Company registration number: 04199890

Hanza Global Limited

Filleted financial statements

31 July 2018

Hanza Global Limited

Contents

Hanza Global Limited

Statement of financial position
31 July 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	4	1,688		2,896	
			1,688		2,896
Current assets					
Stocks	5	706,874		331,229	
Debtors	6	298,177		158,939	
Cash at bank and in hand		526,668		303,940	
		1,531,719		794,108	
Creditors: amounts falling due within one year	7	(84,608)		(393,665)	
Net current assets			1,447,111		400,443
Total assets less current liabilities			1,448,799		403,339
Net assets			1,448,799		403,339
Capital and reserves					
Called up share capital	8		196		173
Share premium account			3,749,892		1,749,933
Profit and loss account			(2,301,289)		(1,346,767)
Shareholders funds			1,448,799		403,339

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The notes on pages 3 to 7 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 7 June 2019, and are signed on behalf of the board by:

Ms Farah Naz Siddiqi
Director

Company registration number: 04199890

The notes on pages 3 to 7 form part of these financial statements.

1. General information

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is 1 Sun Street, London, EC2A 2EP. The principal activity of the company is the sales of cosmetics.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, 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 Republic of Ireland and the Companies Act 2006.
The financial statements are prepared in sterling, which is the functional currency of the entity.
The following accounting policies have been applied:

Going concern

Subsequent to the year end, the company was granted an invoice discounting facility from its bankers to assist with its working capital requirements and in May 2019 a new round of funding was agreed with investors to help finance new commercial opportunities and support continuing operational activity. The directors are confident that these new sources of funding should enable the company to grow and improve the financial performance of the business.

The directors also believe that, should further funding be required, new and existing investors will be available to support the brand and the company's activities. As with any company placing reliance on investors for financial support, the directors acknowledge that there exists an uncertainty that this support will continue, although at the date of approval of these financial statements they have no reason to believe that it will not do so.

The directors have adopted the going concern basis for preparation of the financial statements based on the budgets and forecasts which they have prepared and on the basis of further available support.

The financial statements do not include any adjustments that might be required if the application of the going concern basis proves to be inappropriate.

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities.

Turnover is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer, which is on delivery of goods.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

Research and development

Research expenditure is written off in the year in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	33.33% straight line
Fittings fixtures and equipment	-	25% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans
Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Tangible assets

	Plant and machinery	Fixtures, fittings and equipment	**Total**
	£	£	**£**
Cost			
At 1 August 2017 and 31 July 2018	1,270	5,830	7,100
Depreciation			
At 1 August 2017	1,270	2,934	4,204
Charge for the year	-	1,208	1,208
At 31 July 2018	1,270	4,142	5,412
Carrying amount			
At 31 July 2018	-	1,688	1,688
At 31 July 2017	-	2,896	2,896

5. Stocks

	2018	2017
	£	£
Raw materials and consumables	48,953	157,076
Finished goods and goods for resale	657,921	174,153
	706,874	331,229

6. Debtors

	2018	2017
	£	£
Trade debtors	191,153	76,149
Prepayments and accrued income	25,741	140
Other debtors	81,283	82,650
	298,177	158,939

7. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	58,870	75,294
Accruals and deferred income	6,250	10,500
Social security and other taxes	18,029	7,639
Loan from director	-	300,000
Other creditors	1,459	232
	84,608	393,665

The directors loan amount of £300,000 was converted into 345,000 ordinary shares of £0.00001 each on 28 February 2018.

8. Share capital

Authorised

	2018		2017	
	No	£	No	£
Ordinary shares shares of £0.00001 - each (2017: £0.10)	100,000,000	1,000	10,000	1,000

Issued and called up

On 23 August 2017 the Company subdivided its authorised share capital from 10,000 ordinary shares of £0.10 each to 100,000,000 of £0.00001 each. On the same date the Company subdivided its issued share capital from 1,725 ordinary shares of £0.10 each to 17,250,000 of £0.00001 each.

On 28 February 2018 the Company issued 2,300,000 Ordinary shares of £0.00001 each for costs of £0.869565 per share. This has resulted in an increase in share premium of £1,999,977.

9. Summary audit opinion

The full accounts of the company have been audited by BDO LLP. The auditor's report was unqualified and was signed by Benjamin Courts (Senior Statutory Auditor) for and on behalf of BDO LLP on 7 June 2019.