

HOP LUN (UK) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2022

HOP LUN (UK) LIMITED

COMPANY INFORMATION

Directors Erik Otto Ryd (resigned 29 September 2022)
Woo Yeun Yee (appointed 29 September 2022)
Bobby Tien-You Shih (appointed 29 September 2022)

Registered number 03589393

Registered office Saxon House
1st Floor
48 Southwark Street
London
United Kingdom
SE1 1UN

Independent auditors Xeinadin Audit Limited
Chartered Accountants & Statutory Auditor
8th Floor
Becket House
36 Old Jewry
London
EC2R 8DD

Accountants Elman Wall Limited
8th Floor
Becket House
36 Old Jewry
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STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	3,572	5,419
Current assets			
Stocks	5	113,615	-
Debtors: amounts falling due within one year	6	1,195,253	1,212,815
Cash at bank and in hand		499,422	70,588
		<u>1,808,290</u>	<u>1,283,403</u>
Creditors: amounts falling due within one year	7	(1,264,013)	(768,674)
Net current assets		<u>544,277</u>	<u>514,729</u>
Total assets less current liabilities		<u>547,849</u>	<u>520,148</u>
Provisions for liabilities			
Deferred tax		(893)	(777)
		<u>(893)</u>	<u>(777)</u>
Net assets		<u><u>546,956</u></u>	<u><u>519,371</u></u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account		<u>546,954</u>	<u>519,369</u>
		<u><u>546,956</u></u>	<u><u>519,371</u></u>

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:

Woo Yeun Yee
Director

Date: 3 January 2023

The notes on pages 2 to 8 form part of these financial statements.

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

1. General information

Hop Lun (UK) Limited is a private company limited by shares incorporated in England and Wales, United Kingdom.

The address of the registered office is given on the Company Information page of these financial statements.

The principal activity of the Company is that of a sales office in accordance with the sales support services agreement entered into with a group entity on 1 November 2006. No significant changes to the business are currently anticipated.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

2.3 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 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.

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

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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:

Fixtures and fittings	-	20% straight line
Computer equipment	-	33.3% 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.

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

2. Accounting policies (continued)

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 first in, first out 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.

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 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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

2. Accounting policies (continued)**2.12 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 ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2021 - 4).

4. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2021	17,213	35,926	53,139
At 31 March 2022	<u>17,213</u>	<u>35,926</u>	<u>53,139</u>
Depreciation			
At 1 April 2021	13,341	34,379	47,720
Charge for the year on owned assets	952	895	1,847
At 31 March 2022	<u>14,293</u>	<u>35,274</u>	<u>49,567</u>
Net book value			
At 31 March 2022	<u>2,920</u>	<u>652</u>	<u>3,572</u>
At 31 March 2021	<u>3,872</u>	<u>1,547</u>	<u>5,419</u>

5. Stocks

	2022 £	2021 £
Finished goods	<u>113,615</u>	<u>-</u>

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

6. Debtors

	2022 £	2021 £
Trade debtors	30,299	-
Amounts owed by group undertakings	1,110,129	1,157,275
Other debtors	44,002	41,211
Prepayments and accrued income	10,823	14,319
Tax recoverable	-	10
	<u>1,195,253</u>	<u>1,212,815</u>

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	61,093	14,340
Amounts owed to group undertakings	1,065,022	715,912
Corporation tax	7,695	5,018
Other creditors	1,927	6,422
Accruals and deferred income	128,276	26,982
	<u>1,264,013</u>	<u>768,674</u>

8. Deferred taxation

	2022 £	2021 £
At beginning of year	(777)	-
Charged to profit or loss	(116)	(777)
At end of year	<u>(893)</u>	<u>(777)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(893)	(865)
Short term timing differences	<u>-</u>	<u>88</u>

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

9. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2 (2021 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

10. 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 £6,561 (2021: £5,236). Contributions totalling £854 (2021: £629) were payable to the fund at the reporting date and are included in creditors.

11. Related party transactions

The Company has taken advantage of the exemption to disclose related party transactions with companies that are wholly owned within the Group.

At the year end the following balances were owed to the Company:

Hop Lun Brands Limited (incorporated in Ireland): £46,432 (2021: £42,208)

Siu Sing Brands Limited (incorporated in Hong Kong): £931,111 (2021: £931,111)

Hop Lun (Hong Kong) Limited (incorporated in Hong Kong): £122,729 (2021: £122,729)

Scandale Brands Ltd: £9,857 (2021: £6,833)

Hop Lun Executive Ltd: £nil- (2021: £54,394)

At the year end the following balances were due to Group members:

Hop Lun (Benelux) B.V. (incorporated in The Netherlands): £1,011,333 (2021: £715,912).

Hop Lun Executive Ltd: £53,689 (2021: £nil-)

12. Post balance sheet events

After the Statement of Financial Position date, there was a change of shareholdings within the ultimate controlling party. As at 29 September 2022, 60% of shares are held by PE Blossom Holding II Ltd and 40% of shares are held by Siu Sing Investment Limited.

13. Controlling party

The Company is a wholly owned subsidiary of Hop Lun Opportunity Limited, a company incorporated in Hong Kong. The Company's ultimate controlling party is Siu Sing Investment Limited (formerly known as Hop Lun International Limited), a company incorporated in The British Virgin Islands.

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

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2022 was unqualified.

The audit report was signed on 3 January 2023 by Ian Palmer FCA (Senior Statutory Auditor) on behalf of Xinadin Audit Limited.

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.