

Company Registration No. 09351365 (England and Wales)

**KIND CONSUMER HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2019**  
**PAGES FOR FILING WITH REGISTRAR**



# **KIND CONSUMER HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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The directors are responsible for preparing the 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 group and company, 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

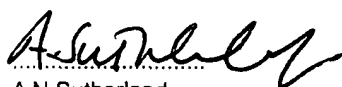
**KIND CONSUMER HOLDINGS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	4	107,774		-	
Tangible assets	5	4,484,062		2,625,725	
		<u>4,591,836</u>		<u>2,625,725</u>	
<b>Current assets</b>					
Stocks	8	353,184		-	
Debtors	9	2,457,093		1,224,707	
Cash at bank and in hand		1,155,284		3,410,538	
		<u>3,965,561</u>		<u>4,635,245</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,997,911)</u>		<u>(4,889,668)</u>	
<b>Net current assets/(liabilities)</b>		<u>1,967,650</u>		<u>(254,423)</u>	
<b>Total assets less current liabilities</b>		<u>6,559,486</u>		<u>2,371,302</u>	
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(5,425,000)</u>		<u>(4,325,000)</u>	
<b>Net assets/(liabilities)</b>		<u><u>1,134,486</u></u>		<u><u>(1,953,698)</u></u>	
<b>Capital and reserves</b>					
Called up share capital	14	211,094		93,078	
Share premium account	15	24,403,043		9,751,038	
Merger reserve	15	3,433,066		3,433,066	
Profit and loss reserves	15	<u>(26,912,717)</u>		<u>(15,230,880)</u>	
<b>Total equity</b>		<u><u>1,134,486</u></u>		<u><u>(1,953,698)</u></u>	

The directors of the group have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 20/2/19 and are signed on its behalf by:



A N Sutherland  
Director

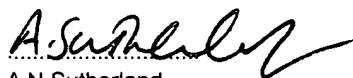
**KIND CONSUMER HOLDINGS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2019**

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Investments	6		76,734		76,734
<b>Current assets</b>					
Debtors	9	23,565,631		10,745,528	
Cash at bank and in hand		1,029,297		3,346,533	
		24,594,928		14,092,061	
<b>Creditors: amounts falling due within one year</b>	10	(341,983)		(4,284,984)	
<b>Net current assets</b>			24,252,945		9,807,077
<b>Total assets less current liabilities</b>			24,329,679		9,883,811
<b>Capital and reserves</b>					
Called up share capital	14		211,094		93,078
Share premium account	15		24,403,043		9,751,038
Profit and loss reserves	15		(284,458)		39,695
<b>Total equity</b>			24,329,679		9,883,811

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss for the period was £324,153 (2018: £26,573).

The financial statements were approved by the board of directors and authorised for issue on 20/12/19 and are signed on its behalf by:



A N Sutherland  
Director

# KIND CONSUMER HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Share premium account £	Merger reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2017</b>		92,584	9,817,251	3,433,066	(10,668,919)	2,673,982
<b>Year ended 31 March 2018:</b>						
Loss and total comprehensive income for the year		-	-	-	(4,561,961)	(4,561,961)
Issue of share capital		494	58,656	-	-	59,150
Less costs of issue		-	(124,869)	-	-	(124,869)
<b>Balance at 31 March 2018</b>		93,078	9,751,038	3,433,066	(15,230,880)	(1,953,698)
<b>Year ended 31 March 2019:</b>						
Loss and total comprehensive income for the year		-	-	-	(11,681,837)	(11,681,837)
Issue of share capital	14	80,930	14,689,091	-	-	14,770,021
Bonus issue of shares	14	37,086	(37,086)	-	-	-
<b>Balance at 31 March 2019</b>		211,094	24,403,043	3,433,066	(26,912,717)	1,134,486

# KIND CONSUMER HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2017</b>		92,584	9,817,251	66,268	9,976,103
<b>Year ended 31 March 2018:</b>					
Loss and total comprehensive income for the year		-	-	(26,573)	(26,573)
Issue of share capital		494	58,656	-	59,150
Less costs of issue		-	(124,869)	-	(124,869)
<b>Balance at 31 March 2018</b>		93,078	9,751,038	39,695	9,883,811
<b>Year ended 31 March 2019:</b>					
Loss and total comprehensive income for the year		-	-	(324,153)	(324,153)
Issue of share capital	14	80,930	14,689,091	-	14,770,021
Bonus issue of shares	14	37,086	(37,086)	-	-
<b>Balance at 31 March 2019</b>		211,094	24,403,043	(284,458)	24,329,679

# KIND CONSUMER HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	20	(10,937,955)		(4,375,943)	
Income taxes refunded		545,798		-	
<b>Net cash outflow from operating activities</b>		(10,392,157)		(4,375,943)	
<b>Investing activities</b>					
Purchase of intangible assets		(107,774)		-	
Purchase of tangible fixed assets		(2,265,855)		(2,683,926)	
Interest received		10,472		18,721	
<b>Net cash used in investing activities</b>		(2,363,157)		(2,665,205)	
<b>Financing activities</b>					
Proceeds from issue of shares		10,500,060		4,204,243	
<b>Net cash generated from financing activities</b>		10,500,060		4,204,243	
<b>Net decrease in cash and cash equivalents</b>		(2,255,254)		(2,836,905)	
Cash and cash equivalents at beginning of year		3,410,538		6,247,443	
<b>Cash and cash equivalents at end of year</b>		1,155,284		3,410,538	

# KIND CONSUMER HOLDINGS LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	21	(12,827,322)		(6,902,224)	
<b>Investing activities</b>					
Interest received		10,026		48,192	
<b>Net cash generated from investing activities</b>		10,026		48,192	
<b>Financing activities</b>					
Proceeds from issue of shares		10,500,060		4,204,243	
<b>Net cash generated from financing activities</b>		10,500,060		4,204,243	
<b>Net decrease in cash and cash equivalents</b>		(2,317,236)		(2,649,789)	
Cash and cash equivalents at beginning of year		3,346,533		5,996,322	
<b>Cash and cash equivalents at end of year</b>		1,029,297		3,346,533	



# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

##### Company information

Kind Consumer Holdings Limited ("the company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office and principal place of business is 79 Clerkenwell Road, London, EC1R 5AR.

The group consists of Kind Consumer Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities are disclosed in the Directors' Report. The nature of the Group's operations are that of research and development focussing on effective and affordable technologies in the consumer healthcare market.

##### 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, including the provisions of the Small Companies and Groups (Accounts and Directors' Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. 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.

##### Company statement of comprehensive income

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss for the period was £324,153 (2018: £26,573).

##### Basis of consolidation

In the period ended 31 March 2016 the Group underwent a reconstruction involving the incorporation of Kind Consumer Holdings Limited which then acquired 100% of the share capital of Kind Consumer Limited via a share exchange. The consolidation is presented using merger accounting. The consolidated financial statements of Kind Consumer Holdings Limited treat the group as if it had always existed. All financial statements are made up to 31 March.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The total comprehensive income, assets and liabilities are of the entities are amended, where necessary, to align the accounting policies. The carrying values of the entities' assets and liabilities are not adjusted to fair value. Any difference between the nominal value of the shares received is taken to other reserves in equity.

##### Going concern and recoverability of inter-company loan

The Directors have prepared cashflow forecasts for the twelve months from the date of signing these accounts. These forecasts assume that funds of £30m will be raised from future fund-raising rounds, and also that sales of the group's Voke product will increase significantly over the year ahead given its recent launch. The recoverability of the inter-company loan from Kind Consumer Limited of £23,565,202 is also reliant on the future sale and profits generated from the sale of the Voke product. While there is no certainty that this funding will be raised, or that the sale forecasts will be met, there is no indication that the funding or sales projections won't be achieved. As a result, at the time of approving the financial statements, the directors have a reasonable expectation that the group and company 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 financial statements, and continue to recognise the inter-company loan to be recoverable.

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies (Continued)

##### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for research and development services provided to customers, excluding loan finance received to develop intellectual property owned by the group, and is exclusive of VAT. It also includes income in relation to the use of technology developed by the group by third parties.

##### **Intangible fixed assets other than goodwill**

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives. Website costs are not amortised until the website is complete.

##### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% per annum
Plant and machinery	6.6% per annum
Furniture and office equipment	33.3% per annum
Tooling and testing	20% per annum

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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 profit or loss.

##### **Fixed asset investments**

In the separate accounts of the company, 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 profit or loss.

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

##### **Impairment of fixed assets**

At each reporting end date, the group reviews the carrying amounts of its tangible 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).

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **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 when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies (Continued)

##### *Loans and receivables*

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for the short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method for calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### *Impairment of financial assets*

Financial assets 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 profit or loss.

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 profit or loss.

##### *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.

##### *Classification 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.

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies (Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Trade creditors**

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

##### **Borrowings**

Borrowings are initially measured at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the basis of the effective interest method and is included in interest payable and other similar charges.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

##### **Equity instruments**

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

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income and expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies (Continued)

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### **Share based payments**

Where share options and other equity instruments are awarded to employees, the fair value of the instrument at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of instruments that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition. Where the terms and conditions are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of the goods and services received.

##### **Group plans**

The company participates in a share-based payment arrangement granted to its employees and employees of its subsidiaries. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in its consolidated accounts. As all third party income is generated by the subsidiary, all expenses are allocated to that company.

##### **Leases**

All leases are operating leases and the annual rentals are charged to the profit and loss on a straight line basis over the lease term.

##### **Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the directors' opinion, there are no estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

The judgements, estimates and associated assumptions necessary to assess the recoverability of these balances are based on historical experience and other reasonable factors.

#### ***Share based payments***

The share options have to be valued by the group. This is determined by the group at the date of grant of the options by consideration of the exercise price against the fair value at the date of grant. The calculation of fair value requires the use of multiple estimates and assumptions.

#### ***Impairment of fixed assets, investments and group balances***

At the balance sheet date the directors review the above for potential impairment. The directors are of the opinion that these balances are not impaired on the basis of future expected profits from the sale of the group's product which has recently been developed and launched.

#### 3 Employees

The average monthly number of persons (including directors) employed during the year was:

Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
13	13	3	4
==	==	==	==

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 4 Intangible fixed assets

Group	Website £
<b>Cost</b>	
Additions	107,774
At 31 March 2019	107,774
<b>Carrying amount</b>	
At 31 March 2019	107,774
At 31 March 2018	-

The company had no intangible fixed assets at 31 March 2019 or 31 March 2018.

#### 5 Tangible fixed assets

Group	Leasehold improvements £	Plant and machinery £	Furniture and office equipment £	Tooling and testing £	Total £
<b>Cost</b>					
At 1 April 2018	31,474	2,683,926	32,500	-	2,747,900
Additions	-	1,054,646	13,999	1,197,210	2,265,855
At 31 March 2019	31,474	3,738,572	46,499	1,197,210	5,013,755
<b>Depreciation and impairment</b>					
At 1 April 2018	31,474	58,201	32,500	-	122,175
Depreciation charged in the year	-	218,055	1,119	188,344	407,518
At 31 March 2019	31,474	276,256	33,619	188,344	529,693
<b>Carrying amount</b>					
At 31 March 2019	-	3,462,316	12,880	1,008,866	4,484,062
At 31 March 2018	-	2,625,725	-	-	2,625,725

The company had no tangible fixed assets at 31 March 2019 or 31 March 2018.

#### 6 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	7	-	-	76,734	76,734



# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 6 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 April 2018 and 31 March 2019

76,734

#### Carrying amount

At 31 March 2019

76,734

At 31 March 2018

76,734

### 7 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Kind Consumer Limited	79 Clerkenwell Road, London, EC1R 5AR	Research and development	Ordinary	100.00	

### 8 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	353,184	-	-	-

### 9 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Amounts falling due within one year:</b>				
Trade debtors	728	-	-	-
Corporation tax recoverable	1,803,168	545,798	-	-
Amounts owed by group undertakings	-	-	23,565,202	10,737,447
Other debtors	653,197	678,909	429	8,081
	2,457,093	1,224,707	23,565,631	10,745,528

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 10 Creditors: amounts falling due within one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
2,740 Preferred D Shares of £2 each	-	4,269,961	-	4,269,961
Trade creditors	1,578,034	550,704	6,819	4,804
Other taxation and social security	50,344	36,236	6,564	5,119
Other creditors	9,187	4,556	-	-
Accruals and deferred income	360,346	28,211	328,600	5,100
	<u>1,997,911</u>	<u>4,889,668</u>	<u>341,983</u>	<u>4,284,984</u>

### 11 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Other loans	13	<u>5,425,000</u>	<u>4,325,000</u>	<u>-</u>	<u>-</u>

### 12 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	348,917	868,508	23,565,202	10,737,447
Equity instruments measured at cost less impairment	-	-	76,734	76,734
	<u>-</u>	<u>-</u>	<u>76,734</u>	<u>76,734</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	7,363,380	4,903,914	335,419	9,904
	<u>7,363,380</u>	<u>4,903,914</u>	<u>335,419</u>	<u>9,904</u>

### 13 Borrowings

	Group 2019 £	2018 £	Company 2019 £	2018 £
Other loans	<u>5,425,000</u>	<u>4,325,000</u>	<u>-</u>	<u>-</u>
Payable after one year	<u>5,425,000</u>	<u>4,325,000</u>	<u>-</u>	<u>-</u>

The timing of the repayment on the above loan is uncertain as it is repayable from certain future income streams.

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 14 Share capital

	Group and company	
	2019	2018
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
26,393 Ordinary A shares of £2 each	52,786	52,786
13,730 Ordinary B shares of £2 each	27,460	27,460
6,416 Ordinary C shares of £2 each	12,832	12,832
59,008 Preferred E shares of £2 each	118,016	-
	<u>211,094</u>	<u>93,078</u>

#### E shares

During the year 26,863 shares were issued at £279.20 per share for a total consideration of £7,500,150; 3,582 shares were issued at £279.17 for a total consideration of £1,000,000; 7,163 shares were issued at £280.77 for a total consideration of £2,011,162.

#### D shares

21,400 D shares (18,543 bonus issue shares and 2,857 D shares) were converted to E shares. The balance of £4,269,961 included in creditors in the prior year has been transferred to equity.

The Ordinary A, B and C and E shares all have voting rights and full dividend rights. On a winding up the Ordinary C and preferred E shares are repaid in priority.

#### Reconciliation of movements during the year:

	Preferred E shares Number
At 1 April 2018	-
Issue of fully paid shares	37,608
Bonus issue	18,543
Converted D preferred shares	<u>2,857</u>
At 31 March 2019	<u>59,008</u>

### 15 Reserves

#### **Share premium**

The share premium reserve represents the consideration received for shares issued above their nominal value net of transaction costs.

#### **Merger reserve**

The merger reserve represents the reserves on the merger of the subsidiary.

#### **Profit and loss reserve**

The profit and loss reserve represents the cumulative profit and loss net of distributions to owners.

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 16 Operating lease commitments

##### Lessee

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:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	1,190,027	90,027	-	-
Between one and five years	365,027	3,480,054	-	-
	<u>1,555,054</u>	<u>3,570,081</u>	<u>-</u>	<u>-</u>

These lease commitments assume that all obligations are met in full, however, these are subject to the achievement of certain future revenue streams which are uncertain and ultimately may not become payable.

#### 17 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2019 £	2018 £
Aggregate compensation	<u>1,324,948</u>	<u>403,948</u>

During the year the group paid fees of £35,273 (2018: £31,760) to Treemoon Limited, a company controlled by a director of the company.

During the year the group provided research services support for Senzer Limited, a company controlled by a director of the company. In addition, the group received payments under a licence agreement with Senzer Limited for use of the group's Intellectual Property. In total the group recognised £1,375 (2018: £10,000) of income from Senzer Limited. At the year end £Nil remained outstanding from Senzer Limited (2018: £Nil).

There are no other related party transactions during the year, and no other related party balances were outstanding at the year end.

#### 18 Controlling party

There is no ultimate controlling party.

# KIND CONSUMER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 19 Events after the reporting date

During October 2019, shares were issued totalling 31,487 for a total value of £9,054,791. This is as follows:

<u>Shares</u>	<u>No. shares</u>	<u>Per share</u>	<u>Total</u>
Ordinary	28,652	£250	£7,163,000
F preference	2,835	£352.66	£999,791
ASA			£892,000

#### 20 Cash generated from group operations

	2019 £	2018 £
Loss for the year after tax	(11,681,837)	(4,561,961)
Adjustments for:		
Taxation credited	(1,803,168)	(545,798)
Investment income	(10,472)	(18,721)
Depreciation and impairment of tangible fixed assets	407,518	58,201
Movements in working capital:		
(Increase) in stocks	(353,184)	-
Decrease/(increase) in debtors	24,984	(493,044)
Increase in creditors	2,478,204	1,185,380
<b>Cash absorbed by operations</b>	<b>(10,937,955)</b>	<b>(4,375,943)</b>

#### 21 Cash generated from operations - company

	2019 £	2018 £
Loss for the year after tax	(324,153)	(26,572)
Adjustments for:		
Investment income	(10,026)	(18,716)
Movements in working capital:		
(Increase) in debtors	(12,820,103)	(6,860,809)
Increase in creditors	326,960	3,873
<b>Cash absorbed by operations</b>	<b>(12,827,322)</b>	<b>(6,902,224)</b>

# **KIND CONSUMER HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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#### **22 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified but modified to include the following paragraph:

We draw attention to the Going Concern and recoverability of inter-company loan accounting policy in note 1 of these financial statements, which indicates that Kind Consumer Holdings Limited, whilst continuing to prepare the financial statements on a going concern basis, is reliant on funds of £30m being raised from future fund-raising rounds, and also that sales of the group's product will significantly increase over the year ahead following its recent launch. As stated in the accounting policy, these matters indicate that a material uncertainty exists that may cast doubt on the Group's or parent company's ability to continue as a going concern and to recover its inter-company loan. Our opinion is not qualified in respect of this matter.

The senior statutory auditor was Kerry Norman.  
The auditor was RSM UK Audit LLP.