

**SMALLER EARTH GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Smaller Earth Group Limited
Unaudited Financial Statements
For The Year Ended 30 September 2020

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Smaller Earth Group Limited
Balance Sheet
As at 30 September 2020

Registered number: 06586570

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3		2,478		9,390
Investments	4		79,749		91,415
			82,227		100,805
CURRENT ASSETS					
Debtors	5	95,768		806,347	
Cash at bank and in hand		901,519		60,021	
			997,287		866,368
Creditors: Amounts Falling Due Within One Year	6	(916,925)		(567,049)	
NET CURRENT ASSETS (LIABILITIES)			80,362		299,319
TOTAL ASSETS LESS CURRENT LIABILITIES			162,589		400,124
NET ASSETS			162,589		400,124
CAPITAL AND RESERVES					
Called up share capital	7		827		827
Capital redemption reserve			96		96
Profit and Loss Account			161,666		399,201
SHAREHOLDERS' FUNDS			162,589		400,124

Smaller Earth Group Limited
Balance Sheet (continued)
As at 30 September 2020

For the year ending 30 September 2020 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

Mr Bastian Weinberger

Director

8 December 2020

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

Smaller Earth Group Limited
Notes to the Financial Statements
For The Year Ended 30 September 2020

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. Going Concern Disclosure

The company's ability to trade has been severely impacted due to the COVID-19 outbreak. The directors are taking all necessary steps to ensure the survival of the business which includes accessing government funding and loans, and cutting costs where possible. The directors consider that although some trading has recommenced there remains uncertainty in relation to the ongoing financial impact of the pandemic on company revenue over the next 12 months. However, given the continuing efforts to secure government funding, and cutting costs where possible, the directors continue to adopt the going concern basis of accounting.

1.3. 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.

Rendering of services

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.

1.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	25% Straight Line
Fixtures & Fittings	25% Straight Line
Computer Equipment	50% Straight Line

The basis of depreciation for computer equipment has been changed from 33% straight line to 50% straight line from 1 October 2019. The directors consider that this gives a better reflection of the assets useful life within the business.

1.5. Financial Instruments

Financial instruments are recognised initially at fair value with the changes in fair value recognised in the profit and loss account.

1.6. 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.

Smaller Earth Group Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2020

1.7. 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.

1.8. Government Assistance

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. During the year the company received Government funding to support salaries of staff on furlough.

1.9. Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2020	2019
Office and administration	22	19
	22	19

Smaller Earth Group Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2020

3. Tangible Assets

	Plant & Machinery	Fixtures & Fittings	Computer Equipment	Total
	£	£	£	£
Cost				
As at 1 October 2019	1,065	13,579	9,717	24,361
Additions	-	-	1,908	1,908
Disposals	-	-	(2,428)	(2,428)
As at 30 September 2020	<u>1,065</u>	<u>13,579</u>	<u>9,197</u>	<u>23,841</u>
Depreciation				
As at 1 October 2019	1,065	11,211	2,695	14,971
Provided during the period	-	2,368	5,138	7,506
Disposals	-	-	(1,114)	(1,114)
As at 30 September 2020	<u>1,065</u>	<u>13,579</u>	<u>6,719</u>	<u>21,363</u>
Net Book Value				
As at 30 September 2020	<u>-</u>	<u>-</u>	<u>2,478</u>	<u>2,478</u>
As at 1 October 2019	<u>-</u>	<u>2,368</u>	<u>7,022</u>	<u>9,390</u>

4. Investments

	Unlisted £
Cost	
As at 1 October 2019	91,415
As at 30 September 2020	<u>91,415</u>
Provision	
As at 1 October 2019	-
Added in period	11,666
As at 30 September 2020	<u>11,666</u>
Net Book Value	
As at 30 September 2020	<u>79,749</u>
As at 1 October 2019	<u>91,415</u>

Investments held are shares in group undertakings. In the year a provision was made against the value of an investment in an overseas associate company. This was considered a fair value adjustment for the company under existing and ongoing trading conditions in the location.

Smaller Earth Group Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2020

5. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	65,258	64,757
Prepayments and accrued income	18,438	18,438
Other debtors	-	10,865
VAT	12,072	40,823
Amounts owed by subsidiaries	-	671,464
	<u>95,768</u>	<u>806,347</u>

6. Creditors: Amounts Falling Due Within One Year

	2020	2019
	£	£
Trade creditors	9,510	16,981
Bank loans and overdrafts	129	44,374
Corporation tax	22,053	32,876
Other taxes and social security	8,185	17,817
Net wages	176	-
Other creditors	1,765	17,420
Accruals and deferred income	144,113	111,410
Directors' loan accounts	105,181	77,418
Amounts owed to subsidiaries	625,813	248,753
	<u>916,925</u>	<u>567,049</u>

7. Share Capital

	2020	2019
Allotted, Called up and fully paid	<u>827</u>	<u>827</u>

8. Related Party Transactions

During the year the company had the following related party transactions:

Cleversteam Limited

Smaller Earth Group is a 75% shareholder in Cleversteam Ltd. During the year Cleversteam Ltd provided IT support and development services of £116,176 to Smaller Earth Group Ltd at cost. At the year end the balance owing to Cleversteam Ltd was £76,574.

9. Controlling Party

The company does not have a sole controlling party as there are 4 shareholders and no single shareholder owns more than 50% of the shares.

10. General Information

Smaller Earth Group Limited is a private company, limited by shares, incorporated in England & Wales, registered number 06586570. The registered office is Avenue HQ, 17 Mann Island, Liverpool, L3 1BP.

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.