

# Menwell Limited

Registered Number  
11476975  
(England and Wales)

Unaudited Financial Statements for the Year ended  
31 December 2021



**Menwell Limited**  
**Company Information**  
**for the year from 1 January 2021 to 31 December 2021**

**Directors**

K Murphy

G L Pallis

**Registered Address**

2 Underwood Row

London

N1 7LQ

**Registered Number**

11476975 (England and Wales)

**Menwell Limited**  
**Statement of Financial Position**  
**31 December 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		6,405		7,294
Tangible assets	9		136,276		50,250
Investments	10		1,375		1,375
			<u>144,056</u>		<u>58,919</u>
<b>Current assets</b>					
Stocks	13	809,094		207,736	
Debtors	14	2,532,501		662,398	
Cash at bank and on hand		13,510,046		1,867,538	
		<u>16,851,641</u>		<u>2,737,672</u>	
<b>Creditors amounts falling due within one year</b>	15	<u>(1,873,013)</u>		<u>(5,867,594)</u>	
<b>Net current assets (liabilities)</b>			<u>14,978,628</u>		<u>(3,129,922)</u>
<b>Total assets less current liabilities</b>			<u>15,122,684</u>		<u>(3,071,003)</u>
Creditors amounts falling due after one year	16		(700,000)		(600,000)
<b>Net assets</b>			<u>14,422,684</u>		<u>(3,671,003)</u>
<b>Capital and reserves</b>					
Called up share capital			2		1
Share premium			30,362,431		4,856,725
Other reserves			2,601,634		906,174
Profit and loss account			<u>(18,541,383)</u>		<u>(9,433,903)</u>
<b>Shareholders' funds</b>			<u>14,422,684</u>		<u>(3,671,003)</u>

The company was entitled to exemption from audit for this reporting period under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

**Menwell Limited**  
**Statement of Financial Position (continued)**  
**31 December 2021**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The directors have chosen to not file a copy of the company's profit and loss account.

The financial statements were approved and authorised for issue by the Board of Directors on 30 August 2022, and are signed on its behalf by:

*George Pallis*

**G L Pallis**  
**Director**  
**Registered Company No. 11476975**

# Menwell Limited

## Notes to the Financial Statements for the year ended 31 December 2021

### 1. Statutory information

Menwell Limited is a private company, limited by shares and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

### 2. Compliance with applicable reporting framework

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

Preparation of consolidated financial statements

The company has exercised the exemption set out in s399 Companies House Act 2006 not to prepare consolidated accounts for the whole group.

During the year there was no ultimate controlling party.

### 3. Principal activities

The principal activity of the company in the year under review was that of the sale of men's healthcare and pharmaceutical products.

### 4. Basis of measurement used in financial statements

The financial statements have been prepared under the historical cost convention.

### 5. Accounting policies

#### Functional and presentation currency policy

The presentation currency of the financial statements is the Pound Sterling (£).

#### Turnover policy

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value-added tax and other sales taxes.

## Menwell Limited

### Notes to the Financial Statements (continued) for the year ended 31 December 2021

#### **Property, plant and equipment policy**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer Equipment: 33.33% on straight line

Office Equipment: 33.33% on straight line

Fixtures & Fittings: 25% on straight line

Plant & Machinery: 15% on straight line

#### **Intangible assets policy**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Trademarks are being amortised evenly over their estimated useful life of ten years.

Computer software is being amortised evenly over its estimated useful life of ten years.

#### **Inventories policy**

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

#### **Revenue recognition policy**

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

#### **Taxation policy**

Taxation for the year comprises current tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Tax credits shown on the Income Statement represent trading losses surrendered for research and development tax credits.

## Menwell Limited

### Notes to the Financial Statements (continued) for the year ended 31 December 2021

#### **Deferred tax policy**

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

#### **Research and development policy**

Expenditure on research and development is written off in the year in which it is incurred.

#### **Foreign currency translation and operations policy**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each reporting period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### **Leases policy**

Rentals paid under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

#### **Investments policy**

Investments in subsidiary undertakings are recognised at cost.

## Menwell Limited

### Notes to the Financial Statements (continued) for the year ended 31 December 2021

#### **Employee benefits policy**

Contributions to defined contribution plans are expensed in the period to which they relate.

##### **Share based payments**

The company operates a share option equity-settled compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement. The credit entry is taken to reserves because the share options are equity-settled.

#### **Valuation of financial instruments policy**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an outright short term loan, not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when there is an 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.

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

# Menwell Limited

## Notes to the Financial Statements (continued) for the year ended 31 December 2021

### Going concern

The financial statements have been prepared on a going concern basis. The company incurred trading losses during the year. The directors, however, were successful in attracting further investment during the year and hence believe the company has sufficient resources to meet its obligations, if and when, they become due. They are therefore of the opinion that they should continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have considered the impact of the COVID-19 pandemic on the activities of the business and do not consider that this will materially impact the ability of the company to trade profitably in future.

### 6. Critical estimates and judgements

Share-based payments as set out in the notes to the accounts have been made to the employees of the company. As disclosed in the Share-Based Payments accounting policy, the fair value of any vested share options is recognised in the income statement and for the financial year ended 31 December 2021, the fair value has been estimated as £10.83 per share. This is based on the value of Ordinary shares issued near to the grant date of the share options.

There have been no other significant judgements or estimates applied to the numbers contained within these financial statements.

### 7. Employee information

#### Warrant shares

At the statement of financial position date there were 21,397 warrants outstanding over preference shares. Warrants are exercisable in whole or in part at any time subject to a valid Notice of Exercise being issued to the company by the warrant holder together with the agreed subscription price as per the warrant instrument.

#### Share-Based Payments

The company operates an EMI qualifying share option scheme. As at the date of the Statement of Financial Position, the parent company had granted 467,757 (2020: 370,513) EMI qualifying share options to 51 (2020: 18) employees and advisers of the company at an exercise price of £1.08 per share. As at the year end 263,180 (2020: 58,680) share options vested, 1,888 (2020: 188) options were exercised and 116,686 (2020: 106,419) share options lapsed.

The company also operates an unapproved share option scheme. As at the Statement of Financial Position date, the parent company had granted 126,908 (2020: 0) unapproved share options to 15 employees and advisers of the company at an exercise price of £1.08 per share. As at the year end 57,259 (2020: 0) unapproved share options vested, 0 (2020: 0) had been exercised and 691 (2020: 0) had lapsed.

Share options vest over varying periods, generally between 0 and 4 years with most option agreements including a 12-month cliff.

	2021	2020
Average number of employees during the year	35	19

Menwell Limited

Notes to the Financial Statements (continued)  
for the year ended 31 December 2021

8. Intangible assets

	Other £	Total £
<b>Cost or valuation</b>		
At 01 January 21	8,885	8,885
At 31 December 21	8,885	8,885
<b>Amortisation and impairment</b>		
At 01 January 21	1,591	1,591
Charge for year	889	889
At 31 December 21	2,480	2,480
<b>Net book value</b>		
At 31 December 21	6,405	6,405
At 31 December 20	7,294	7,294

9. Property, plant and equipment

	Plant & machinery £	Fixtures & fittings £	Office Equipment £	Total £
<b>Cost or valuation</b>				
At 01 January 21	44,575	2,109	33,780	80,464
Additions	5,616	21,930	86,332	113,878
At 31 December 21	50,191	24,039	120,112	194,342
<b>Depreciation and impairment</b>				
At 01 January 21	11,636	674	17,904	30,214
Charge for year	7,485	1,189	19,178	27,852
At 31 December 21	19,121	1,863	37,082	58,066
<b>Net book value</b>				
At 31 December 21	31,070	22,176	83,030	136,276
At 31 December 20	32,939	1,435	15,876	50,250

**Menwell Limited**  
**Notes to the Financial Statements (continued)**  
**for the year ended 31 December 2021**

**10. Fixed asset investments**

	Investments in group undertakings and participating interests £	Total       £
<b>Cost or valuation</b>		
At 01 January 21	1,375	1,375
At 31 December 21	<u>1,375</u>	<u>1,375</u>
<b>Net book value</b>		
At 31 December 21	<u>1,375</u>	<u>1,375</u>
At 31 December 20	<u>1,375</u>	<u>1,375</u>

**11. Description of financial commitments other than capital commitments**

Minimum lease payments under non-cancellable operating leases fall due as follows:

Within one year: £273,178 (2020: £Nil)

**12. Description of nature of transactions and balances with related parties**

The company has exercised the exemption not to disclose information relating to group companies.

**13. Inventories**

	2021 £	2020 £
Other inventories	<u>809,094</u>	<u>207,736</u>
Total	<u>809,094</u>	<u>207,736</u>

**Menwell Limited**  
**Notes to the Financial Statements (continued)**  
**for the year ended 31 December 2021**

**14. Debtors**

	2021 £	2020 £
Trade debtors / trade receivables	1,425	-
Amounts owed by group undertakings	1,101,125	125,360
Other debtors	1,071,744	487,169
Prepayments and accrued income	358,207	49,869
<b>Total</b>	<b><u>2,532,501</u></b>	<b><u>662,398</u></b>

**15. Creditors within one year**

	2021 £	2020 £
Trade creditors / trade payables	868,850	149,184
Taxation and social security	112,513	37,140
Other creditors	53,054	5,292,764
Accrued liabilities and deferred income	838,596	388,506
<b>Total</b>	<b><u>1,873,013</u></b>	<b><u>5,867,594</u></b>

## Menwell Limited

### Notes to the Financial Statements (continued) for the year ended 31 December 2021

#### 16. Creditors after one year

	2021 £	2020 £
Other creditors	700,000	600,000
Total	<u>700,000</u>	<u>600,000</u>

During the year the company entered into a warrant agreement with Silicon Valley Bank (SVB). The company is obliged to warrant preference shares to SVB in accordance with the warrant agreement.

Silicon Valley Bank hold a fixed and floating charge over all the assets of the company. Further details relating to the charge can be viewed at Companies House.