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**HEDOINE LIMITED**

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**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



**HEDOINE LIMITED**  
**REGISTERED NUMBER: 11509037**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	3	26,325	11,874
Tangible assets	4	4,821	1,971
		<u>31,146</u>	<u>13,845</u>
<b>Current assets</b>			
Stocks	5	303,412	176,865
Debtors: amounts falling due within one year	6	101,813	45,472
Cash at bank and in hand		220,687	78,515
		<u>625,912</u>	<u>300,852</u>
Creditors: amounts falling due within one year	7	(712,165)	(223,300)
<b>Net current (liabilities)/assets</b>		<u>(86,253)</u>	<u>77,552</u>
<b>Total assets less current liabilities</b>		<u>(55,107)</u>	<u>91,397</u>
Creditors: amounts falling due after one year	8	(268,750)	-
<b>Net (liabilities)/assets</b>		<u><u>(323,857)</u></u>	<u><u>91,397</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	228	228
Share premium account		783,082	694,992
Profit and loss account		(1,107,167)	(603,823)
		<u><u>(323,857)</u></u>	<u><u>91,397</u></u>

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.

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**HEDOINE LIMITED**  
**REGISTERED NUMBER: 11509037**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

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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



**A Rauch**  
Director



Date: 8 September 2021

The notes on pages 3 to 9 form part of these financial statements.

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## HEDOINE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. General information

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

The average monthly number of employees, excluding directors, during the year was 6 (2019 - 1).

#### 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 and developing impact on the business as a result of the COVID19 virus. The company has adapted quickly to current circumstances and is launching new products and working with new partners. Furthermore, despite an overall sales decline in 2020, the company managed to improve its main KPIs and just recently secured more funding. The adjusted COVID19 business plan shows a clear path to profitability and sufficient financing is secured to support the plan. The directors believe it is 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.

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## HEDOINE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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## 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 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.

### 2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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## HEDOINE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.9 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.

##### 2.10 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

##### 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.

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## HEDOINE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2. Accounting policies (continued)

##### 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.

#### 3. Intangible assets

	Patents £	Development expenditure £	Total £
<b>Cost</b>			
At 1 January 2020	10,470	2,093	12,563
Additions	16,930	-	16,930
At 31 December 2020	27,400	2,093	29,493
<b>Amortisation</b>			
At 1 January 2020	518	171	689
Charge for the year on owned assets	2,270	209	2,479
At 31 December 2020	2,788	380	3,168
<b>Net book value</b>			
At 31 December 2020	24,612	1,713	26,325
At 31 December 2019	9,952	1,922	11,874

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**HEDOINE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**4. Tangible fixed assets**

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2020	342	2,040	2,382
Additions	-	4,933	4,933
At 31 December 2020	<u>342</u>	<u>6,973</u>	<u>7,315</u>
<b>Depreciation</b>			
At 1 January 2020	141	270	411
Charge for the year on owned assets	114	1,969	2,083
At 31 December 2020	<u>255</u>	<u>2,239</u>	<u>2,494</u>
<b>Net book value</b>			
At 31 December 2020	<u>87</u>	<u>4,734</u>	<u>4,821</u>
At 31 December 2019	<u>201</u>	<u>1,770</u>	<u>1,971</u>

**5. Stocks**

	2020 £	2019 £
Finished goods and goods for resale	<u>303,412</u>	<u>176,865</u>



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## HEDOINE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 6. Debtors

	2020 £	2019 £
Trade debtors	1,303	1,235
Other debtors	88,471	42,471
Prepayments and accrued income	12,039	1,766
	<u>101,813</u>	<u>45,472</u>

#### 7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	31,250	-
Trade creditors	40,935	47,091
Other taxation and social security	197,702	46,929
Other creditors	438,028	126,530
Accruals and deferred income	4,250	2,750
	<u>712,165</u>	<u>223,300</u>

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

	2020 £	2019 £
Other loans	<u>268,750</u>	<u>-</u>

In June 2020 and under the terms of an agreement with GLIF SD LP, there is a fixed and floating charge of the assets of the Company.

The Company also took advantage of the UK Government supported Bounce Back loan scheme in September 2020.

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HEDOINE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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9. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due within one year</b>		
Other loans	31,250	-
<b>Amounts falling due 1-2 years</b>		
Other loans	72,500	-
<b>Amounts falling due 2-5 years</b>		
Other loans	196,250	-
	<u>300,000</u>	<u>-</u>

10. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
22,843 (2019 - 22,843) Ordinary shares of £0.01 each	<u>228</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 £3,990 (2019: £947). Contributions totalling £957 (2019: £1,721) 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 £415,000 included within Other creditors were settled by the issue of 2,825 Ordinary shares on 5 February 2021.