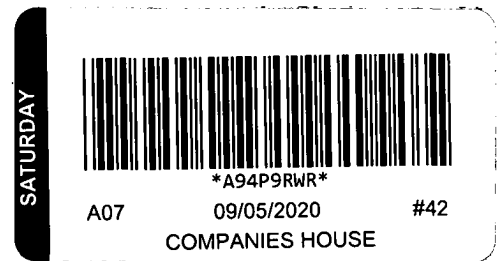


COMPANY REGISTRATION NUMBER: 10310694

Unmind Limited
Filleted Financial Statements
31 December 2019



Unmind Limited
Statement of Financial Position
31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	10,328	44,106
Tangible assets	6	51,018	38,222
		<u>61,346</u>	<u>82,328</u>
Current assets			
Debtors	7	7,137,476	79,075
Cash at bank and in hand		554,862	423,028
		<u>7,692,338</u>	<u>502,103</u>
Creditors: amounts falling due within one year	8	(8,472,046)	(261,597)
Net current (liabilities)/assets		<u>(779,708)</u>	<u>240,506</u>
Total assets less current liabilities		<u>(718,362)</u>	<u>322,834</u>
Net (liabilities)/assets		<u>(718,362)</u>	<u>322,834</u>
Capital and reserves			
Called up share capital		5	4
Share premium account		5,284,206	2,115,377
Profit and loss account		(6,002,573)	(1,792,547)
Shareholders (deficit)/funds		<u>(718,362)</u>	<u>322,834</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 3/4/2020....., and are signed on behalf of the board by:

Nick Taylor

Dr N Taylor
Director

Company registration number: 10310694

The notes on pages 2 to 8 form part of these financial statements.

Unmind Limited
Notes to the Financial Statements
Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office and principal place of business is 180 Borough High Street, London, SE1 1LB.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost basis, and in compliance with FRS 102 section 1A, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The comparative figures to these financial statements are for the 6 month period to 31 December 2018 and are not therefore comparable to the current period results.

The March 2018 edition of FRS 102 includes amendments arising from the Financial Reporting Council's triennial review of the standard. There is no material effect on the amounts recognised in these financial statements as a result the entity has not early adopted these amendments.

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

Going concern

The directors have considered forecast financial performance, recoverability of assets and financial viability for a period extending at least 12 months from the date of approval of these financial statements.

The company successfully raised finance totalling over £7.1m, the resolution and binding contract of which, was signed in the period, with the funds then physically received post the reporting date and before sign off of these financial statements.

During the forecast period to December 2021, further investment is being sought to cover the company's ongoing working capital needs. The Board has reviewed the company's core case cash flow and the future fundraise requirements, and given the company's successful fundraising history over a period of 4 years, there is reasonable expectation that these targets will be met.

At the time of signing these financial statements the impact of COVID-19 remains unknown, however the Company has sufficient reserves to continue to meet its liabilities as they fall due for at least 12 months from the date of authorisation of these financial statements.

The directors therefore have reasonable expectation that there will be adequate resources for the Company to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing these financial statements.

Unmind Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of financial statements under FRS 102 requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Capitalisation of IT platform costs and amortisation

Distinguishing the research and development phase of new IT platforms and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. Management monitors whether the recognition requirements continue to be met and whether there are any indicators that costs incurred require capitalisation or whether they should continue to be expensed to the income statement. Subsequent to the development of the IT platform in 2017, it is managements policy not to capitalise any further development costs. The risk of estimation uncertainty of the above is mitigated by managements wealth of industry expertise and experience in the sector and a significant review processes is undertaken by the Board annually.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for mental wellbeing platform services supplied to clients, stated net of discounts and of Value Added Tax.

Revenue is recognised in the income statement over the contract period in accordance with the contract terms. Any revenue received in advance of the service being provided is deferred and recognised within current liabilities if recoverable within one year. Any long term contract deferral due in more than one year, is recognised in non-current liabilities.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Unmind Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

IT platform development - 3 years straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development

Research expenditure is written off in the period in which it is incurred. It is managements policy to also write off development expenditure to the income statement in the period in which it is incurred.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 33% straight line

Unmind Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly.

Financial instruments

a) Trade receivables

Trade receivables are amounts due from clients for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for bad debts.

b) Trade payables

Obligations to pay for goods/services; current and non-current are initially recognised at fair value and are subsequently measured at amortised costs.

c) Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

d) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, together with other short-term highly liquid investments that are readily convertible into known amounts of cash having maturities of 3 months or less from inception and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings, in current liabilities on the Statement of Financial Position.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Share options

Employees (including Directors) of the Company were granted share options in the period over shares in the Company. The Company has applied the requirements of FRS 102 share options to all grants of equity instruments.

The cost of share option transactions with employees and non-employees is measured by reference to the fair value at the grant date of the equity instrument granted. The fair value is determined by using the Black-Scholes method. The costs of equity-settled transactions are recognised, together with a corresponding charge to equity, over the period between the date of grant and the end of a vesting period, where relevant employees become fully entitled to the award. The total value of the options has been pro-rated and allocated on a weighted average basis.

Unmind Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

4. Employee numbers

The average number of persons employed by the company during the year, including the directors and key management personnel amounted to 40 (2018: 21).

5. Intangible assets

	Development costs £
Cost	
At 1 January 2019 and 31 December 2019	101,422
Amortisation	
At 1 January 2019	57,316
Charge for the year	33,778
At 31 December 2019	<u>91,094</u>
Carrying amount	
At 31 December 2019	<u>10,328</u>
At 31 December 2018	<u>44,106</u>

6. Tangible assets

	Equipment £
Cost	
At 1 January 2019	46,395
Additions	36,460
Disposals	(1,999)
At 31 December 2019	<u>80,856</u>
Depreciation	
At 1 January 2019	8,173
Charge for the year	22,784
Disposals	(1,119)
At 31 December 2019	<u>29,838</u>
Carrying amount	
At 31 December 2019	<u>51,018</u>
At 31 December 2018	<u>38,222</u>

7. Debtors

	2019 £	2018 £
Trade debtors	518,024	5,238
Other debtors	6,619,452	73,837
	<u>7,137,476</u>	<u>79,075</u>

Unmind Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

7. Debtors *(continued)*

All amounts are short term. All of the Company's trade and other debtors have been reviewed for indicators of bad debts and, where necessary, a provision for any write-offs provided. The carrying value is considered a fair approximation of their fair value. The Company's management considers that all the above financial assets that are not provided for or past due, are of good credit quality, as such no provision has been made against the debtor balance (2018: £nil).

8. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	54,435	43,024
Social security and other taxes	138,886	61,780
Other creditors	8,278,725	156,793
	<u>8,472,046</u>	<u>261,597</u>

All amounts are short term. The Directors consider that the carrying value of trade and other creditors to be a reasonable approximation of fair value.

9. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Land and buildings		
Not later than 1 year	35,700	-
Later than 1 year and not later than 5 years	249,900	-
	<u>285,600</u>	<u>-</u>

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £25,742 (2018: £4,871). Contributions totalling £15,176 (2018: £1,089) were payable to the fund at the reporting date.

11. Other financial commitments

As at 31 December 2019 the Company had no capital commitments or contracts for capital expenditure in place in the year (2018: £nil).

12. Summary audit opinion

The auditor's report for the year dated 6/4/2020 was unqualified.

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

The senior statutory auditor was Tim Hardy, for and on behalf of Shipleys LLP.

Unmind Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

13. Related party transactions

No transactions were undertaken with related parties as such that are required to be disclosed under FRS 102 (Section 1A).

14. Share options

The company operates three share-based compensation plans granting share options to employees (including Directors). Share options granted to employees are under the Enterprise Management Initiative ("EMI") scheme and vest over a 5 year period. At the year-end 6,711 shares had been vested.

In July 2019 the company granted 385,474 options, a further 261,280 were granted in December 2019. Of those granted 33,557 options vesting start date was in the reporting period to 31 December 2018.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. The fair value of awards granted under EMI is measured using a Black Scholes model. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each Statement of Financial Position date, the Company will revise its estimates of the number of options that are expected to vest, and any changes in estimate will be recognised in the income statement, with a corresponding adjustment in equity as per FRS 102.

During the year, the company recognised total share-based payment expenses of £431,182 made up of £416,632 relating to the current year and £14,550 relating to the prior year

15. Post balance sheet event

On 31 December 2019 the company passed a resolution to subscribe for a rolling share issue of £605,059. This will be used to fund the operations and continue the growth of the business.