

**FRAGRANT EARTH ORGANICS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Arcadia Accountancy Limited

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**Fragrant Earth Organics Limited
Unaudited Financial Statements
For The Year Ended 30 September 2021**

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Fragrant Earth Organics Limited
Balance Sheet
As at 30 September 2021

Registered number: 05214896

		2021		2020	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	4		1,492		-
			1,492		-
CURRENT ASSETS					
Stocks	5	48,316		15,992	
Debtors	6	153,250		136,771	
Cash at bank and in hand		37,727		57,795	
		239,293		210,558	
Creditors: Amounts Falling Due Within One Year	7	(68,387)		(38,394)	
NET CURRENT ASSETS (LIABILITIES)			170,906		172,164
TOTAL ASSETS LESS CURRENT LIABILITIES			172,398		172,164
Creditors: Amounts Falling Due After More Than One Year	8		(32,000)		(32,000)
NET ASSETS			140,398		140,164
CAPITAL AND RESERVES					
Called up share capital	9		10		10
Profit and Loss Account			140,388		140,154
SHAREHOLDERS' FUNDS			140,398		140,164

**Fragrant Earth Organics Limited
Balance Sheet (continued)
As at 30 September 2021**

For the year ending 30 September 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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 and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Ms Shirley Routley

Director

01/11/2021

The notes on pages 3 to 6 form part of these financial statements.

**Fragrant Earth Organics Limited
Notes to the Financial Statements
For The Year Ended 30 September 2021**

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

1.3. Tangible Fixed Assets and Depreciation

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. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Straight line over 3 years

1.4. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

1.5. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.6. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable

profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.7. Government Grant

Government grants are recognised in the profit and loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the profit and loss account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

1.8. Tangible Assets

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

	Plant & Machinery
	£
Cost	
As at 1 October 2020	7,120
Additions	2,238
Disposals	(7,120)
As at 30 September 2021	<u>2,238</u>
Depreciation	
As at 1 October 2020	7,120
Provided during the period	746
Disposals	(7,120)
As at 30 September 2021	<u>746</u>
Net Book Value	
As at 30 September 2021	<u>1,492</u>
As at 1 October 2020	<u>-</u>

5. Stocks

	2021	2020
	£	£
Stock - materials and work in progress	48,316	15,992
	<u>48,316</u>	<u>15,992</u>

6. Debtors

	2021	2020
	£	£
Due within one year		
Trade debtors	21,454	4,723
Other debtors	131,796	130,296
VAT	-	1,752
	<u>153,250</u>	<u>136,771</u>

Fragrant Earth Organics Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2021

7. Creditors: Amounts Falling Due Within One Year

	2021	2020
	£	£
Trade creditors	16,555	3,862
Bank loans and overdrafts	8,732	-
Corporation tax	-	622
VAT	12,267	-
Other creditors	339	1,574
Accruals and deferred income	-	1,050
Directors' loan accounts	30,494	31,286
	68,387	38,394

8. Creditors: Amounts Falling Due After More Than One Year

	2021	2020
	£	£
Bank loans	32,000	32,000
	32,000	32,000

9. Share Capital

	2021	2020
Allotted, Called up and fully paid	10	10
	10	10

	Value	Number	2021	2020
	£		£	£
Allotted, called up and fully paid				
Ordinary Shares	1	10	10	10
		10	10	10

10. Related Party Transactions

S Routley
 Director/Shareholder

S Routley maintained a directors loan to the company during the year. The loan was interest free with no fixed repayment period. The balance as at the year end was £11,309 (2020: £12,101).

J Kusmirek
 Director/Shareholder

S Routley
 Director/Shareholder

J Kusmirek maintained a directors loan to the company during the year. The loan was interest free with no fixed repayment period. The balance as at the year end was £19,185 (2020: £19,185).

Fragrant Earth International Limited
 Within Other debtors the company maintained a loan of £130,296 (2019 - £130,296) with Fragrant Earth International Limited, a company under common control. Fragrant Earth International Limited entered liquidation on 7 September 2020, as at the year 30 September 2021 the liquidation process was ongoing. Shortly following the year end £44,524 was received in settlement of the loan from the liquidator on completion.

11. Ultimate Controlling Party

The company's ultimate controlling party is Ms S Routley by virtue of her ownership of 60% of the issued share capital in the company.

Fragrant Earth Organics Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2021

12. General Information

Fragrant Earth Organics Limited is a private company, limited by shares, incorporated in England & Wales, registered number 05214896 . The registered office is Unit 21 The Beckery, Glastonbury, Somerset, BA6 9NX.