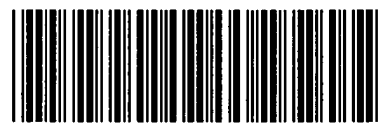


COMPANY REGISTRATION NUMBER: 10310694

**Unmind Limited**  
**Financial Statements**  
**31 December 2020**

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COMPANIES HOUSE

# **Unmind Limited**

## **Financial Statements**

**Year ended 31 December 2020**

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# Unmind Limited

## Officers and Professional Advisers

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**The board of directors**

R Morgan  
A B Nussenbaum  
T Sander  
Dr N Taylor  
M A G Whitfield

**Registered office**

180 Borough High Street  
London  
United Kingdom  
SE1 1LB

**Auditor**

Shipleys LLP  
Chartered accountants & statutory auditor  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

# Unmind Limited

## Directors' Report

### Year ended 31 December 2020

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The directors present their report and the financial statements of the Group and Company for the year ended 31 December 2020.

#### Directors

The directors who served the company during the year were as follows:

R Morgan  
A B Nussenbaum  
Dr N Taylor  
M A G Whitfield  
T Sander

(Appointed 15 January 2020)

#### Directors' responsibilities statement

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 the company and 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 judgments 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 will continue in business.

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

#### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

# Unmind Limited

## Directors' Report *(continued)*

Year ended 31 December 2020

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### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

24/2/2021

This report was approved by the board of directors on ..... and signed on behalf of the board by:

*Nick Taylor*

Dr N Taylor  
Director

Registered office:  
180 Borough High Street  
London  
United Kingdom  
SE1 1LB

# Unmind Limited

## Independent Auditor's Report to the Members of Unmind Limited

Year ended 31 December 2020

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### Opinion

We have audited the financial statements of Unmind Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 draw attention to note 3 in the financial statements, which indicates that the Group and Company has incurred a net loss in the year. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's and the group's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Company and the Group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

# Unmind Limited

## Independent Auditor's Report to the Members of Unmind Limited *(continued)*

Year ended 31 December 2020

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### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

### Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# Unmind Limited

## Independent Auditor's Report to the Members of Unmind Limited *(continued)*

Year ended 31 December 2020

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### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the Group and determined the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006) and the relevant tax and other compliance regulations in the jurisdictions in which the Company and the Group operates.
- We understood how the Company and the Group are complying with those frameworks by making enquiries on management, and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, papers provided to the finance department, discussion with the finance department and management and any correspondence received from regulatory and legal bodies.
- We assessed the susceptibility of the Company's and the Group's financial statements to material misstatement, including how fraud might occur by enquiring with management and the finance department, during the planning and execution phase of our audit. We considered the programs and controls that the group and the company have established to address risks identified, or that otherwise prevent, deter and detect fraud and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk including revenue recognition as discussed above. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of the finance team and management; and focused testing.

# Unmind Limited

## Independent Auditor's Report to the Members of Unmind Limited *(continued)*

### Year ended 31 December 2020

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## Unmind Limited

### Independent Auditor's Report to the Members of Unmind Limited *(continued)*

**Year ended 31 December 2020**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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.

*Hannah Van Ross*

Hannah Van Ross (Senior Statutory Auditor)

For and on behalf of  
Shipleys LLP  
Chartered accountants & statutory auditor  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ  
24/2/2021

# Unmind Limited

## Consolidated Statement of Comprehensive Income

Year ended 31 December 2020

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	Note	2020 £	2019 £
Turnover		2,974,689	556,673
Cost of sales		<u>(476,604)</u>	<u>(237,305)</u>
<b>Gross profit</b>		2,498,085	319,368
Administrative expenses		<u>(8,064,171)</u>	<u>(4,423,863)</u>
<b>Operating loss</b>		<u>(5,566,086)</u>	<u>(4,104,495)</u>
<b>Loss before taxation</b>	<b>6</b>	<u>(5,566,086)</u>	<u>(4,104,495)</u>
Tax on loss	<b>7</b>	<u>(401,367)</u>	<u>(132,115)</u>
<b>Loss for the financial year</b>		<u>(5,164,719)</u>	<u>(3,972,380)</u>
Foreign currency retranslation		10,535	-
<b>Total comprehensive income for the year</b>		<u>(5,154,184)</u>	<u>(3,972,380)</u>

All the activities of the group are from continuing operations.

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The notes on pages 14 to 23 form part of these financial statements.

# Unmind Limited

## Consolidated Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	8	–	10,328
Tangible assets	9	126,985	51,018
		126,985	61,346
<b>Current assets</b>			
Debtors	11	575,474	7,762,034
Cash at bank and in hand		3,989,346	554,862
		4,564,820	8,316,896
<b>Creditors: amounts falling due within one year</b>	12	(2,360,964)	(8,472,045)
<b>Net current assets/(liabilities)</b>		2,203,856	(155,149)
<b>Total assets less current liabilities</b>		2,330,841	(93,803)
<b>Net assets/(liabilities)</b>		2,330,841	(93,803)
<b>Capital and reserves</b>			
Called up share capital		8	5
Share premium account	14	12,445,152	5,284,206
Profit and loss account	14	(10,114,319)	(5,378,014)
<b>Shareholders' funds/(deficit)</b>		2,330,841	(93,803)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 24/2/2021....., and are signed on behalf of the board by:

*Nick Taylor*

Dr N Taylor  
Director

Company registration number: 10310694

The notes on pages 14 to 23 form part of these financial statements.

# Unmind Limited

## Company Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	8	–	10,328
Tangible assets	9	117,431	51,018
Investments	10	67	–
		<u>117,498</u>	<u>61,346</u>
<b>Current assets</b>			
Debtors	11	1,305,300	7,762,034
Cash at bank and in hand		3,603,696	554,862
		<u>4,908,996</u>	<u>8,316,896</u>
<b>Creditors: amounts falling due within one year</b>	12	(2,292,070)	(8,472,045)
<b>Net current assets/(liabilities)</b>		<u>2,616,926</u>	<u>(155,149)</u>
<b>Total assets less current liabilities</b>		<u>2,734,424</u>	<u>(93,803)</u>
<b>Net assets/(liabilities)</b>		<u>2,734,424</u>	<u>(93,803)</u>
<b>Capital and reserves</b>			
Called up share capital		8	5
Share premium account	14	12,445,152	5,284,206
Profit and loss account	14	(9,710,736)	(5,378,014)
<b>Shareholders' funds/(deficit)</b>		<u>2,734,424</u>	<u>(93,803)</u>

As permitted by Section 408 of the Companies Act 2006, the parent Company's profit and loss account has not been included in these financial statements. Included within the group result for the year is a loss for the financial year of the parent company of £4,750,600 (2019: £3,972,380).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 24/2/2021, and are signed on behalf of the board by:

*Nick Taylor*

Dr N Taylor  
Director

Company registration number: 10310694

The notes on pages 14 to 23 form part of these financial statements.

# Unmind Limited

## Consolidated Statement of Changes in Equity

Year ended 31 December 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 January 2019 (as previously reported)</b>	4	2,115,377	(1,792,547)	322,834
Prior period adjustments	—	—	(44,268)	(44,268)
<b>At 1 January 2019 (restated)</b>	<u>4</u>	<u>2,115,377</u>	<u>(1,836,815)</u>	<u>(278,566)</u>
Loss for the year	—	—	(3,972,380)	(3,972,380)
<b>Total comprehensive income for the year</b>	—	—	(3,972,380)	(3,972,380)
Issue of shares	1	3,168,829	—	3,168,830
Equity-settled share-based payments	—	—	431,181	431,181
<b>Total investments by and distributions to owners</b>	<u>1</u>	<u>3,168,829</u>	<u>431,181</u>	<u>3,600,011</u>
<b>At 31 December 2019</b>	5	5,284,206	(5,378,014)	(93,803)
Loss for the year	—	—	(5,164,719)	(5,164,719)
Other comprehensive income for the year:				
Foreign currency retranslation	—	—	10,535	10,535
<b>Total comprehensive income for the year</b>	—	—	(5,154,184)	(5,154,184)
Issue of shares	3	7,160,946	—	7,160,949
Equity-settled share-based payments	—	—	417,879	417,879
<b>Total investments by and distributions to owners</b>	<u>3</u>	<u>7,160,946</u>	<u>417,879</u>	<u>7,578,828</u>
<b>At 31 December 2020</b>	<u>8</u>	<u>12,445,152</u>	<u>(10,114,319)</u>	<u>2,330,841</u>

The notes on pages 14 to 23 form part of these financial statements.

# Unmind Limited

## Company Statement of Changes in Equity

Year ended 31 December 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 January 2019 (as previously reported)</b>	4	2,115,377	(1,792,547)	322,834
Prior period adjustments	—	—	(44,268)	(44,268)
<b>At 1 January 2019 (restated)</b>	<u>4</u>	<u>2,115,377</u>	<u>(1,836,815)</u>	<u>(278,566)</u>
Loss for the year	—	—	(3,972,380)	(3,972,380)
<b>Total comprehensive income for the year</b>	—	—	(3,972,380)	(3,972,380)
Issue of shares	1	3,168,829	—	3,168,830
Equity-settled share-based payments	—	—	431,181	431,181
<b>Total investments by and distributions to owners</b>	<u>1</u>	<u>3,168,829</u>	<u>431,181</u>	<u>3,600,011</u>
<b>At 31 December 2019</b>	5	5,284,206	(5,378,014)	(93,803)
Loss for the year	—	—	(4,750,600)	(4,750,600)
<b>Total comprehensive income for the year</b>	—	—	(4,750,600)	(4,750,600)
Issue of shares	3	7,160,946	—	7,160,949
Equity-settled share-based payments	—	—	417,878	417,878
<b>Total investments by and distributions to owners</b>	<u>3</u>	<u>7,160,946</u>	<u>417,878</u>	<u>7,578,827</u>
<b>At 31 December 2020</b>	<u>8</u>	<u>12,445,152</u>	<u>(9,710,736)</u>	<u>2,734,424</u>

The notes on pages 14 to 23 form part of these financial statements.

# Unmind Limited

## Notes to the Financial Statements

Year ended 31 December 2020

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### 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 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 Group and Company successfully raised finance totalling over £7.1m in the year. During the forecast period to December 2022, 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 continues to be a threat for businesses globally. The Directors continually monitor the implications of the pandemic and based on a review of the activities of the Group and Company to date, the current working capital position of the Group and Company and the ability to reduce certain costs in the short term, the directors currently believe that this risk can be managed for the year ahead.

The directors therefore have reasonable expectation that there will be adequate resources for the Group and Company to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of these accounts and have adopted the going concern basis in preparing these financial statements.

# Unmind Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

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#### 3. Accounting policies *(continued)*

##### Disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations of the Group and the parent company would be identical;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.
- The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

##### Consolidation

The financial statements consolidate the financial statements of Unmind Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

##### Judgements and key sources of estimation uncertainty

The preparation of financial statements under FRS 102 requires the Group and 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.

# Unmind Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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### 3. Accounting policies *(continued)*

#### 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.

#### 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.

# Unmind Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

---

#### 3. Accounting policies *(continued)*

##### 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 management's 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

##### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

##### Share options

Employees (including Directors) of the Group were granted share options in the prior 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 2020

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#### 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. Prior impairments are also reviewed for possible reversal at each reporting date.

##### 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.

##### Prior period adjustment

In the prior period to 31 December 2019, a restatement adjustment was made to retained earnings regarding a change of accounting policy of £668,826. It was identified in the current year that such a change was incorrect, and the amount should have only been £44,268. As such, an adjustment has been put through the current year comparatives, to recognise the correct retained earnings and debtors held by the entity as at 31 December 2018 and 31 December 2019. The corresponding entry was to current assets. There was no effect on the statement of comprehensive income in respect of this adjustment.

# Unmind Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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### 4. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>15,000</u>	<u>12,000</u>

### 5. Employee numbers

The average number of persons employed by the company during the year, including the directors and key management personnel amounted to 62 (2019: 40).

### 6. Profit before taxation

Profit before taxation is stated after charging:

	2020	2019
	£	£
Amortisation of intangible assets	10,328	33,778
Depreciation of tangible assets	<u>43,607</u>	<u>22,784</u>

### 7. Tax on loss

#### Major components of tax income

	2020	2019
	£	£
<b>Current tax:</b>		
UK current tax income	(401,367)	(132,115)
<b>Tax on loss</b>	<u>(401,367)</u>	<u>(132,115)</u>

#### Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Loss on ordinary activities before taxation	<u>(5,566,086)</u>	<u>(4,104,495)</u>
Loss on ordinary activities by rate of tax	(1,057,556)	(779,854)
Effect of expenses not deductible for tax purposes	71,393	85,287
Effect of capital allowances and depreciation	(56,041)	(2,028)
Research and development tax credit	(401,367)	(132,115)
Unused tax losses	<u>1,042,204</u>	<u>696,595</u>
Tax on loss	<u>(401,367)</u>	<u>(132,115)</u>

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# Unmind Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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### 8. Intangible assets

Group and company	Development costs £
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	<u>101,422</u>
<b>Amortisation</b>	
At 1 January 2020	91,094
Charge for the year	<u>10,328</u>
<b>At 31 December 2020</b>	<u>101,422</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>—</u>
At 31 December 2019	<u>10,328</u>

### 9. Tangible assets

Group	Equipment £
<b>Cost</b>	
At 1 January 2020	91,393
Additions	<u>109,037</u>
<b>At 31 December 2020</b>	<u>200,430</u>
<b>Depreciation</b>	
At 1 January 2020	29,838
Charge for the year	<u>43,607</u>
<b>At 31 December 2020</b>	<u>73,445</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>126,985</u>
At 31 December 2019	<u>61,555</u>
<b>Company</b>	<b>Equipment £</b>
<b>Cost</b>	
At 1 January 2020	80,856
Additions	<u>109,037</u>
<b>At 31 December 2020</b>	<u>189,893</u>
<b>Depreciation</b>	
At 1 January 2020	29,838
Charge for the year	<u>42,624</u>
<b>At 31 December 2020</b>	<u>72,462</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>117,431</u>
At 31 December 2019	<u>51,018</u>

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# Unmind Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

### 10. Investments

The group has no investments.

Company	Subsidiary investments £
<b>Cost</b>	
At 1 January 2020	-
Additions	67
<b>At 31 December 2020</b>	<u>67</u>
<b>Impairment</b>	
At 1 January 2020 and 31 December 2020	<u>-</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>67</u>
At 31 December 2019	<u>-</u>

#### Subsidiaries

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Class of share	Percentage of shares held	Principal activity
Unmind, Inc.	Common Stock	100	Wellbeing platform
Unmind Australia Pty Ltd	Ordinary	100	Wellbeing platform

Unmind, Inc. was acquired at incorporation in the year. The registered office and principal place of business address of Unmind, Inc is 875 Washington St, NY, NY 10014, USA.

Unmind Australia PTY Ltd was acquired at incorporation in the year. The registered office and principle place of business address of Unmind Australia PTY Ltd is 5 Martin Place, L14, Sydney, NSW 2000.

### 11. Debtors

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	274,822	518,024	258,118	518,024
Amounts owed by group undertakings	-	-	777,448	-
Other debtors	300,652	6,619,452	269,734	6,619,452
	<u>575,474</u>	<u>7,137,476</u>	<u>1,305,300</u>	<u>7,137,476</u>

Amounts owed by group undertakings are interest free and unsecured. All trade receivable amounts are short term. All of the Group's trade and other receivables have been reviewed for indicators of impairment and, where necessary, a provision for impairment provided. The carrying value is considered a fair approximation of their fair value. The Group's management considers that all the above financial assets are not impaired or past due and are of good credit quality.

# Unmind Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

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#### 12. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	121,322	54,434	121,280	54,434
Social security and other taxes	344,432	138,886	333,196	138,886
Other creditors	1,895,210	8,278,725	1,837,594	8,278,725
	<u>2,360,964</u>	<u>8,472,045</u>	<u>2,292,070</u>	<u>8,472,045</u>

#### 13. Share-based payments

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 4 year period. At the year-end 200,753 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.

	2020		2019	
	No. £	WAEP £	No. £	WAEP £
Balance brought forward	646,754	–	33,557	–
Share options granted	–	–	613,197	–
Balance carried forward	<u>646,754</u>	<u>–</u>	<u>646,754</u>	<u>–</u>

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 £417,878 (2019: £431,181).

#### 14. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

# Unmind Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

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#### 15. Operating leases

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	358,892	35,700	335,750	35,700
Later than 1 year and not later than 5 years	225,199	249,900	150,450	249,900
	<u>584,091</u>	<u>285,600</u>	<u>486,200</u>	<u>285,600</u>

#### 16. Other financial commitments

##### *Capital commitments*

As at 31 December 2020 the Group and Company had no capital or other commitments or contracts for capital expenditure in place (2019: £nil).

##### *Pension Commitments*

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £63,302 (2019: £25,742). As at the reporting date £14,662 were due to defined contributions plans (2019: £15,176).

#### 17. Related party transactions

##### **Company and Group**

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

#### 18. Controlling party

There is considered to be no ultimate controlling party.