

Hardlyever Limited

Unaudited Balance Sheet

Period from 1 September 2019 to 28 February 2021

Hardlyever Limited

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Hardlyever Limited

Company Information

Directors	Mrs S E Wolter Miss T S V Wolter Miss N N E R Wolter Mr S J Higgins
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Registered office	11 Manchester Square London W1U 3PW
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Hardlyever Limited

(Registration number: 07002732)

Balance Sheet as at 28 February 2021

	Note	2021 £	(As restated) 2019 £
Fixed assets			
Intangible assets	4	252,116	337,866
Tangible assets	5	12,332	7,355
		<u>264,448</u>	<u>345,221</u>
Current assets			
Stocks	6	2,700	-
Debtors	7	180,824	86,454
Cash at bank and in hand		174,766	56,187
		<u>358,290</u>	<u>142,641</u>
Creditors: Amounts falling due within one year	8	<u>(1,142,757)</u>	<u>(677,552)</u>
Net current liabilities		<u>(784,467)</u>	<u>(534,911)</u>
Total assets less current liabilities		<u>(520,019)</u>	<u>(189,690)</u>
Creditors: Amounts falling due after more than one year	8	<u>(44,483)</u>	<u>-</u>
Net liabilities		<u>(564,502)</u>	<u>(189,690)</u>
Capital and reserves			
Called up share capital		188	187
Share premium reserve		1,924,162	1,829,163
Profit and loss account		<u>(2,488,852)</u>	<u>(2,019,040)</u>
Total equity		<u>(564,502)</u>	<u>(189,690)</u>

For the financial period ending 28 February 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Hardlyever Limited

(Registration number: 07002732)

Balance Sheet as at 28 February 2021

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account and Directors' Report has been taken.

Approved and authorised by the Board on 28 February 2022 and signed on its behalf by:

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Miss T S V Wolter

Director

Hardlyever Limited

Statement of Changes in Equity

Period from 1 September 2019 to 28 February 2021

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 September 2019	187	1,829,163	(2,019,040)	(189,690)
Loss for the period	-	-	(469,812)	(469,812)
Total comprehensive income	-	-	(469,812)	(469,812)
New share capital subscribed	1	94,999	-	95,000
At 28 February 2021	188	1,924,162	(2,488,852)	(564,502)
	(As restated) Share capital £	(As restated) Share premium £	(As restated) Profit and loss account £	(As restated) Total £
At 1 September 2018	180	1,594,141	(1,058,967)	535,354
Loss for the period	-	-	(960,073)	(960,073)
Total comprehensive income	-	-	(960,073)	(960,073)
New share capital subscribed	7	235,022	-	235,029
At 31 August 2019	187	1,829,163	(2,019,040)	(189,690)

Hardlyever Limited

Notes to the Financial Statements

Period from 1 September 2019 to 28 February 2021

1 General information

The company is a private company limited by share capital incorporated in England & Wales.

The address of its principle place of business and registered office is:

11 Manchester Square

London

W1U 3PW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of compliance

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

This is the first period the financial statements have been prepared under the Financial Reporting Standard 102 Section 1A. Hardlyever Limited transitioned from Financial Reporting Standard FRS 105 to Financial Reporting Standard 102 Section 1A on 1 September 2018. Details of the transitional adjustments that arose can be found in note 13.

Basis of preparation

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

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

Disclosure of long or short period

The figures cover the period from 1 September 2019 to 28 February 2021.

Hardlyever Limited

Notes to the Financial Statements

Period from 1 September 2019 to 28 February 2021

Going concern

The impact of the COVID-19 pandemic on the ability of the company to continue as a going concern has been assessed by the directors. The pandemic has had a significant negative impact on the retail sector in which the company operates. The company has undertaken various measures to minimise the impact of the pandemic on the business by reducing costs and outgoings, furloughing staff where necessary, and making use of available grants. The company has been facing cash flow difficulties due to the pandemic and has mitigated the effect of this using short term business finance.

The company made a loss during the year and has faced considerable economic pressure due to the pandemic. In assessing whether the going concern basis is appropriate, the directors consider that as at the date of approval of these financial statements, the company continues to develop, with significant emphasis on research and development to launch a new platform. The directors consider that the company will continue trading for the foreseeable future.

The company is reliant on fundraising to meet its financial obligations as they fall due. The directors are satisfied that further financial support will be available to the company for a period of at least one year from the date of approval of these financial statements and therefore the financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover includes the amounts recognised by the company in respect of goods and services supplied, exclusive of value added tax. For sale of goods, revenue is recognised once the substantial risks and rewards of ownership are transferred, and for services recognised in the period in which the services are provided. The company provides commission services as agent.

Government grants

Grants received are recognised and accounted for when the company has entitlement to the funds, the amount can be quantified and receipt is probable, in line with the policy for incoming resources. Any conditions attached to the grant must be satisfied or reasonably expected to be satisfied at the time of recognition of the grant.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current 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 taxable income.

Deferred tax in respect of timing differences are recognised to the extent that they are regarded as being, more likely than not, recoverable in the short to medium term, and are not discounted.

Tangible assets

Tangible assets are stated at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is charged so as to write off the cost of the assets, less their residual value, over their estimated useful economic lives, as follows:

Hardlyever Limited

Notes to the Financial Statements

Period from 1 September 2019 to 28 February 2021

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	18 % reducing balance

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Website costs	18% reducing balance

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments are impaired when an indication of impairment has become evident.

3 Staff numbers

The average number of persons employed by the company during the period was 12 (2019 - 16).

Hardlyever Limited

Notes to the Financial Statements

Period from 1 September 2019 to 28 February 2021

4 Intangible assets

	Website costs £	Total £
Cost		
At 1 September 2019 (As restated)	538,653	538,653
At 28 February 2021	538,653	538,653
Amortisation		
At 1 September 2019 (As restated)	200,787	200,787
Amortisation charge	85,750	85,750
At 28 February 2021	286,537	286,537
Carrying amount		
At 28 February 2021	252,116	252,116
At 31 August 2019 (As restated)	337,866	337,866

The aggregate amount of research and development expenditure recognised as an expense during the period is £158,114 (2019 - £ Nil).

Hardlyever Limited

Notes to the Financial Statements

Period from 1 September 2019 to 28 February 2021

5 Tangible assets

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 September 2019 (As restated)	34,449	34,449
Additions	8,223	8,223
At 28 February 2021	42,672	42,672
Depreciation		
At 1 September 2019 (As restated)	27,094	27,094
Charge for the year	3,246	3,246
At 28 February 2021	30,340	30,340
Carrying amount		
At 28 February 2021	12,332	12,332
At 31 August 2019 (As restated)	7,355	7,355

6 Stocks

	2021 £	(As restated) 2019 £
Other inventories	2,700	-

7 Debtors

	Note	2021 £	(As restated) 2019 £
Trade debtors		610	-
Amounts owed by related parties	<u>10</u>	66,544	-
Other debtors		113,670	86,454
		180,824	86,454

Hardlyever Limited

Notes to the Financial Statements

Period from 1 September 2019 to 28 February 2021

8 Creditors

		2021	(As restated) 2019
	Note	£	£
Due within one year			
Bank loans and overdrafts	9	71,629	59,989
Trade creditors		29,088	-
Amounts owed to related parties	<u>10</u>	73,784	-
Taxation and social security		213,621	73,070
Other creditors		754,635	544,493
		<u>1,142,757</u>	<u>677,552</u>
Due after one year			
Loans and borrowings	9	<u>44,483</u>	<u>-</u>

Hardlyever Limited

Notes to the Financial Statements

Period from 1 September 2019 to 28 February 2021

9 Loans and borrowings

	2021 £	(As restated) 2019 £
Current loans and borrowings		
Bank borrowings	67,835	57,924
Bank overdrafts	3,794	2,065
	<u>71,629</u>	<u>59,989</u>

	2021 £	2019 £
Non-current loans and borrowings		
Bank borrowings	<u>44,483</u>	<u>-</u>

Bank borrowings

The company is party to a working capital cash advance facility which is denominated in Sterling and attracts interest at a rate of 10%. This is a form of short-term financing and the balance owed is always due within one year. The amount owed under this facility at the year end is £61,226 (2019 - £57,924).

During the year the company took out a Flexi-Loan with Iwoca totalling £5,000. The loan is denominated in Sterling and attracts interest at a rate of 4.35%. This is a form of short-term financing and the balance owed is always due within one year. The amount owed at the year end is £1,092 (2019 - £nil). The loan is guaranteed by one of the directors.

During the year the company took out a Bounce Back Loan of £50,000 with HSBC. The loan is denominated in Sterling with an interest rate of 2.5% and repayments are due in 60 equal monthly instalments of £887 beginning in August 2021 and ending in July 2026. the first twelve months of interest are covered by a Business Interruption Payment (BIP). The loan is not secured by the company as it is guaranteed by the government as part of the Bounce Back Loan Scheme. At the year end, the amount of the loan due within one year is £5,517 (2019 - £nil), and the amount of the loan due after more than one year is £44,483 (2019 - £nil).

Bank overdrafts

At 28 February 2021 the secured bank overdrafts of the company amount to £3,794 (2019 - £2,065).

Hardlyever Limited

Notes to the Financial Statements

Period from 1 September 2019 to 28 February 2021

10 Related party transactions

Transactions with directors

	At 1 September 2019 £	Advances £	Repayments £	At 28 February 2021 £
2021				
Mrs S E Wolter				
Director's loan account	10,465	48,848	(133,098)	(73,785)
Miss T S V Wolter				
Director's loan account	13,539	31,481	-	45,020
Miss N N E R Wolter				
Director's loan account	-	21,225	-	21,225

		Advances £	At 31 August 2019 £
2019			
Mrs S E Wolter			
Director's loan account		10,465	10,465
Miss T S V Wolter			
Director's loan account		13,539	13,539

11 Share options

At the balance sheet date, options to acquire 65,300 (2019 - 65,300) ordinary shares of £0.0001 had been granted and remained unexercised.

Hardlyever Limited

Notes to the Financial Statements

Period from 1 September 2019 to 28 February 2021

12 Prior year restatements

The company has restated its prior period results for the year ended 31 August 2019 for the following reasons:

Correction of income recognition

The company had incorrectly recognised turnover as the total value of sales made through their website, and had treated all items sold on their website net of commission as an expense as cost of sale. This treatment was incorrect as the company operates as an agent, with the main source of income being the commission made on goods sold on their website.

Turnover and cost of goods sold were each overstated by £4,526,495. The restatement has not resulted in a change in net assets or loss for the year.

Write off of stock balance

The company did not own any stock as at the year ended 31 August 2019. As a result, £78,050 worth of stock has been written off. The net assets have reduced and loss for the year has increased by £78,050 as a result of the restatement.

Understatement of loans and borrowings

The restated figures have been amended to reflect that the company took out a loan of £55,684 in the year ended 31 August 2019, which was omitted from the accounts together with a loan fee of £2,240. The net assets have decreased and loss for the year has increased by £57,924 as a result of the restatement.

Overstatement of cash

The restated figures have been amended to correct an accounting error which resulted in the cash balance at 31 August 2019 being overstated by £10,000. The net assets of the company have decreased and the loss for the year have has increased by £10,000 as a result of the restatement.

Overstatement of trade debtors

The restated figures have been amended to reflect that the trade debtor balance of £151,363 at 31 August 2019 was not recoverable and should have been written off as a bad debt at 31 August 2019. The net assets of the company have decreased and the loss for the year has increased by £151,363 as a result of the restatement.

Understatement of other creditors

The restated figures have been amended to increase the trade creditor balance by £539,993 at 31 August 2019 which reflects amounts owed to Sellers through the company's website. The net assets of the company have decreased and the loss for the year has increased by £539,993 as a result of the restatement.

Hardlyever Limited

Notes to the Financial Statements

Period from 1 September 2019 to 28 February 2021

Reallocation of private expenditure

Private expenditure totalling £24,006 on behalf of the directors was previously treated as an expense of the company and has been reallocated to the director's loan accounts. The net assets of the company have increased and the loss for the year has decreased by £24,006 as a result of the restatement.

Correction of VAT creditor

A number of inconsistencies were found in the company's VAT treatment dating back to 2017, resulting in an understatement of the VAT creditor by £63,784. This liability has been recognised in the balance sheet for the year ended 31 August 2019. The net assets of the company decreased and the loss for that year have increased by £63,784 as a result of the restatement.

Correction of share capital

The share capital and share premium position of the company have each been corrected by £10 respectively. The restatement has resulted in a decrease to loss for the year of £20.

The net assets of the company have decreased by £887,108 to a net liability position of £189,690 as a result of the above combined changes. The loss for the year has decreased by £887,128 to a loss of £960,073 as a result of the above changes.

13 Transition to FRS 102

The reclassification set out below is as a result of the transition to the new reporting framework, FRS 102 Section 1A. The transition took place in the current year and this is first year of reporting for which the company has used this framework.

Reclassification of intangible assets

Website costs with a cost of £538,653 and a carrying value of £337,866 have been reclassified from Tangible Assets to Intangible Assets.

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.