

# Patch Gardens Ltd

Registered Number  
09897155  
(England and Wales)

Unaudited Financial Statements for the Year ended  
31 December 2022

Patch Gardens Ltd  
Company Information  
for the year from 1 January 2022 to 31 December 2022

**Directors**

BLACKETT, Freddie

HACKETT, John

NAYLOR, Nick

WYNNE, William Robert

**Registered Address**

3rd Floor 45 Albemarle Street

London

W1S 4JL

**Registered Number**

09897155 (England and Wales)

Patch Gardens Ltd  
Statement of Financial Position  
31 December 2022

	Notes	2022	2021
		£	£
<b>Fixed assets</b>			
Intangible assets	9	2,439	2,928
Tangible assets	10	10,951	27,298
Investments	11	445	445
		<u>13,835</u>	<u>30,671</u>
<b>Current assets</b>			
Stocks	15	555,324	482,912
Debtors	16	578,961	1,106,887
Cash at bank and on hand		194,274	723,014
		<u>1,328,559</u>	<u>2,312,813</u>
<b>Creditors amounts falling due within one year</b>	17	(1,756,512)	(2,371,253)
		<u>(1,756,512)</u>	<u>(2,371,253)</u>
<b>Net current assets (liabilities)</b>		(427,953)	(58,440)
<b>Total assets less current liabilities</b>		(414,118)	(27,769)
Creditors amounts falling due after one year	18	(1,132,524)	(538,462)
		<u>(1,132,524)</u>	<u>(538,462)</u>
<b>Net assets</b>		<u>(1,546,642)</u>	<u>(566,231)</u>
<b>Capital and reserves</b>			
Called up share capital		446	446
Share premium		8,847,338	8,847,338
Other reserves		803,755	500,793
Profit and loss account		(11,198,181)	(9,914,808)
		<u>(1,546,642)</u>	<u>(566,231)</u>
<b>Shareholders' funds</b>		<u>(1,546,642)</u>	<u>(566,231)</u>

The company was entitled to exemption from audit for this reporting period under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The directors have chosen to not file a copy of the company's profit and loss account.

The financial statements were approved and authorised for issue by the Board of Directors on 27 September 2023, and are signed on its behalf by:

BLACKETT, Freddie

**Director**

**Registered Company No. 09897155**

Patch Gardens Ltd

Notes to the Financial Statements  
for the year ended 31 December 2022

**1. Statutory information**

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

**2. Compliance with applicable reporting framework**

The financial statements have been prepared in compliance with FRS 102 Section 1A as it applies to the financial statements for the period and there were no material departures from the reporting standard.

**3. Principal activities**

The company's principal activity during the year continued to be that of plant e-commerce retailer.

**4. Smallest group in which results are consolidated**

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.

**5. Basis of measurement used in financial statements**

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

**6. Accounting policies**

**Functional and presentation currency policy**

The financial statements are presented in the company's functional currency which is the Pound Sterling (£).

**Turnover policy**

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

## Property, plant and equipment policy

Tangible assets are stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

	Straight line (years)
Fixtures and fittings	4
Office Equipment	3

## Intangible assets policy

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Trademarks, patents & licenses are being amortised evenly over their estimated useful life of ten years.

## Stocks policy

Inventories are valued at the lower of cost and estimated selling price (less any associated costs to enable such sales to complete).

## Revenue recognition policy

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

The statement of financial position is credited with the value of invoiced sales, as deferred income, which is then amortised to revenue over the period of the contract. At the date of statement of financial position, the carrying value of deferred income reflects the total value of invoiced sales which has not yet been recognised as revenue.

## Taxation policy

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. Group relief of trading losses has been claimed to utilise some of the losses incurred.

Tax credits shown on the income statement represent trading losses surrendered for research and development tax credits

## **Research and development policy**

Revenue expenditure on research and development is written off in the year in which it is incurred.

## **Foreign currency translation and operations policy**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each reporting 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 the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

## **Government grants and other government assistance policy**

Other operating income consists of grants received and banking incentives and income from leaflet distribution.

A grant that does not impose specified future performance-related conditions is recognised in income when the grant proceeds are received or receivable. In case of performance related grants, income is recognised only when the performance related conditions are met.

## **Leases policy**

Rentals paid under operating leases are charged to the Income statement on a straight-line basis over the period of the lease.

## **Investments policy**

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value where the difference between cost and fair value is material. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the income statement.

## **Employee benefits policy**

Contributions to defined contribution plans are expensed in the period to which they relate.

### **Share Based Payments**

The company operates an equity-settled compensation plan. The fair value of the services received in exchange for the grant of the options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement. The credit entry is taken to reserves because the share options are equity-settled.

## **Valuation of financial instruments policy**

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

The Company only enters into basic financial instruments 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. Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

## **Going concern**

The financial statements have been prepared on a going concern basis. The company incurred losses during the year, however, the directors believe there are sufficient funds available to support the company to meet its obligations, if and when, they become due. The directors have also been able to generate additional funding after the year end. The directors are therefore of the opinion that they should continue to adopt the going concern basis of accounting in preparing the financial statements.



## 7. Critical estimates and judgements

Share based payments as set out in note 8 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 2022, the fair value has been estimated as £0.1899 per share. This is based on the value of Ordinary shares issued.

There are no critical estimates involved in the preparations of these financial statements.

## 8. Employee information

Share-based payment transactions

The company operates an Employee Share Option Scheme. At the date of the statement of financial position the company granted 5,407,158 EMI qualifying share options to 51 employees of the company at an exercise price of £0.05 per share. As at the date of the statement of financial position, 2,767,000 (2021 -2,637,136) share options had vested, 1,786,993 (2021 -1,296,413) had lapsed and none have been exercised.

Share options vest under varying terms as set out in the share option plan and the vesting periods range up to 4 years from the date of grant, with a 1-year cliff.

	2022	2021
Average number of employees during the year	34	47

## 9. Intangible assets

	Other	Total
	£	£
<b>Cost or valuation</b>		
At 01 January 22	4,888	4,888
At 31 December 22	4,888	4,888
<b>Amortisation and impairment</b>		
At 01 January 22	1,960	1,960
Charge for year	489	489
At 31 December 22	2,449	2,449
<b>Net book value</b>		
At 31 December 22	2,439	2,439
At 31 December 21	2,928	2,928

## 10. Property, plant and equipment

	Fixtures & fittings	Office Equipment	Total
	£	£	£
<b>Cost or valuation</b>			
At 01 January 22	6,861	80,117	86,978
Disposals	-	(12,324)	(12,324)
At 31 December 22	6,861	67,793	74,654
<b>Depreciation and impairment</b>			
At 01 January 22	2,862	56,818	59,680
Charge for year	1,262	13,185	14,447
On disposals	-	(10,424)	(10,424)
At 31 December 22	4,124	59,579	63,703
<b>Net book value</b>			
At 31 December 22	2,737	8,214	10,951
At 31 December 21	3,999	23,299	27,298

## 11. Fixed asset investments

	Investments in groups <sup>1</sup>	Total
	£	£
<b>Cost or valuation</b>		
At 01 January 22	445	445
At 31 December 22	445	445
<b>Net book value</b>		
At 31 December 22	445	445
At 31 December 21	445	445

### Notes

<sup>1</sup> Investments in group undertakings and participating interests

## 12. Description of financial commitments other than capital commitments

### Future Lease Payments

Future payments under non-cancellable operating lease agreements fall due as follows:

Within 1 year = £6,000 (2021: Nil) 142,620

## 13. Description of nature of transactions and balances with related parties

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.

### Ultimate Controlling entity

Arena Online Limited is the ultimate controlling party situated at Unit 1, Concord Business Centre, Concord Road, London, England, W3 0TJ.

## 14. Description of event after reporting date

On the 12th of January 2023, the company issued 1,853,987 ordinary shares of £0.00002 each for a total consideration of £87,270.

On the 12th of January 2023, the company issued 600,000 class z ordinary shares of £0.00002 each for a total consideration of £600,000.

## 15. Stocks

	2022	2021
	£	£
Other stocks	555,324	482,912
Total	555,324	482,912

## 16. Debtors

	2022	2021
	£	£
Trade debtors / trade receivables	36,413	18,833
Amounts owed by group undertakings	185,882	692,196
Other debtors	196,929	187,565
Prepayments and accrued income	159,737	208,293
Total	578,961	1,106,887

## 17. Creditors within one year

	2022	2021
	£	£
Trade creditors / trade payables	608,656	581,099
Taxation and social security	258,749	138,674
Other creditors	678,436	1,300,495
Accrued liabilities and deferred income	210,671	350,985
Total	1,756,512	2,371,253

## 18. Creditors after one year

	2022	2021
	£	£
Other creditors	1,132,524	538,462
Total	<u>1,132,524</u>	<u>538,462</u>

### Charges:

Glif Ld LP hold a fixed and floating charge over all the property and undertaking of the company in connection with a loan facility of £1,000,000 advanced to the company during the year. Amounts outstanding at the year end date in respect of the loan facility are included in Other creditors disclosed in notes 17 and 18 above. At the statement of financial position date, the charges remained outstanding.

Creditors include convertible loans of £416,901 on which interest accrues at 10% per annum. The loans are convertible to equity if any of the qualifying events specified in the agreement is satisfied; otherwise on maturity May 2027.

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