

Handbag Clinic Ltd

Financial statements

Information for filing with the registrar

31 January 2023

Handbag Clinic Ltd

Balance sheet At 31 January 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	5	8,173	9,174
Tangible assets	6	81,697	46,903
		<u>89,870</u>	<u>56,077</u>
Current assets			
Stocks		64,884	55,344
Debtors	7	381,366	182,681
Bank and cash balances		19,147	225,574
		<u>465,397</u>	<u>463,599</u>
Creditors: amounts falling due within one year	8	(1,711,103)	(430,034)
Net current (liabilities)/assets		<u>(1,245,706)</u>	<u>33,565</u>
Total assets less current liabilities		<u>(1,155,836)</u>	<u>89,642</u>
Creditors: amounts falling due after more than one year	9	(99,900)	(38,673)
Net (liabilities)/assets		<u><u>(1,255,736)</u></u>	<u><u>50,969</u></u>
Capital and reserves			
Called up share capital		6,744	6,744
Share premium account		3,584,854	3,584,854
Profit and loss account		(4,847,334)	(3,540,629)
Shareholders' funds		<u><u>(1,255,736)</u></u>	<u><u>50,969</u></u>

Handbag Clinic Ltd

Balance sheet (continued)

At 31 January 2023

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.

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 on 19 September 2023.

C H Staerck

Director

Company registered number: 11552082

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

Notes to the financial statements Year ended 31 January 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 10 Hobson Industrial Estate, Burnopfield, Newcastle Upon Tyne, NE16 6EA.

2. Statement of compliance

The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Accounting policies

3.1 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.

3.2 Going concern

The financial statements are prepared on the going concern basis. Despite the losses incurred in the year, the directors have not identified any material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern. The directors have pledged their support to the company should it be needed to meet its obligations, and they also consider that further funding from shareholders will be available if required.

If this basis proved to be invalid, the financial statements would have to be prepared on a breakup basis in which case the balance sheet would be restated to include all assets at estimated realisable values and all liabilities would become current and would have to be increased to include those liabilities contingent on the company ceasing to trade.

3.3 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured.

Turnover is measured as the consideration received or receivable, net of discounts and value added tax, at point of sale of finished goods.

Turnover for consignment stock represents the commission received on the sale.

3.4 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 comprehensive income in the same period as the related expenditure.

Notes to the financial statements Year ended 31 January 2023

3. Accounting policies (continued)

3.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

3.6 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.

3.7 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 balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3.8 Taxation

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 balance sheet date in the countries where the company operates and generates income.

3.9 Intangible assets

Intangible assets comprise goodwill which represents the difference between the fair value of its identifiable assets and liabilities at the date of transfer to the company on demerger from prior operation and the consideration paid.

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is provided on the following bases:

Website costs	-	10 % straight line
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Notes to the financial statements Year ended 31 January 2023

3. Accounting policies (continued)

3.10 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, as follows.

Depreciation is provided on the following basis:

Plant and machinery	-	20%	straight line
Fixtures and fittings	-	20%	straight line
Computer equipment	-	33%	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.

3.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

3.12 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.

4. Employees

The average monthly number of employees, including directors, during the year was 41 (2022 - 34).

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Notes to the financial statements Year ended 31 January 2023

5. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 February 2022	10,008	2,427,480	2,437,488
At 31 January 2023	10,008	2,427,480	2,437,488
Amortisation			
At 1 February 2022	834	2,427,480	2,428,314
Charge for the year	1,001	-	1,001
At 31 January 2023	1,835	2,427,480	2,429,315
Net book value			
At 31 January 2023	8,173	-	8,173
At 31 January 2022	9,174	-	9,174

Handbag Clinic Ltd

Notes to the financial statements Year ended 31 January 2023

6. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 February 2022	23,229	43,949	29,699	96,877
Additions	5,793	38,751	16,682	61,226
At 31 January 2023	29,022	82,700	46,381	158,103
Depreciation				
At 1 February 2022	12,266	21,942	15,766	49,974
Charge for the year	5,004	11,032	10,396	26,432
At 31 January 2023	17,270	32,974	26,162	76,406
Net book value				
At 31 January 2023	11,752	49,726	20,219	81,697
At 31 January 2022	10,963	22,007	13,933	46,903

Handbag Clinic Ltd

Notes to the financial statements Year ended 31 January 2023

7. Debtors

	2023 £	2022 £
Trade debtors	263,046	130,324
Called up share capital not paid	-	100
Prepayments and accrued income	48,500	52,257
Tax recoverable	69,820	-
	<u>381,366</u>	<u>182,681</u>

8. Creditors: amounts falling due within one year

	2023 £	2022 £
Convertible loan stock	750,000	-
Bank loans	10,782	10,648
Other loans	132,665	-
Trade creditors	407,432	305,126
Other taxation and social security	203,141	48,759
Other creditors	127,570	50,981
Accruals and deferred income	79,513	14,520
	<u>1,711,103</u>	<u>430,034</u>

The convertible loan stock accrues interest at 10% per annum and is convertible into equity at the discretion of the stockholders on the advent of certain defined events, providing the company has not previously repaid the principal and accrued interest.

9. Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans	33,456	38,673
Other creditors	66,444	-
	<u>99,900</u>	<u>38,673</u>

Notes to the financial statements
Year ended 31 January 2023

10. Commitments under operating leases

At 31 January 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	36,000	66,750
Later than 1 year and not later than 5 years	36,000	156,563
	<u>72,000</u>	<u>223,313</u>

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.