

Company registration number 12812342 (England and Wales)

**GRIND HOLDINGS LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2023**

# GRIND HOLDINGS LTD

## COMPANY INFORMATION

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**Directors**                      Mr D W Abrahamovitch  
   Mr D Sherfield  
   Mr J A C Ayton  
   Mr T Bunting  
   Mr J Reeve  
   Mr E Robinson

**Company number**              12812342

**Registered office**              8-10 New North Place  
   Shoreditch  
   London  
   United Kingdom  
   EC2A 4JA

**Auditor**                              Azets Audit Services  
   24 Park Road South  
   Havant  
   Hampshire  
   United Kingdom  
   PO9 1HB

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# GRIND HOLDINGS LTD

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# GRIND HOLDINGS LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 APRIL 2023

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The directors present the strategic report for the year ended 30 April 2023.

#### Review of the business

For the last financial year to 30th April 2023, the business achieved record annual sales of £21.7m (+28% vs FY22). This was split roughly 50/50 between sales on the high street and sales of our coffee pods and other coffee products via our website, Amazon and our wholesale partners.

The highstreet grew 25% in FY23, representing a successful year considering the significant number of train strikes through the year which really harmed sales every time they occurred. The business is back to trading above pre-pandemic levels despite the increased levels of work from home, and we are confident that this can continue to grow as people slowly come back into the city more often.

During the financial year the business opened two new sites in Kings Cross and Canary Wharf, and we remain open to exploring new site opportunities as they arise.

We continue to invest in our online business, which has bucked the trend of many DTC businesses to grow in FY23, and has continued this strong growth into FY24.

In March 2023, Grind Holdings Ltd acquired Bottleshot Brew Ltd, a canned coffee brand. The Bottleshot team joined Grind to lead efforts into launching Grind ready to drink cans, as well as listing all Grind coffee products into Grocery channels.

Alongside this acquisition, we launched into Waitrose at the end of the financial year as our first step into the major Grocers. We will look to continue growth in this side of the business over the next 12-24 months.

The business is investing in growth and marketing activities and has therefore continued to make losses (EBITDA loss of £3.8m in FY23). These losses are in line with management and investor budgets, and the board is confident in its strategy moving forwards. The business raised £7m in February 2023 and completed a further £5.5m round after year end. The business is therefore well capitalised and in a strong position to continue to grow in the coming years.

#### Principal risks and uncertainties

As with any business in a consumer facing industry, it is vulnerable to certain risks which may impact on consumer confidence and the cost of running the business. The directors and management team regularly review these risks to ensure they continue to be managed effectively.

Inflationary pressures continue to impact staff costs and supply prices. The company continues to review all costs to the business and undertake supplier negotiations in order to mitigate these pressures.

Historically there has been little credit risk in the company as the majority of customers on the Highstreet and online pay by credit or debit card at point of sale. With the growth of B2B and Grocery in coming years, this is a risk that will start to increase, however is mitigated to a degree by the size and stability of the customers we will be serving.

The group has bank loans totalling £4.8m at year end that are on variable interest rates between 2.98-3.99% above the base rate, representing a continued exposure to interest rate rises. We are working closely with our bank to transition from the term debt we have held historically towards structured inventory and debtor backed facilities.

Brexit has not had a material impact on the business beyond the indirect inflationary pressures all businesses are currently facing. As the online and wholesale business grows, imports from South America, the EU and China will increase and management is continuing to ensure the most effective routes are used to manage this supply chain. The Group is also looking to hedge the currency exposure this increased international trade creates wherever possible.

## GRIND HOLDINGS LTD

### STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2023**

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#### Key performance indicators

Management utilises a number of qualitative and quantitative indicators to monitor and improve the company's performance. The company considers turnover and EBITDA to be key financial performance indicators.

	2023	2022	2021
	£	£	£
Turnover	21,684,041	16,893,251	8,242,849
EBITDA	(3,846,417)	(1,422,587)	(1,343,988)

The above results show the consolidated results for Grind Holdings Ltd, Grind & Co Ltd, Grind Coffee Roasters Ltd and Grind USA Incorporated, following the group reorganisation in September 2020 which placed Grind Holdings Ltd as the ultimate parent company. The results for 2023 also include Bottleshot Brew Ltd following the acquisition in March 2023.

The increase in EBITDA loss is predominantly due to increased marketing investment through the year, which saw the group invest £3.8m in marketing activities.

On behalf of the board

Mr D W Abrahamovitch  
**Director**

31 January 2024

# GRIND HOLDINGS LTD

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 APRIL 2023

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The directors present their annual report and financial statements for the year ended 30 April 2023.

#### Principal activities

The principal activity of the company and group continued to be that of the operation and management of cafes and restaurants.

#### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D W Abrahamovitch  
Mr D Sherfield  
Mr J A C Ayton  
Mr T Bunting  
Mr J Reeve  
Mr E Robinson

#### Auditor

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming annual general meeting.

#### Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of review of the business and information material to the Company's strategy and management of financial risk exposure.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of review of the business and information material to the Company's strategy and management of financial risk exposure.

On behalf of the board

Mr D W Abrahamovitch  
**Director**

31 January 2024

## **GRIND HOLDINGS LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2023***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

# GRIND HOLDINGS LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIND HOLDINGS LTD

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### Opinion

We have audited the financial statements of Grind Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 the parent company's affairs as at 30 April 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 and parent company 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### 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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



## **GRIND HOLDINGS LTD**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GRIND HOLDINGS LTD**

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#### **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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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.

#### **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 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 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **GRIND HOLDINGS LTD**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GRIND HOLDINGS LTD**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

#### **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.

**Mr Richard Hutchinson (Senior Statutory Auditor)**  
**For and behalf of Azets Audit Services**

31 January 2024

**Chartered Accountants**  
**Statutory Auditor**

# GRIND HOLDINGS LTD

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	21,684,042	16,893,251
Cost of sales		(9,897,637)	(7,036,954)
<b>Gross profit</b>		11,786,405	9,856,297
Administrative expenses		(16,802,516)	(13,189,117)
Other operating income		8,191	197,294
<b>Operating loss</b>	<b>4</b>	(5,007,920)	(3,135,526)
Interest receivable and similar income	<b>7</b>	35,210	914
Interest payable and similar expenses	<b>9</b>	(340,390)	(220,823)
<b>Loss before taxation</b>		(5,313,100)	(3,355,435)
Tax on loss	<b>10</b>	(5,113)	248,783
<b>Loss for the financial year</b>		(5,318,213)	(3,106,652)
Loss for the financial year is attributable to:			
- Owners of the parent company		(5,230,352)	(3,076,585)
- Non-controlling interests		(87,861)	(30,067)
		(5,318,213)	(3,106,652)
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(5,230,352)	(3,076,585)
- Non-controlling interests		(87,861)	(30,067)
		(5,318,213)	(3,106,652)

# GRIND HOLDINGS LTD

## GROUP BALANCE SHEET

AS AT 30 APRIL 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		3,219,288		-
Other intangible assets	11		739,682		730,829
Total intangible assets			3,958,970		730,829
Tangible assets	12		3,355,040		3,344,879
			7,314,010		4,075,708
<b>Current assets</b>					
Stocks	15	3,643,477		3,652,905	
Debtors	16	4,780,574		3,790,478	
Cash at bank and in hand		6,552,930		7,035,413	
			14,976,981		14,478,796
<b>Creditors: amounts falling due within one year</b>	17	(8,739,446)		(5,781,210)	
<b>Net current assets</b>			6,237,535		8,697,586
<b>Total assets less current liabilities</b>			13,551,545		12,773,294
<b>Creditors: amounts falling due after more than one year</b>	18	(2,628,210)		(3,771,872)	
<b>Net assets</b>			10,923,335		9,001,422
<b>Capital and reserves</b>					
Called up share capital	22		58,977		47,220
Share premium account			17,219,135		9,990,766
Profit and loss reserves			(6,230,826)		(1,000,474)
<b>Equity attributable to owners of the parent company</b>			11,047,286		9,037,512
<b>Non-controlling interests</b>			(123,951)		(36,090)
			10,923,335		9,001,422

The financial statements were approved by the board of directors and authorised for issue on 31 January 2024 and are signed on its behalf by:

Mr D W Abrahamovitch  
Director

Company registration number 12812342 (England and Wales)

# GRIND HOLDINGS LTD

## COMPANY BALANCE SHEET

AS AT 30 APRIL 2023

		2023	2022
	Notes	£	£
<b>Fixed assets</b>			
Investments	13	3,340,052	37,984
<b>Current assets</b>			
Debtors	16	10,308,435	4,339,547
Cash at bank and in hand		5,583,239	5,775,686
		15,891,674	10,115,233
<b>Creditors: amounts falling due within one year</b>	17	(1,953,616)	(115,233)
<b>Net current assets</b>		13,938,058	10,000,000
<b>Net assets</b>		17,278,110	10,037,984
<b>Capital and reserves</b>			
Called up share capital	22	58,977	47,220
Share premium account		17,219,133	9,990,764
<b>Total equity</b>		17,278,110	10,037,984

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2022 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 31 January 2024 and are signed on its behalf by:

Mr D W Abrahamovitch  
**Director**

Company registration number 12812342 (England and Wales)

# GRIND HOLDINGS LTD

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2023

		Share capital	Share premium account	Total
	Notes	£	£	£
Balance at 1 May 2021		37,983	-	37,983
Year ended 30 April 2022:				
Profit and total comprehensive income for the year		-	-	-
Issue of share capital	22	9,237	9,990,764	10,000,001
Balance at 30 April 2022		47,220	9,990,764	10,037,984
Year ended 30 April 2023:				
Profit and total comprehensive income		-	-	-
Issue of share capital	22	11,757	7,228,369	7,240,126
Balance at 30 April 2023		58,977	17,219,133	17,278,110

# GRIND HOLDINGS LTD

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2023

	Share capital	Share premium account	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£
<b>Balance at 1 May 2021</b>	37,983	-	2,076,111	2,114,094	(6,023)	2,108,071
<b>Year ended 30 April 2022:</b>						
Loss and total comprehensive income	-	-	(3,076,585)	(3,076,585)	(30,067)	(3,106,652)
Issue of share capital	9,237	9,990,765	-	10,000,002	-	10,000,002
Other movements	-	1	-	1	-	1
<b>Balance at 30 April 2022</b>	47,220	9,990,766	(1,000,474)	9,037,512	(36,090)	9,001,422
<b>Year ended 30 April 2023:</b>						
Loss and total comprehensive income	-	-	(5,230,352)	(5,230,352)	(87,861)	(5,318,213)
Issue of share capital	11,757	7,228,369	-	7,240,126	-	7,240,126
<b>Balance at 30 April 2023</b>	58,977	17,219,135	(6,230,826)	11,047,286	(123,951)	10,923,335

# GRIND HOLDINGS LTD

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2023

		2023	2022
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	28	(4,109,069)	(3,886,150)
Interest paid		(340,390)	(220,823)
Income taxes paid		(5,113)	-
<b>Net cash outflow from operating activities</b>		<b>(4,454,572)</b>	<b>(4,106,973)</b>
<b>Investing activities</b>			
Purchase of business		(1,238,260)	-
Purchase of intangible assets		(177,144)	(254,831)
Purchase of tangible fixed assets		(900,270)	(559,742)
Proceeds on disposal of tangible fixed assets		-	28,000
Proceeds on disposal of subsidiaries		1	-
Receipts arising from loans made		-	53,186
Interest received		35,210	914
<b>Net cash used in investing activities</b>		<b>(2,280,463)</b>	<b>(732,473)</b>
<b>Financing activities</b>			
Proceeds from issue of shares		7,053,789	10,000,002
Repayment of borrowings		(37,004)	-
Proceeds of new bank loans		135,861	1,211,947
Repayment of bank loans		(890,159)	(923,081)
Other loans		(9,935)	-
<b>Net cash generated from financing activities</b>		<b>6,252,552</b>	<b>10,288,868</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(482,483)</b>	<b>5,449,422</b>
Cash and cash equivalents at beginning of year		7,035,413	1,585,991
<b>Cash and cash equivalents at end of year</b>		<b>6,552,930</b>	<b>7,035,413</b>



# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 APRIL 2023**

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### **1 Accounting policies**

#### **Company information**

Grind Holdings Ltd ("the company") is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 12812342). The registered office is 8-10 New North Place, London, United Kingdom, EC2A 4JA.

The group consists of Grind Holdings Ltd and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

A company statement of cash flows has not been prepared as there is no requirement to present this for the company in the consolidated financial statements under FRS 102.

#### **1.2 Business combinations**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

#### **1.3 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company Grind Holdings Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates. Group accounts have been consolidated using merger accounting.

All financial statements are made up to 30 April 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 1 Accounting policies

(Continued)

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### 1.4 Going concern

The group recorded a loss of £5.3m for the year, having recorded losses in previous years. However, its net current assets remain positive at £6.2m, and it has closing cash reserves of £6.6m. During the year a substantial £7.0m equity investment was made in the group, with a further £5.5m equity investment being confirmed post year end, giving a significant increase in working capital.

Having considered the group's plans, projections, and scenario modelling, the directors consider that these investments provide more than sufficient working capital to fund the group to continue trading across all sectors and invest in future expansion, despite ongoing challenging market conditions. The going concern basis is therefore considered appropriate.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 1 Accounting policies

(Continued)

#### 1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Patents & licences	5 years
Development costs	5 years
Lease rights	Over term of the lease

#### 1.9 Tangible fixed assets

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

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

Leasehold land and buildings	10% straight line
Plant and equipment	25% straight line
Computers	25% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 1 Accounting policies

(Continued)

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 1 Accounting policies

(Continued)

#### 1.12 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

#### 1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 1 Accounting policies

(Continued)

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

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

#### **1.15 Equity instruments**

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

#### **1.16 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.17 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.18 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 1 Accounting policies

(Continued)

#### 1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

In determining whether a lease meets the definition of a finance lease or operating lease the directors have used their experience to review and consider whether the company has obtained all the risks and rewards of ownership of the asset, what the useful economic life of the asset is, the term of the lease and what the residual value of the asset is expected to be. On the basis of these considerations the directors have determined that all leases meet the definition of operating leases and have been accounted for as such.

#### Depreciation

The directors use their experience to review and estimate useful economic lives and residual values of all assets, taking into account both standards of maintenance and technical obsolescence. Depreciation policies as noted within the accounting policies are based upon these estimates.



# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 3 Turnover and other revenue

	2023 £	2022 £
<b>Turnover analysed by class of business</b>		
Sale of goods	21,435,549	16,774,943
Rental income	248,493	118,308
	<u>21,684,042</u>	<u>16,893,251</u>
<b>Other revenue</b>		
Interest income	35,210	914
Grants received	-	168,532
	<u>-</u>	<u>168,532</u>

### 4 Operating loss

	2023 £	2022 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	37,373	(8,951)
Research and development costs	120,089	56,720
Government grants	-	(168,532)
Depreciation of owned tangible fixed assets	890,109	888,634
(Profit)/loss on disposal of tangible fixed assets	-	480,903
Amortisation of intangible assets	222,855	128,271
Operating lease charges	1,441,955	1,105,341
	<u>1,441,955</u>	<u>1,105,341</u>

### 5 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Directors	9	5	5	6
Admin	10	8	-	-
Direct	228	187	-	-
	<u>247</u>	<u>200</u>	<u>5</u>	<u>6</u>

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	6,153,469	4,775,606	532,200	542,221
Social security costs	528,584	406,107	71,654	69,755
Pension costs	103,948	70,765	16,520	12,214
	<u>6,786,001</u>	<u>5,252,478</u>	<u>620,374</u>	<u>624,190</u>

### 6 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	14,000	12,500
Audit of the financial statements of the company's subsidiaries	32,000	34,150
	<u>46,000</u>	<u>46,650</u>

### 7 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	35,210	67
Other interest income	-	847
	<u>35,210</u>	<u>914</u>

### 8 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	466,200	496,804
Company pension contributions to defined contribution schemes	14,540	10,846
	<u>480,740</u>	<u>507,650</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2022 - 2).

## GRIND HOLDINGS LTD

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

FOR THE YEAR ENDED 30 APRIL 2023

#### 8 Directors' remuneration

(Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	185,000	172,083
Company pension contributions to defined contribution schemes	6,013	3,750
	<u>          </u>	<u>          </u>

There are no other key management personnel other than the directors noted above.

#### 9 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	302,050	206,139
Interest on finance leases and hire purchase contracts	9,328	14,223
Other interest	29,012	461
	<u>          </u>	<u>          </u>
Total finance costs	340,390	220,823
	<u>          </u>	<u>          </u>

#### 10 Taxation

	2023	2022
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	5,113	-
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(248,783)
	<u>          </u>	<u>          </u>
Total tax charge/(credit)	5,113	(248,783)
	<u>          </u>	<u>          </u>

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 10 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Loss before taxation	(5,313,100)	(3,355,435)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.50% (2022: 19.00%)	(1,036,055)	(637,533)
Tax effect of expenses that are not deductible in determining taxable profit	4,934	132,802
Unutilised tax losses carried forward	1,241,801	-
Depreciation on assets not qualifying for tax allowances	17,189	29,420
Effect of overseas tax rates	40,980	-
Change in rate	(263,736)	226,528
Taxation charge/(credit)	5,113	(248,783)

### 11 Intangible fixed assets

Group	Goodwill £	Patents & licences £	Development costs £	Lease rights £	Total £
<b>Cost</b>					
At 1 May 2022	-	22,875	557,289	499,999	1,080,163
Additions - separately acquired	-	-	177,144	-	177,144
Additions - business combinations	3,273,852	-	-	-	3,273,852
At 30 April 2023	3,273,852	22,875	734,433	499,999	4,531,159
<b>Amortisation and impairment</b>					
At 1 May 2022	-	18,957	178,669	151,708	349,334
Amortisation charged for the year	54,564	8,155	115,264	44,872	222,855
At 30 April 2023	54,564	27,112	293,933	196,580	572,189
<b>Carrying amount</b>					
At 30 April 2023	3,219,288	(4,237)	440,500	303,419	3,958,970
At 30 April 2022	-	3,918	378,620	348,291	730,829

The company had no intangible fixed assets at 30 April 2023 or 30 April 2022.

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 11 Intangible fixed assets

(Continued)

Lease rights relate to the acquisition of an unconnected company in the year before last. The acquisition price was £500,000 of which £499,999 has been allocated to intangible assets and £1 to investments. The cost of £499,999 is being written off over the term of the lease.

During the year, the group acquired the share capital of Bottleshot Brew Ltd. As per note 24, the goodwill paid on the acquisition was £3,273,852. The business was acquired for its contracts. This is being amortised over 10 years.

### 12 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 May 2022	3,791,716	2,492,813	272,529	226,900	6,783,958
Additions	270,785	572,361	55,624	1,500	900,270
At 30 April 2023	4,062,501	3,065,174	328,153	228,400	7,684,228
<b>Depreciation and impairment</b>					
At 1 May 2022	1,506,101	1,680,121	212,239	40,618	3,439,079
Depreciation charged in the year	368,841	443,388	38,912	38,968	890,109
At 30 April 2023	1,874,942	2,123,509	251,151	79,586	4,329,188
<b>Carrying amount</b>					
At 30 April 2023	2,187,559	941,665	77,002	148,814	3,355,040
At 30 April 2022	2,285,615	812,692	60,290	186,282	3,344,879

The company had no tangible fixed assets at 30 April 2023 or 30 April 2022.

### 13 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	14	-	-	3,340,052	37,984

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 13 Fixed asset investments (Continued)

Movements in fixed asset investments		Shares in subsidiaries
Company		£
<b>Cost or valuation</b>		
At 1 May 2022		37,984
Additions		3,302,068
		<hr/>
At 30 April 2023		3,340,052
		<hr/>
<b>Carrying amount</b>		
At 30 April 2023		3,340,052
		<hr/>
At 30 April 2022		37,984
		<hr/>

### 14 Subsidiaries

Details of the company's subsidiaries at 30 April 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Grind & Co Limited	UK	Ordinary, A,B,C,CC-A,CC-B,R,S,T	100.00	-
Grind Coffee Roasters Limited	UK	Ordinary	97.50	-
Exmouth Market Grind Limited	UK	Ordinary	-	100.00
Caffeine Machine Limited	UK	Ordinary	-	100.00
Grind (Broadgate) Limited	UK	Ordinary	-	100.00
Grind (London Bridge) Limited	UK	Ordinary	-	100.00
Grind USA Inc	USA	Ordinary	-	100.00
Bottleshot Brew Ltd	UK	Ordinary	100.00	-

Grind Holdings Ltd acquired 100% of the share capital of Bottleshot Brew Ltd on 7 March 2023. Bottleshot Brew Ltd's last set of filed accounts was made up to 31 October 2022. The year end has now been extended to 30 April 2024 to coincide with the year end of the group. Transactions from acquisition to 30 April 2023 have been included in the consolidation.

The registered office of all subsidiaries is 8-10 New North Place, London, EC2A 4JA.

### 15 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Raw materials and consumables	3,643,477	3,652,905	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 16 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	963,721	535,541	-	-
Corporation tax recoverable	9,341	-	-	-
Amounts owed by group undertakings	-	-	10,245,038	4,280,315
Other debtors	1,084,016	665,626	6,662	6,986
Prepayments and accrued income	932,229	776,344	56,735	52,246
	<u>2,989,307</u>	<u>1,977,511</u>	<u>10,308,435</u>	<u>4,339,547</u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	208,941	230,641	-	-
Deferred tax asset (note 20)	1,582,326	1,582,326	-	-
	<u>1,791,267</u>	<u>1,812,967</u>	<u>-</u>	<u>-</u>
<b>Total debtors</b>	<u>4,780,574</u>	<u>3,790,478</u>	<u>10,308,435</u>	<u>4,339,547</u>

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

		Group 2023	2022	Company 2023	2022
	Notes	£	£	£	£
Bank loans	19	2,191,959	1,802,595	-	-
Trade creditors		3,175,511	2,618,981	17,418	68,414
Other taxation and social security		426,004	358,411	18,020	14,611
Other creditors		2,345,968	363,924	1,872,524	18,583
Accruals and deferred income		600,004	637,299	45,654	13,625
		<u>8,739,446</u>	<u>5,781,210</u>	<u>1,953,616</u>	<u>115,233</u>

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

		Group 2023	2022	Company 2023	2022
	Notes	£	£	£	£
Bank loans and overdrafts	19	<u>2,628,210</u>	<u>3,771,872</u>	<u>-</u>	<u>-</u>
Amounts included above which fall due after five years are as follows:					
Payable by instalments		<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 19 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	4,820,169	5,574,467	-	-
Payable within one year	2,191,959	1,802,595	-	-
Payable after one year	2,628,210	3,771,872	-	-

The bank loans are secured by a fixed and floating charge over the group's assets.

There are three bank loans in place at year end. These are due to mature in August 2024, September 2026 and August 2027. Interest is charged at 2.98%, 3.99% and 3.99% above base rate respectively.

### 20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Assets 2023 £	Assets 2022 £
Accelerated capital allowances	(411,621)	(411,621)
Tax losses	1,993,947	1,993,947
	1,582,326	1,582,326

The company has no deferred tax assets or liabilities.

There were no deferred tax movements in the year.

The group has unused tax losses of £15,612,741 (2022 £11,167,502). The directors have not provided in full for all unused tax losses. The amount unprovided for in the financial statements is £7,227,994 (2022: £3,064,061). The directors review the level of losses provided for annually in light of the foreseeable profits and where these are considered probable they will be recovered.

### 21 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	103,948	70,765



# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 21 Retirement benefit schemes

(Continued)

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 22 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A of 0.1p each	57,069,831	45,313,322	57,070	45,313
Ordinary B of 0.1p each	1,018,589	1,018,589	1,019	1,019
Ordinary A of 0.024269p each	3,658,940	3,658,940	888	888
	<u>61,747,360</u>	<u>49,990,851</u>	<u>58,977</u>	<u>47,220</u>

During the year there has been 11,756,509 Ordinary A shares of £0.001 issued at a premium of £7,228,369.

Ordinary A shares rank equally for voting purposes. On a show of hands, each member shall have one vote and on a poll each member shall have one vote per share held. Each share ranks equally for any dividend declared and on distribution rights on winding up. B shares do not have voting rights or pre-emption rights on new issues of shares.

### 23 Acquisition of a business

On 7 March 2023 the group acquired 100% of the issued capital of Bottleshot Brew Ltd. This has been accounted for under the acquisition method.

	Book Value £	Adjustments £	Fair Value £
<b>Net assets acquired</b>			
Property, plant and equipment	2,747	-	2,747
Inventories	15,624	-	15,624
Trade and other receivables	192,046	-	192,046
Cash and cash equivalents	51,450	-	51,450
Borrowings	(37,004)	-	(37,004)
Trade and other payables	(196,647)	-	(196,647)
	<u>28,216</u>	<u>-</u>	<u>28,216</u>
Goodwill			3,273,852
Total consideration			<u>3,302,068</u>

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 23 Acquisition of a business

(Continued)

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Turnover	21,925
Loss after tax	(249,354)

The consideration was satisfied by cash, issue of shares and deferred consideration.

### 24 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	1,333,643	1,254,916	-	-
Between two and five years	4,310,233	4,373,968	-	-
In over five years	3,887,922	5,682,782	-	-
	<u>9,531,798</u>	<u>11,311,666</u>	<u>-</u>	<u>-</u>

#### Lessor

The operating leases represent short term leases in relation to spare office space that the group rent.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	34,500	191,333	-	-
Between two and five years	-	42,500	-	-
	<u>34,500</u>	<u>233,833</u>	<u>-</u>	<u>-</u>

During prior year the entity benefited from temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic. The result of this was a deduction in the P&L charge last year of £62,183.

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 25 Related party transactions

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales 2023 £	Sales 2022 £	Purchases 2023 £	Purchases 2022 £
<b>Group</b>				
Entities that provide key management personnel services to the group	-	-	29,500	52,581
<b>Company</b>				
Entities over which the company has control, joint control or significant influence	452,524	459,168	-	-
Entities that provide key management personnel services to the group	-	-	29,500	52,581

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2023 £	2022 £
<b>Group</b>		
Entities that provide key management personnel services to the group	2,400	24,000
<b>Company</b>		
Entities that provide key management personnel services to the group	2,400	24,000

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2023 Balance £	2022 Balance £
<b>Company</b>		
Entities with control, joint control or significant influence over the company	8,198,417	4,021,912

### 26 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Directors	-	1,717	34,511	(24,574)	11,654
		1,717	34,511	(24,574)	11,654

# GRIND HOLDINGS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

### 27 Controlling party

In the opinion of the directors, R Koch is the ultimate controlling party.

### 28 Cash absorbed by group operations

	2023 £	2022 £
Loss for the year after tax	(5,318,213)	(3,106,652)
<b>Adjustments for:</b>		
Taxation charged/(credited)	5,113	(248,783)
Finance costs	340,390	220,823
Investment income	(35,210)	(914)
(Gain)/loss on disposal of tangible fixed assets	-	480,903
Amortisation and impairment of intangible assets	222,855	128,271
Depreciation and impairment of tangible fixed assets	890,109	888,634
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	9,428	(2,404,411)
Increase in debtors	(980,159)	(584,385)
Increase in creditors	756,618	740,364
<b>Cash absorbed by operations</b>	<b>(4,109,069)</b>	<b>(3,886,150)</b>

### 29 Analysis of changes in net funds - group

	1 May 2022 £	Cash flows £	30 April 2023 £
Cash at bank and in hand	7,035,413	(482,483)	6,552,930
Borrowings excluding overdrafts	(5,574,467)	754,298	(4,820,169)
	<b>1,460,946</b>	<b>271,815</b>	<b>1,732,761</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.