

# KIND Snacks UK Limited

Director's report and financial statements

Year ended 31 December 2019

**Registered number: 09402330**

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# KIND Snacks UK Limited

## Director's report and financial statements

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# KIND Snacks UK Limited

## Directors and other information

<b>Director</b>	Mr. J. R. Mervis (U.S)
<b>Secretary</b>	Scrip Secretaries Limited
<b>Registered office</b>	15th Floor 125 Old Broad Street London EC2N 1AR
<b>Auditors</b>	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
<b>Bankers</b>	Ulster Bank Ltd Danesfort Stranmillis Road Belfast BT9 5UD
<b>Solicitors</b>	Goodbody Secretarial Limited
<b>Company number</b>	09402330

# KIND Snacks UK Limited

## Director's report

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

### Principal activity

The principal activity of the Company is that of selling fruit and nut bars. It is a wholly owned subsidiary of KIND International Limited, a company incorporated in Ireland. Its ultimate parent is KIND Inc. incorporated in the US.

### Business review

There has been no significant change in the activity during the year.

### Proposed dividend

The directors do not recommend the payment of a dividend.

### Directors secretary and their interests

The names of the persons who were directors during the year are set out below. Except where indicated, they served as directors for the entire year:

Mr. J.R. Mervis (US)

All the directors who are eligible offer themselves for election at the forthcoming Annual General Meeting.

### Political and charitable contributions

The Company made no political nor charitable contributions or incurred any political expenditure during the year.

### Small company exemption

The Company has availed of the exemption under the Companies Act 2006 ("Strategic Report and Director's Report") Regulations 2013 from implementing the Strategic report requirements as the Company qualifies as a small company for law purposes.

### Disclosure to information to auditor

The director who held office at the date of approval of this Director's report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Post balance sheet events

Refer to subsequent events footnote.

## KIND Snacks UK Limited

### Director's report *(continued)*

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG, Chartered Accountants will therefore continue in office.

On behalf of the board

DocuSigned by:

*Justin Mervis*

8ADC53DFD05C404...

Mr. J.R. Mervis  
*Director*

2 December 2020

## KIND Snacks UK Limited

### Statement of Director's responsibilities in respect of the Director's report and the financial statements

The directors are responsible for preparing the Director's 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 they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board

DocuSigned by:  
  
8ADC53DFD05C404...  
Mr. J.R. Mervis  
Director

2 December 2020



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## Independent auditor's report to the members of Kind Snacks UK Limited

### Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of Kind Snacks UK Limited ("the Company") for the year ended 31 December 2019 set out on pages 8 to 16 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly 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 Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

#### **We have nothing to report on going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Director's conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company and the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.



Independent auditor's report to the members of KIND Snacks UK Limited  
(continued)

**Report on the audit of the financial statements (continued)**

***We have nothing to report on going concern (continued)***

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

***Other information***

The directors are responsible for the other information presented in the financial statements. The other information comprises the information included in the Director's report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the Director's report;
- in our opinion, the information given in the Director's report is consistent with the financial statements;
- in our opinion, the Director's report has been prepared in accordance with the Companies Act 2006.

***Matters on which we are required to report by exception***

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Director's 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.





Independent auditor's report to the members of KIND Snacks UK Limited  
(continued)

**Respective responsibilities and restrictions on use**

***Responsibilities of directors for the financial statements***

As explained more fully in the Director's responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

Maurice McCann  
Senior Statutory Auditor  
for and on behalf of  
KPMG  
Chartered Accountants, Statutory Audit Firm  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

2 December 2020

## Kind Snacks UK Limited

### Profit and loss account and other comprehensive income for the year ended 31 December 2019

	<i>Note</i>	<b>2019</b> £	2018 £
<b>Turnover</b>		<b>13,362,745</b>	6,776,421
Cost of sales		<b>(5,080,779)</b>	(2,659,415)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>8,281,966</b>	4,117,006
Administrative expenses	3	<b>(8,093,782)</b>	(4,035,689)
		<hr/>	<hr/>
<b>Profit before taxation</b>	2	<b>188,184</b>	81,317
Tax on Profit on ordinary activities	4	<b>(35,755)</b>	(15,450)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>152,429</b>	65,867
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains or losses other than the above and accordingly no statement of other comprehensive income has been provided.


All results arise from continuing operations.

## KIND Snacks UK Limited

### Balance sheet as at 31 December 2019

	Note	2019 £	2018 £
<b>Current assets</b>			
Stocks	5	3,946,782	1,960,322
Debtors	6	3,930,696	2,784,105
Cash at bank	7	1,834,112	2,165,132
		<hr/>	<hr/>
		9,711,590	6,909,559
<b>Creditors: amounts falling due within one year</b>	8	<b>(8,832,009)</b>	<b>(6,795,622)</b>
		<hr/>	<hr/>
<b>Net current assets</b>		<b>879,581</b>	<b>113,937</b>
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>879,581</b>	<b>113,937</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Capital contribution		613,215	-
Profit and loss account		266,365	113,936
		<hr/>	<hr/>
<b>Shareholder's funds</b>		<b>879,581</b>	<b>113,937</b>
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 2 December 2020 and were signed on its behalf by:

DocuSigned by:  
  
8ADC53DFD05C404...  
 Mr. J.R. Mervis  
 Director

## KIND Snacks UK Limited

### Statement of changes in equity for the year ended 31 December 2019

	Share capital £	Capital contribution £	Profit and loss account £	Total equity £
<b>Balance at 1 January 2018</b>	1	-	48,069	48,070
<i>Comprehensive income:</i>				
Profit for the year	-	-	65,867	65,867
<b>Balance at 31 December 2018</b>	<b>1</b>	<b>-</b>	<b>113,936</b>	<b>113,937</b>
<b>Balance at 1 January 2019</b>	1	-	113,936	113,937
<i>Comprehensive income:</i>				
Profit for the year	-	-	152,429	152,429
Capital contribution	-	613,215	-	613,215
<b>Balance at 31 December 2019</b>	<b>1</b>	<b>613,215</b>	<b>266,365</b>	<b>879,581</b>

# KIND Snacks UK Limited

Notes *(continued)*

Notes

*forming part of the financial statements*

## **1 Accounting policies**

### **Basis of preparing the financial statements**

KIND UK Limited ("the Company") is a private company incorporated, domiciled and registered in England in the U.K. The registered number is 09402330 and the registered address of its office is 15<sup>th</sup> Floor, 125 Old Broad Street, London EC2N 1AR.

The Company is exempt by virtue of S402 subject to the small companies' regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). There have been no material departures from the Standards. The presentation currency of these financial statements is sterling.

The Company's immediate holdings undertaking, KIND Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of KIND Holdings Limited are prepared in accordance with Financial Reporting Standard 102 ("FRS 102"). Accordingly, the Company has availed of the exemption in FRS 102 from the requirement to present a cashflow statement and certain disclosures required by FRS 102.26 Share Based Payments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There were no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

### **1.1 Going concern**

The financial statements have been prepared on the going concern basis.

### **1.2 Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax sold to third parties, together with fees receivable from a group company, for services provided by the Company.

### **1.3 Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

### **1.4 Stock compensation**

Stock options granted to employees of the group by the company's ultimate parent undertaking are recorded as a charge to the profit and loss account over the vesting period and are measured at grant-date fair value. A corresponding entry is recorded as a capital contribution directly in equity.

# KIND Snacks UK Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Basic financial instruments

##### *Trade and other debtors/creditors*

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortized costs using the effective interest method, less any impairment losses in the case of trade debtors.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

#### 1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property except when the investment property has a limited useful life and the objective of the Company's business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

<b>2 Operating profit</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
The operating profit is stated after charging/(crediting):		
Director's remuneration	-	183,715
Auditor's remuneration	<b>6,000</b>	5,950
	<hr/>	<hr/>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £Nil (2018: £183,715), and company pension contributions of £Nil (2018: £7,349) were made to a money purchase scheme on the director's behalf.

## KIND Snacks UK Limited

### Notes (continued)

<b>3</b>	<b>Administrative expenses</b>	<b>2019</b>	<b>2018</b>
		<b>Number</b>	<b>Number</b>
	Total average number of employees	-	5
		<hr/> <hr/>	<hr/> <hr/>
		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Gross wages (includes the Director's remuneration in note 2)	<b>2,126,221</b>	<b>870,603</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>4</b>	<b>Taxation</b>	<b>2019</b>	<b>2018</b>
		<b>€</b>	<b>€</b>
	<b>Analysis of the tax charge</b>		
	The tax charge on the profit on ordinary activities for the year was as follows:		
	<i>Current tax</i>		
	Corporation tax	<b>35,755</b>	<b>15,450</b>
		<hr/> <hr/>	<hr/> <hr/>
	Tax on profit on ordinary activities	<b>35,755</b>	<b>15,450</b>
		<hr/> <hr/>	<hr/> <hr/>
	The effective tax rate is materially the same as the UK corporation tax rate of 19%.		
<b>5</b>	<b>Stock</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Finished goods	<b>3,946,782</b>	<b>1,960,322</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>6</b>	<b>Debtors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Trade debtors	<b>2,585,451</b>	<b>1,775,897</b>
	Other debtors	<b>188,090</b>	<b>21,571</b>
	Amounts owed from group companies	<b>1,157,155</b>	<b>986,637</b>
		<hr/> <hr/>	<hr/> <hr/>
		<b>3,930,696</b>	<b>2,784,105</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>7</b>	<b>Cash at bank and in hand</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Cash at bank and in hand	<b>1,834,112</b>	<b>2,165,132</b>
		<hr/> <hr/>	<hr/> <hr/>

## KIND Snacks UK Limited

### Notes (continued)

<b>8 Creditors:</b> amounts falling due within one year	<b>2019</b>	<b>2018</b>
	£	£
Trade creditors	772,414	371,898
Amounts owed to immediate parent and group companies	7,875,690	5,122,684
Taxation and social security	35,755	15,450
Other creditors	148,150	1,285,590
	<u>8,832,009</u>	<u>6,795,622</u>

<b>9 Called up share capital</b>	<b>2019</b>	<b>2018</b>
	£	£
<i>Allotted, issued and fully paid:</i>		
	<i>Class:</i>	<i>Nominal value:</i>
<i>Number:</i>		
1	Ordinary	£1
	<u>1</u>	<u>1</u>

### 10 Ultimate parent company

KIND Inc. (incorporated in USA) is regarded by the directors as being the Company's ultimate parent company. Its immediate parent company is KIND International Limited, a company incorporated in Ireland.

<b>11 Related party disclosures</b>	<b>2019</b>	<b>2018</b>
	£	£
<b>KIND International Limited</b>		
Shareholder		
Amount due to related party at the balance sheet date	<u>(6,197,835)</u>	<u>(4,023,070)</u>
<b>KIND LLC</b>	<b>2019</b>	<b>2018</b>
Group Companies	£	£
Amount due to related party at the balance sheet date	<u>(733,565)</u>	<u>(708,330)</u>
<b>KIND Holdings Limited</b>	<b>2019</b>	<b>2018</b>
Group Companies	£	£
Amount due to related party at the balance sheet date	<u>(57,736)</u>	<u>(52,286)</u>
<b>KIND Management Inc.</b>	<b>2019</b>	<b>2018</b>
Group Companies	£	£
Amount due to related party at the balance sheet date	<u>(886,555)</u>	<u>(338,997)</u>



## KIND Snacks UK Limited

### Notes (continued)

<b>KIND Healthy Snacks ULC</b> Group Companies	<b>2019</b> £	2018 £
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Amount due owed from related party at the balance sheet date	<b>4,664</b>	4,621
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<b>KIND Operations Inc.</b> Group Companies	<b>2019</b> £	2018 £
--	------------------	-----------

Amount owed from related party at the balance sheet date	<b>4,881</b>	9,395
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### 11 Related party disclosures (continued)

<b>KIND Inc.</b> Group Companies	<b>2019</b> £	2018 £
-------------------------------------	------------------	-----------

Amount owed from related party at the balance sheet date	<b>1,147,609</b>	972,981
--	------------------	---------

### 12 Accounting estimates and judgements

The preparation of financial statement requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Estimates and judgments are based on historical experiences and on other factors that are reasonable under current circumstances. Actual results may differ from these estimates if these assumptions prove to be incorrect or if conditions develop other than as assumed for the purposes of such estimates. The key accounting judgements and sources of estimation affecting these financial statements are those relating to the recoverability of debtors and recoverability of stock.

#### Key source of estimation uncertainty

##### Recoverability of trade debtors

Trade debtors are reviewed for their recoverability on a periodic basis by the directors. If any specific debtors are identified as having some doubt as to their recoverability they are fully provided for.

##### Recoverability of stocks

The carrying value of stock is reviewed for impairment on a periodic basis by the Management. If any specific stock is identified as having some doubt as to its recoverability it is provided for to ensure it is carried at the lower of cost and net realisable value.

### 13 Capital commitments

The company had no material capital commitments at the financial year-ended 31 December 2019.

## KIND Snacks UK Limited

### Notes *(continued)*

#### **14 Subsequent events**

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The Company continues to monitor and react to the impacts of COVID-19. Our business has been somewhat impacted in various regions due to quarantine measure restricting consumer buying patterns. We have not realized any risk of uncollectible trade accounts and our inventory balances are sufficient to fulfill our current customer obligations.

The Director notes that the Company has a strong balance sheet with adequate resources for the Company to continue for the foreseeable future. The Director continue to closely monitor developments associated with the Covid-19 pandemic.

There were no other significant post balance sheet events effecting the Company.

#### **15 Approval of financial statements**

These financial statements were approved by the directors on 2 December 2020.