

**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**FOR**

**PATCH GARDENS LTD**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Statement of Financial Position</b>	<b>2</b>
<b>Notes to the Financial Statements</b>	<b>4</b>

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**PATCH GARDENS LTD**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**DIRECTORS:**

F Blackett  
W J Gibbs  
N G Brisbane

**REGISTERED OFFICE:**

8 Ingate Place  
London  
SW8 3NS

**REGISTERED NUMBER:**

09897155 (England and Wales)

**ACCOUNTANTS:**

Horizon Accounts Ltd  
Stapleton House Second Floor  
110 Clifton Street  
London  
EC2A 4HT

**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2019**

	Notes	31.12.19 £	£	31.12.18 £	£
<b>FIXED ASSETS</b>					
Intangible assets	5		3,905		4,394
Tangible assets	6		56,723		25,061
Investments	7		445		-
			<u>61,073</u>		<u>29,455</u>
<b>CURRENT ASSETS</b>					
Stocks		13,607		40,737	
Debtors	8	251,449		112,251	
Cash at bank		<u>2,966,940</u>		<u>1,234,656</u>	
		3,231,996		1,387,644	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>1,188,893</u>		<u>493,852</u>	
<b>NET CURRENT ASSETS</b>			<u>2,043,103</u>		<u>893,792</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,104,176</u>		<u>923,247</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		433		330
Share premium			8,267,750		3,236,862
Share option reserve			278,263		-
Retained earnings			<u>(6,442,270)</u>		<u>(2,313,945)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>2,104,176</u>		<u>923,247</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

**STATEMENT OF FINANCIAL POSITION - continued**  
**31 DECEMBER 2019**

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 21 July 2020 and were signed on its behalf by:

F Blackett - Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. STATUTORY INFORMATION**

Patch Gardens Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

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

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Preparation of consolidated financial statements**

The financial statements contain information about Patch Gardens Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

**Significant judgements and estimates**

Share based payments as set out in note 16 to the accounts have been made to employees of the company. As disclosed in the Share Based Payments accounting policy note below, the fair value of any vested share options is recognised in the income statement and for the accounting period ending 31 December 2019, the fair value has been estimated as £0.1899 per share. This is based on the value of Ordinary shares issued.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings - 4 years  
Computer equipment - 3 years

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3. ACCOUNTING POLICIES - continued**

**Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other debtors, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income Statement.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in, the Income Statement, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3. ACCOUNTING POLICIES - continued**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. Tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

**Taxation**

Taxation for the year comprises current tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Stock**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Going concern**

The financial statements have been prepared on a going concern basis. The company incurred losses during the year, however the directors have been successful in attracting further investment since the end of the accounting period and are of the opinion that the company has sufficient resources to meet its future obligations, if and when, they become due. The directors are therefore of the opinion that they should continue to adopt the going concern basis of accounting in preparing the financial statements.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 38 (2018 - 17) .



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. INTANGIBLE FIXED ASSETS**

	<b>Patents and licences £</b>
<b>COST</b>	
At 1 January 2019	
and 31 December 2019	<u>4,888</u>
<b>AMORTISATION</b>	
At 1 January 2019	494
Amortisation for year	<u>489</u>
At 31 December 2019	<u>983</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>3,905</u>
At 31 December 2018	<u>4,394</u>

**6. TANGIBLE FIXED ASSETS**

	<b>Fixtures, fittings &amp; equipment £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 January 2019	1,812	27,470	29,282
Additions	17,306	31,520	48,826
Disposals	<u>-</u>	<u>(743)</u>	<u>(743)</u>
At 31 December 2019	<u>19,118</u>	<u>58,247</u>	<u>77,365</u>
<b>DEPRECIATION</b>			
At 1 January 2019	627	3,594	4,221
Charge for year	1,559	15,151	16,710
Eliminated on disposal	<u>-</u>	<u>(289)</u>	<u>(289)</u>
At 31 December 2019	<u>2,186</u>	<u>18,456</u>	<u>20,642</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>16,932</u>	<u>39,791</u>	<u>56,723</u>
At 31 December 2018	<u>1,185</u>	<u>23,876</u>	<u>25,061</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**7. FIXED ASSET INVESTMENTS**

	Shares in group undertaking £
<b>COST</b>	
Additions	445
At 31 December 2019	<u>445</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>445</u>

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.19 £	31.12.18 £
Trade debtors	24,465	22,963
Amounts owed by group undertakings	105,158	-
Other debtors	<u>121,826</u>	<u>89,288</u>
	<u>251,449</u>	<u>112,251</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.19 £	31.12.18 £
Trade creditors	606,535	225,121
Taxation and social security	264,893	178,705
Other creditors	<u>317,465</u>	<u>90,026</u>
	<u>1,188,893</u>	<u>493,852</u>

**10. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.19 £	31.12.18 £
Within one year	45,263	102,228
Between one and five years	<u>-</u>	<u>45,263</u>
	<u>45,263</u>	<u>147,491</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**11. CALLED UP SHARE CAPITAL**

<b>Allotted, issued and fully paid:</b>		<b>Nominal value:</b>	<b>31.12.19</b>	<b>31.12.18</b>
<b>Number:</b>	<b>Class:</b>		<b>£</b>	<b>£</b>
12,015,520	Ordinary	£0.00002	240	240
4,483,429	A Ordinary	£0.00002	90	90
5,162,150	B Ordinary	£0.00002	103	-
			<u>433</u>	<u>330</u>

5,162,150 B Ordinary shares of £0.00002 each were allotted as fully paid at a premium of £1 per share during the year.

All classes of shares are ranked equally in respect of voting and dividend rights. In the event of a distribution on liquidation or sale, B Ordinary Shares have preference over A Ordinary Shares, which in turn have preference over Ordinary Shares.

**12. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**13. POST BALANCE SHEET EVENTS**

On 28 February 2020, the company issued 618,000 'B' Ordinary shares of £0.00002 each for a total consideration of £618,000.

**14. ULTIMATE CONTROLLING PARTY**

The company has no controlling party.

**15. SHARE-BASED PAYMENT TRANSACTIONS**

The company operates an Employee Share Option Scheme. At the date of the statement of financial position the company granted 2,414,255 EMI qualifying share options to six employees of the company at an exercise price of £0.02 per share. Of that amount, none had been exercised, 1,637,802 share options had been vested but not exercised, and 468,212 had lapsed.

Share options vest over a 4 year period with a 1 year cliff from the date of grant.

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.