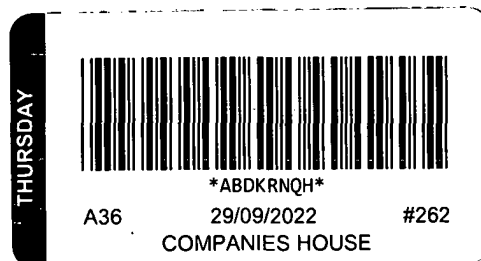

HEDOINE LIMITED

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2021



HEDOINE LIMITED
REGISTERED NUMBER: 11509037

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets	3	34,855	26,325
Tangible fixed assets	4	3,021	4,821
		<u>37,876</u>	<u>31,146</u>
Current assets			
Stocks	5	236,708	303,412
Debtors: amounts due within one year	6	126,827	101,813
Bank and cash balances		278,093	220,687
		<u>641,628</u>	<u>625,912</u>
Creditors: amounts due within one year	7	(845,981)	(712,165)
Net current liabilities		<u>(204,353)</u>	<u>(86,253)</u>
Total assets less current liabilities		<u>(166,477)</u>	<u>(55,107)</u>
Creditors: amounts due after one year	8	(401,087)	(268,750)
Net liabilities		<u><u>(567,564)</u></u>	<u><u>(323,857)</u></u>
Capital and reserves			
Called up share capital	10	257	228
Share premium account		1,198,082	783,082
Profit and loss account		(1,765,903)	(1,107,167)
		<u><u>(567,564)</u></u>	<u><u>(323,857)</u></u>

HEDOINE LIMITED
REGISTERED NUMBER: 11509037

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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 income and retained earnings 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

A Tymann
Director
Date: 27 September 2022



A Rauch
Director



The notes on pages 3 to 10 form part of these financial statements.

HEDOINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Hedoine Limited is a private limited company (limited by shares) incorporated and domiciled in England and Wales. The address of the registered office is 28 Old Brompton Road, Suite 223, London, England, SW7 3SS.

The principal activity of the company is that of wholesale and online retail sale of clothing.

The average monthly number of employees, excluding directors, during the year was 9 (2020 - 6).

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

In their assessment of going concern the directors have considered the current impact on the business as a result of the COVID-19 virus. The company adapted quickly to COVID-19 related circumstances in launching new products and working with new partners. Furthermore, the company has now recovered sales to pre-pandemic levels, whilst also managing to improve its main KPIs and has just recently secured more funding.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Foreign currency translation

The company's 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.

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 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.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Government grants

Grants are accounted for 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 income and retained earnings in the same period as the related expenditure.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

HEDOINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.9 Taxation

Tax is recognised in the Statement of income and retained earnings.

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.

2.10 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.

The estimated useful lives range as follows:

Trademarks	-	10	years
Website	-	10	years

2.11 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:

Office equipment	-	3	years
Computer equipment	-	3	years

HEDOINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 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.

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 the Statement of income and retained earnings.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.14 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.

2.15 Creditors

Short term creditors are measured at the transaction price.

2.16 Financial instruments

The company only enters into basic financial instrument 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.

HEDOINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Intangible assets

	Website £	Trademark £	Total £
Cost			
At 1 January 2021	27,400	2,093	29,493
Additions	12,098	-	12,098
At 31 December 2021	39,498	2,093	41,591
Amortisation			
At 1 January 2021	2,788	380	3,168
Charge for the year on owned assets	3,363	206	3,569
At 31 December 2021	6,151	586	6,737
Net book value			
At 31 December 2021	33,347	1,507	34,854
At 31 December 2020	24,612	1,713	26,325

HEDOINE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2021	342	6,973	7,315
Additions	-	737	737
At 31 December 2021	<u>342</u>	<u>7,710</u>	<u>8,052</u>
Depreciation			
At 1 January 2021	255	2,239	2,494
Charge for the year on owned assets	87	2,450	2,537
At 31 December 2021	<u>342</u>	<u>4,689</u>	<u>5,031</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>3,021</u>	<u>3,021</u>
At 31 December 2020	<u>87</u>	<u>4,734</u>	<u>4,821</u>

5. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>236,708</u>	<u>303,412</u>

HEDOINE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Debtors

	2021	2020
	£	£
Trade debtors	11,095	1,303
Other debtors	106,784	88,471
Prepayments	8,948	12,039
	<u>126,827</u>	<u>101,813</u>

7. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Other loans	72,500	31,250
Trade creditors	54,537	40,935
Other taxation and social security	99,012	197,702
Other creditors	615,282	438,028
Accruals	4,650	4,250
	<u>845,981</u>	<u>712,165</u>

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

	2021	2020
	£	£
Other loans	291,918	268,750
Other creditors	109,169	-
	<u>401,087</u>	<u>268,750</u>

In June 2020 and under the terms of an agreement with GLIF SD LP, a fixed and floating charge of the assets of the company was put in place.

HEDOINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Other loans	72,500	31,250
Amounts falling due 1-2 years		
Other loans	72,500	72,500
Amounts falling due 2-5 years		
Other loans	219,418	196,250
	<u>364,418</u>	<u>300,000</u>

10. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
25,668 (2020 - 22,843) Ordinary shares of £0.01 each	257	228
	<u>257</u>	<u>228</u>

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,036 (2020: £3,990). Contributions totalling £Nil (2020: £957) were payable to the fund at the reporting date and are included in creditors.

12. Post balance sheet events

After the year end advanced subscriptions of £535,817 included within Other creditors were settled by the issue of 2,757 Ordinary shares on 23 May 2022.