

Flower of Life Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 28 February 2021

Flower of Life Ltd

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Flower of Life Ltd

Company Information

Directors D S Spayne
Mr J Rogers
P W E L Leoni Sceti

Company secretary Mr J Rogers

Registered office Unit 2a Orchard Business Park
Scout Road
Mytholmroyd
West Yorks
HX7 5HZ

Accountants Fitton & Co
Chartered Certified Accountants
Burlees House
Hangingroyd Lane
Hebden Bridge
West Yorks
HX7 7DD

Flower of Life Ltd

(Registration number: 08050763)

Statement of financial position as at 28 February 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>4</u>	18,616	19,999
Tangible assets	<u>5</u>	656,263	689,801
		<u>674,879</u>	<u>709,800</u>
Current assets			
Stocks		576,073	332,388
Debtors		486,680	435,511
Cash at bank and in hand		869,027	303,416
		<u>1,931,780</u>	<u>1,071,315</u>
Creditors: Amounts falling due within one year		<u>(1,375,493)</u>	<u>(774,051)</u>
Net current assets		<u>556,287</u>	<u>297,264</u>
Total assets less current liabilities		<u>1,231,166</u>	<u>1,007,064</u>
Creditors: Amounts falling due after more than one year		<u>(690,571)</u>	<u>(133,449)</u>
Net assets		<u>540,595</u>	<u>873,615</u>
Capital and reserves			
Called up share capital	<u>7</u>	49	44
Share premium reserve		3,372,098	2,837,103
Profit and loss account		<u>(2,831,552)</u>	<u>(1,963,532)</u>
Total equity		<u>540,595</u>	<u>873,615</u>

For the financial year ending 28 February 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 of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Income Statement has been taken.

The notes on pages 4 to 13 form an integral part of these financial statements.

Flower of Life Ltd

(Registration number: 08050763)

Statement of financial position as at 28 February 2021

Approved and authorised by the Board on 30 July 2021 and signed on its behalf by:

.....

D S Spayne
Director

Flower of Life Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Unit 2a Orchard Business Park
Scout Road
Mytholmroyd
West Yorks
HX7 5HZ

These financial statements were authorised for issue by the Board on 30 July 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in (£) sterling, which is the functional currency of the entity.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Flower of Life Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	10% to 20% straight line
Motor vehicles	25% reducing balance
Office equipment	25% straight line
Fixtures & fittings	15% straight line
Improvements to tenanted property	25% straight line

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Trademark	20% straight line
Website development	20% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call 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 of change in value.

Impairment of fixed assets

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.

For the purposes of impairment testing, 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 largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Notes to the Financial Statements for the Year Ended 28 February 2021

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Notes to the Financial Statements for the Year Ended 28 February 2021

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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Notes to the Financial Statements for the Year Ended 28 February 2021

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 38 (2020 - 30).

4 Intangible assets

	Website development costs £	Patents, trademarks and licences £	Total £
Cost or valuation			
At 1 March 2020	24,775	3,150	27,925
Additions acquired separately	4,360	-	4,360
At 28 February 2021	29,135	3,150	32,285
Amortisation			
At 1 March 2020	5,248	2,678	7,926
Amortisation charge	5,271	472	5,743
At 28 February 2021	10,519	3,150	13,669
Carrying amount			
At 28 February 2021	18,616	-	18,616
At 29 February 2020	19,527	472	19,999

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Notes to the Financial Statements for the Year Ended 28 February 2021

5 Tangible assets

	Improvements to leasehold property £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 March 2020	102,066	19,437	871,244	9,165	18,000	1,019,812
Additions	19,155	725	101,475	5,742	-	127,097
At 28 February 2021	121,221	20,162	972,719	14,907	18,000	1,147,009
Depreciation						
At 1 March 2020	41,340	9,883	267,750	4,921	6,218	329,912
Charge for the year	26,590	2,992	125,602	2,504	2,946	159,634
At 28 February 2021	67,930	12,875	393,352	7,425	9,164	489,746
Carrying amount						
At 28 February 2021	53,291	7,287	579,367	7,482	8,836	656,263
At 29 February 2020	60,726	9,554	603,495	4,244	11,782	689,801

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Notes to the Financial Statements for the Year Ended 28 February 2021

Finance lease and hire purchase contracts

Included within the net book value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Note	2021 £	2020 £
Plant and machinery		367,620	367,280
		<u>367,620</u>	<u>367,280</u>

6 Debtors

	2021 £	2020 £
Trade debtors	407,412	351,524
Other debtors	37,011	62,484
Prepayments	<u>42,257</u>	<u>21,503</u>
Total current trade and other debtors	<u>486,680</u>	<u>435,511</u>

7 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary of £0.01 each	4,908	49.08	4,408	44.08
	<u>4,908</u>	<u>49.08</u>	<u>4,408</u>	<u>44.08</u>

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Notes to the Financial Statements for the Year Ended 28 February 2021

8 Creditors

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	<u>9</u>	1,019,385	329,148
Trade creditors		196,805	203,822
Amounts due to related parties	<u>10</u>	-	19,455
Social security and other taxes		19,048	43,732
Outstanding defined contribution pension costs		4,459	2,932
Other payables		(1,336)	-
Accrued expenses		28,445	33,684
Deferred income		108,687	141,278
		<u>1,375,493</u>	<u>774,051</u>
Due after one year			
Loans and borrowings	<u>9</u>	<u>690,571</u>	<u>133,449</u>

9 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	499,850	37,168
Finance lease liabilities	<u>190,721</u>	<u>96,281</u>
	<u>690,571</u>	<u>133,449</u>

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	135,069	40,590
Finance lease liabilities	34,465	91,017
Convertible loan stock	850,000	-
Other borrowings	<u>(149)</u>	<u>197,541</u>
	<u>1,019,385</u>	<u>329,148</u>

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Notes to the Financial Statements for the Year Ended 28 February 2021

Bank borrowings

The carrying amount of Vicarage Management No 1 Limited CBILS loan at year end is £550,000 (2020 - £Nil).

Vicarage Management No 1 Limited hold a fixed and floating charge over the property and undertaking of the company, registered on 28 August 2020.

The carrying amount of Barclays bank loan at year end is £Nil (2020 - £77,758).

Barclays bank loan was repaid on 1 September 2020, the fixed and floating charge over the property and undertaking of the company was satisfied on 27 January 2021.

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Notes to the Financial Statements for the Year Ended 28 February 2021

10 Related party transactions

Transactions with directors

	At 1 March 2020 £	Advances to directors £	At 28 February 2021 £
2021			
D S Spayne			
Loan advance to the company	19,455	(19,455)	-

	At 1 March 2019 £	Advances to directors £	Repayments by director £	At 29 February 2020 £
2020				
D S Spayne				
Loan advance to the company	80,000	(143,507)	82,962	19,455

Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	91,571	58,891
Contributions paid to money purchase schemes	2,747	2,031
	<u>94,318</u>	<u>60,922</u>

11 Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Note	2021 £	2020 £
Less than 1 year		7,222	3,256
Later than 1 year and not later than 5 years		<u>244,464</u>	<u>384,039</u>
		<u>251,686</u>	<u>387,295</u>

The amount of operating leases recognised as an expense in the year was £132,989 (2020 £95,609) for premises and £46,097 (2020 £41,201) for other leases.

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.