,692,000	-	0.20	-
Exercised	(270,667)	(953,819)	0.20	0.20
Expired	(16,667)	(98,334)	0.20	0.20
Outstanding at 31 December	4,673,333	1,268,667	0.20	0.20
Exercisable at 31 December	985,334	1,200,334	0.20	0.20

The weighted average share price at the date of exercise for share options exercised during the year was £0.20 (2018 - £0.20).

The options outstanding at 31 December 2019 had an exercise price of £0.20, and a remaining contractual life of between 5 and 10 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.

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 ten years as long as the option holder remains an employee of the group. In addition to this, 3,000,000 of the options granted during the year are also contingent on an exit event.

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 £74,299 (2018: £219,415).

19 Share capital	2019 £	2018 £
Allotted, issued and fully paid		
18,966,713 (2018: 18,354,150) Ordinary Shares of £0.0025p each	47,417	45,886
1,756,485 (2018: 1,485,818) Ordinary A Shares of £0.0025p each	4,391	3,715
	51,808	49,601

During the year, 612,563 Ordinary Shares and 270,667 Ordinary A shares were issued for a consideration totalling £1,833,196

Both share classes carry the same rights to full voting, dividends and capital distributions (including on winding up).

20 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.

21 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.

22 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.

23 Events after the reporting date

Subsequent to the reporting date the following events had occurred:
3,000 share options were exercised at a grant price of £0.20 per share;
On 1 October 2020, a new 100% subsidiary company was incorporated under the name gohenry Family Finance Limited.

The COVID 19 pandemic has led to lockdown and restricted activity around the world, which in turn has impacted the UK market and economy. The directors recognise that there will be an impact on the company's performance although the longer term effect is difficult to predict.
The COVID 19 pandemic is assessed to be a non-adjusting subsequent event and therefore its effect is not reflected in these financial statements.