

LONDON SOCK COMPANY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	3	34,750	57,583
Current assets			
Stocks		499,581	435,192
Debtors: amounts falling due within one year	5	214,964	345,302
Cash at bank and in hand	6	113,126	244,379
		<u>827,671</u>	<u>1,024,873</u>
Creditors: amounts falling due within one year	7	(1,499,815)	(1,707,954)
Net current liabilities		<u>(672,144)</u>	<u>(683,081)</u>
Total assets less current liabilities		<u>(637,394)</u>	<u>(625,498)</u>
Creditors: amounts falling due after more than one year	8	(1,517,400)	(551,146)
Net liabilities		<u><u>(2,154,794)</u></u>	<u><u>(1,176,644)</u></u>
Capital and reserves			
Called up share capital	10	5	5
Share premium account		4,760,355	3,978,589
Other reserves		120,000	794,966
Profit and loss account		(7,035,154)	(5,950,204)
		<u><u>(2,154,794)</u></u>	<u><u>(1,176,644)</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R Palmer
Director

Date: 29 September 2023

The notes on pages 4 to 11 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2021	4	3,940,139	-	(4,400,030)	(459,887)
Loss for the year	-	-	-	(1,550,174)	(1,550,174)
Shares issued during the year	1	38,450	-	-	38,451
Shares to be issued	-	-	794,966	-	794,966
At 1 January 2022	5	3,978,589	794,966	(5,950,204)	(1,176,644)
Loss for the year	-	-	-	(1,084,950)	(1,084,950)
Shares issued during the year	-	781,766	-	-	781,766
Shares issued and amount reclassified to share capital and share premium	-	-	(674,966)	-	(674,966)
At 31 December 2022	<u>5</u>	<u>4,760,355</u>	<u>120,000</u>	<u>(7,035,154)</u>	<u>(2,154,794)</u>

The notes on pages 4 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

London Sock Company is a private company, limited by shares, registered in England and Wales, registration number 08694788. The registered office is 10 Queen Street Place, London, EC4R 1AG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company made a loss in the period. The directors have undertaken a review of forecasts and consider that the Company has adequate resources to meet its obligations as they fall due. Furthermore, the directors are in the process of seeking additional funding and will continue to support the business for the next 12 months and the foreseeable future.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Trademarks	-	20 % straight line
------------	---	--------------------

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	10% straight line
Office equipment	-	10% straight line
Computer equipment	-	25% straight line
Website	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

At each 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 fair value was determined.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.13 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

2.14 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Intangible assets

	Development expenditure £	Trademarks £	Total £
Cost			
At 1 January 2022	55,588	86,554	142,142
Additions	-	1,500	1,500
At 31 December 2022	55,588	88,054	143,642
Amortisation			
At 1 January 2022	55,588	28,971	84,559
Charge for the year on owned assets	-	24,333	24,333
At 31 December 2022	55,588	53,304	108,892
Net book value			
At 31 December 2022	-	34,750	34,750
At 31 December 2021	-	57,583	57,583

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2022	2,451	24,670	5,403	32,524
At 31 December 2022	2,451	24,670	5,403	32,524
Depreciation				
At 1 January 2022	2,451	24,670	5,403	32,524
At 31 December 2022	2,451	24,670	5,403	32,524
Net book value				
At 31 December 2022	-	-	-	-
At 31 December 2021	-	-	-	-

5. Debtors

	2022 £	2021 £
Trade debtors	32,192	14,300
Other debtors	-	175,439
Prepayments and accrued income	77,140	51,965
Tax recoverable	105,632	103,598
	<u>214,964</u>	<u>345,302</u>

6. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	113,126	244,379
Less: bank overdrafts	(37,571)	(495,288)
	<u>75,555</u>	<u>(250,909)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	37,571	495,288
Bank loans	87,616	127,998
Other loans	430,388	-
Trade creditors	263,914	457,215
Other taxation and social security	249,991	52,738
Other creditors	157,281	235,798
Accruals and deferred income	273,054	338,917
	<u>1,499,815</u>	<u>1,707,954</u>

8. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	26,146	36,146
Other loans	1,491,254	515,000
	<u>1,517,400</u>	<u>551,146</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	87,616	127,998
Other loans	430,388	-
Amounts falling due 1-2 years		
Other loans	1,491,254	515,000
Amounts falling due 2-5 years		
Bank loans	26,146	36,146
	<u>2,035,404</u>	<u>679,144</u>

Bank loans is made up of a 'Bounce Back Loan (BBL)' which was taken out during the current financial year. The interest free period is the first 12 months and interest charged after this period is 2.5% per annum.

Other loans is made up of loans which are repayable from 31 March 2022 and interest is charged at 5% per annum and a receivable purchase facility agreement which is repayable on demand and is secured upon Assigned debtors.

10. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2,452,728 (2021 - 2,257,319) Ordinary shares of £0.000002 each	<u>4.91</u>	<u>4.54</u>

On 05 April 2022, the company issued 184,442 Ordinary Shares of £0.000002 each at a premium of

£4.25 per share.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Share-based payments

During the period the company granted no share options (2021: 3,000). There were 57,035 (2021: 57,035) share options in issue at 31 December 2022. All share options can only be exercised upon an exit event or after 9 years and all expire after 10 years or if the employee leaves.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year		57,035	9.47	55,035
Granted during the year		-	9.47	3,000
Forfeited during the year		-	9.47	(1,000)
Outstanding at the end of the year		57,035		57,035

12. Related party transactions

Included in Other Creditors is an balance of £41,327 (2021: £nil) which is due to R Palmer, a director of the Company.

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.