

KIND Snacks UK Limited

Annual report and
financial statements

Year ended 31 December 2017

Registered number: 09402330

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KIND Snacks UK Limited

Annual report and financial statements

<i>Contents</i>	<i>Page</i>
Annual report and financial statements	1
Directors' report	2
Statement of directors' responsibilities in respect of the directors' report and the financial statements	4
Independent auditor's report to the members of Kind Snacks UK Limited	5
Profit and loss account and other comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes forming part of the financial statements	11

KIND Snacks UK Limited

Annual report and financial statements

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

KIND Snacks UK Limited

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

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 directors who have held office during the period from 31 December 2016 to the date of this report are as follows:

Mr. J. Antebi - resigned 16 February 2017
Ms. K. M. Lucas – resigned 23 August 2018
Mr. J. R. Mervis - appointed 22 January 2015

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

None of the directors held more than 1% of the shares or debentures in the Company or Group companies during the financial year.

Political and charitable donations

The Company made no political nor charitable donations 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 Directors' Report") Regulations 2013 from implementing the Strategic report requirements as the Company qualifies as a small company for law purposes.

Disclosure to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each 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.

KIND Snacks UK Limited

Directors' report

Post balance sheet events

Effective on January 17, 2018, the license to use the intellectual property was transferred from KIND Holdings to KIND LLC.

Auditor

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

On behalf of the board



Mr. J.R. Mervis
Director

Sept 27 2018

KIND Snacks UK Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

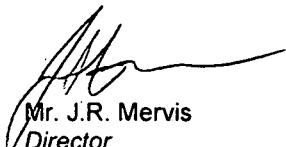
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 assets, liabilities and financial position of the Company and of its profit or loss 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 which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss 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. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board


Mr. J.R. Mervis
Director

Sept 27, 2018



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

1 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 2017 set out on pages 8 to 15, which comprise the profit and loss account, balance sheet, 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 2017 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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. 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.

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

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' 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 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in regard to these matters.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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 they 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 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 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



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

A fuller description of our responsibilities is provided on the FRC's website at 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.

A handwritten signature in black ink, appearing to read 'M. McCann', written over a horizontal line.

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

27 September 2018

KIND Snacks UK Limited

Profit and loss account and other comprehensive income for the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover		3,511,869	1,441,796
Cost of sales		(1,961,857)	(428,800)
Gross profit		1,550,012	1,012,996
Administrative expenses	3	(1,507,870)	(995,704)
Profit before taxation	2	42,142	17,292
Tax on Profit on ordinary activities	4	(8,428)	(3,354)
Profit for the financial period		33,714	13,938

There were no recognized gains or losses other than the above and accordingly no statement of total gains and losses has been provided.

All results arise from continuing operations.


KIND Snacks UK Limited

Balance sheet

as at 31 December 2017

	Note	2017 £	2016 £
Current assets			
Stocks	5	472,471	359,743
Debtors	6	788,445	536,640
Cash at bank	7	1,651,886	925,370
		<u>2,912,802</u>	<u>1,821,753</u>
Creditors: Amounts falling due within one year	8	(2,864,732)	(1,807,397)
		<u>48,070</u>	<u>14,356</u>
Net current assets		48,070	14,356
		<u>48,070</u>	<u>14,356</u>
Total assets less current liabilities		48,070	14,356
		<u>48,070</u>	<u>14,356</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		48,069	14,355
		<u>48,070</u>	<u>14,356</u>
Shareholders' funds		48,070	14,356
		<u>48,070</u>	<u>14,356</u>

The accounts were approved by the Board of Directors on *Sept 27,* 2018 and were signed on its behalf by:


Mr. J.R. Mervis
Director

KIND Snacks UK Limited

Statement of changes in equity for the year ended 31 December 2017

	Share Capital £	Profit and loss account £	Total £
Balance – 22 January 2016	1	417	418
<i>Comprehensive income:</i>			
Profit for the period	-	13,938	13,938
	<hr/>	<hr/>	<hr/>
Balance – 31 December 2016	1	14,355	14,356
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Comprehensive income:</i>			
Profit for the year	-	33,714	33,714
	<hr/>	<hr/>	<hr/>
Balance – 31 December 2017	1	48,069	48,070
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

KIND Snacks UK Limited

Notes

forming part of the financial statements

1 Accounting policies

Basis of preparing the financial statements

KIND UK Limited (the "Company") is a company limited by shares and incorporated and domiciled in U.K. The address of its registered office is 15th 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*") as issued in August 2014. The amendments to FRS 102 issued in July 2016 have been applied. 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. Accordingly, the company has availed of the exemption in FRS 102 from the requirement to present a cashflow statement.

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 Basic Financial Instruments

Trade and other debtors/creditors

Trade and other debtors are recognized initially at transaction price plus attributable transaction costs. Trade and other creditors are recognized 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.

KIND Snacks UK Limited

Notes (continued)

1 Accounting policies (continued)

1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized 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 recognized in the financial statements. Deferred tax is not recognized 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 recognized 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.

2 Operating profit

The operating profit is stated after charging/ (crediting):

	2017 £	2016 £
Directors' remuneration	210,528	181,257
Auditor's remuneration	5,450	5,450
	<u> </u>	<u> </u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £ 210,528 (2016: £181,257), and company pension contributions of £11,101 (2016: £ 6,947) were made to a money purchase scheme on the director's behalf.

KIND Snacks UK Limited

Notes (continued)

3 Administrative expenses

	2017	2016
Total number of employees	10	7
	£	£
Gross wages (includes the directors' remuneration in note 2)	623,830	501,888

4 Taxation

2017	2016
£	£

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows:

<i>Current tax</i>		
Corporation tax	8,428	3,354
Tax on profit on ordinary activities	8,428	3,354

The effective tax rate is materially the same as the UK corporation tax rate of 20%.

5 Stock

	2017	2016
	£	£
Finished goods	472,471	359,743

6 Debtors: amounts falling due within one year

	2017	2016
	£	£
Trade debtors	667,670	326,156
Other debtors	114,275	180,203
Amounts owed from group companies	6,500	30,281
	788,445	536,640

7 Cash at bank and in hand

	2017	2016
	£	£
Cash at bank and in hand	1,651,886	925,370

KIND Snacks UK Limited

Notes (continued)

8 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	47,390	18,205
Amounts owed to immediate parent and group companies	2,399,425	1,728,574
Taxation and social security	8,428	3,354
Other creditors	409,489	57,264
	<u>2,864,732</u>	<u>1,807,397</u>

9 Called up share capital	2017	2016
	£	£
Allotted, issued and fully paid:		
Number:	Class:	Nominal
		value:
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.

11 Related party disclosures

KIND International Limited	2017	2016
Shareholder	£	£
Amount due to related party at the balance sheet date	<u>1,457,998</u>	<u>976,025</u>
KIND LLC	2017	2016
Group Companies	£	£
Amount due to related party at the balance sheet date	<u>737,554</u>	<u>671,957</u>
KIND Holdings Limited	2017	2016
Group Companies	£	£
Amount due to related party at the balance sheet date	<u>28,765</u>	<u>47,163</u>

KIND Snacks UK Limited

Notes (continued)

11 Related party disclosures (continued)

KIND Management Inc. Group Companies	2017 £	2016 £
Amount due to related party at the balance sheet date	174,894	28,606
	<hr/> <hr/>	<hr/> <hr/>
KIND Healthy Snacks ULC Group Companies	2017 £	2016 £
Amount due to related party at the balance sheet date	213	4,823
	<hr/> <hr/>	<hr/> <hr/>
KIND Operations Inc. Group Companies	2017 £	2016 £
Amount owed from related party at the balance sheet date	(6,500)	(30,281)
	<hr/> <hr/>	<hr/> <hr/>