

Flower of Life Ltd

Annual Report and Unaudited Financial Statements
for the Period from 1 March 2021 to 30 June 2022

Flower of Life Ltd

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Flower of Life Ltd

Company Information

Directors
D S Spayne
P W E L Leoni Sceti
I R Balmforth
B J Newton
E D Smith

Company secretary

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

Accountants
Fitton & Co
Chartered Certified Accountants
Callis Mill
Woodland View
Hebden Bridge
West Yorkshire
HX7 6PJ

Flower of Life Ltd

Directors' Report for the Period from 1 March 2021 to 30 June 2022

The directors present their report and the financial statements for the period from 1 March 2021 to 30 June 2022.

Directors of the company

The directors who held office during the period were as follows:

D S Spayne

Mr J Rogers (ceased 12 August 2022)

P W E L Leoni Sceti

The following directors were appointed after the period end:

I R Balmforth (appointed 3 October 2022)

B J Newton (appointed 12 August 2022)

E D Smith (appointed 12 August 2022)

Principal activity

The principal activity of the company is manufacture of mineral waters and soft drinks.

Going concern

The directors confirm that the company is a going concern and they will continue to support the company for a period of no less than 12 months from signing the accounts.

Convertible Loan Stock £1,250,000 and Crowd funding receipts £890,377 were converted to equity on 12 August 2022.

Small companies provision statement

This report has 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.

Approved and authorised by the Board on 28 February 2023 and signed on its behalf by:

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I R Balmforth

Director

Flower of Life Ltd

(Registration number: 08050763)

Statement of financial position as at 30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>4</u>	17,251	18,616
Tangible assets	<u>5</u>	895,523	656,263
		<u>912,774</u>	<u>674,879</u>
Current assets			
Stocks		598,192	576,073
Debtors		551,762	486,681
Cash at bank and in hand		899,589	869,026
		<u>2,049,543</u>	<u>1,931,780</u>
Creditors: Amounts falling due within one year		<u>(3,148,166)</u>	<u>(1,375,493)</u>
Net current (liabilities)/assets		<u>(1,098,623)</u>	<u>556,287</u>
Total assets less current liabilities		<u>(185,849)</u>	<u>1,231,166</u>
Creditors: Amounts falling due after more than one year		<u>(646,908)</u>	<u>(690,571)</u>
Net (liabilities)/assets		<u>(832,757)</u>	<u>540,595</u>
Capital and reserves			
Called up share capital	<u>7</u>	49	49
Share premium reserve		3,372,098	3,372,098
Retained earnings		<u>(4,204,904)</u>	<u>(2,831,552)</u>
Shareholders' (deficit)/funds		<u>(832,757)</u>	<u>540,595</u>

For the financial period ending 30 June 2022 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 period 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.

Approved and authorised by the Board on 28 February 2023 and signed on its behalf by:

The notes on pages 6 to 16 form an integral part of these financial statements.

Flower of Life Ltd

(Registration number: 08050763)

Statement of financial position as at 30 June 2022

.....

I R Balmforth

Director

The notes on pages 6 to 16 form an integral part of these financial statements.

Flower of Life Ltd

Statement of Changes in Equity for the Period from 1 March 2021 to 30 June 2022

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 March 2021	49	3,372,098	(2,831,552)	540,595
Loss for the period	-	-	(1,373,352)	(1,373,352)
At 30 June 2022	49	3,372,098	(4,204,904)	(832,757)

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 March 2020	44	2,837,103	(1,963,532)	873,615
Loss for the period	-	-	(868,020)	(868,020)
New share capital subscribed	5	534,995	-	535,000
At 28 February 2021	49	3,372,098	(2,831,552)	540,595

The notes on pages 6 to 16 form an integral part of these financial statements.

Flower of Life Ltd

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

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 28 February 2023.

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 smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

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.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

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.

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
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.

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

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.

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.

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

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.

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.

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

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.

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 period, was 35 (2021 - 38).

Flower of Life Ltd

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

4 Intangible assets

	Website development and software costs £	Patents, trademarks and licences £	Total £
Cost or valuation			
At 1 March 2021	29,135	3,150	32,285
Additions acquired separately	7,381	-	7,381
At 30 June 2022	36,516	3,150	39,666
Amortisation			
At 1 March 2021	10,519	3,150	13,669
Amortisation charge	8,746	-	8,746
At 30 June 2022	19,265	3,150	22,415
Carrying amount			
At 30 June 2022	17,251	-	17,251
At 28 February 2021	18,616	-	18,616

Flower of Life Ltd

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

5 Tangible assets

	Improvements to leasehold property £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 March 2021	121,221	20,162	972,719	14,907	18,000	1,147,009
Additions	136,119	21,392	393,839	995	40,955	593,300
Disposals	-	-	(13,803)	(332)	-	(14,135)
At 30 June 2022	257,340	41,554	1,352,755	15,570	58,955	1,726,174
Depreciation						
At 1 March 2021	67,930	12,875	393,352	7,425	9,164	490,746
Charge for the period	69,585	6,307	253,666	3,837	12,150	345,545
Eliminated on disposal	-	-	(5,628)	(12)	-	(5,640)
At 30 June 2022	137,515	19,182	641,390	11,250	21,314	830,651
Carrying amount						
At 30 June 2022	119,825	22,372	711,365	4,320	37,641	895,523
At 28 February 2021	53,291	7,287	579,367	7,482	8,836	656,263

Flower of Life Ltd

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

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	30 June 2022	28 February 2021
		£	£
Plant and machinery		539,466	367,620
Fixtures and fittings		16,590	-
Motor vehicles		31,754	-
		<u>587,810</u>	<u>367,620</u>

6 Debtors

	30 June 2022	28 February 2021
	£	£
Trade debtors	388,926	407,412
Other debtors	84,984	37,012
Prepayments	<u>77,852</u>	<u>42,257</u>
Total current trade and other debtors	<u>551,762</u>	<u>486,681</u>

7 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary of £0.01 each	4,908	49	4,908	49

Flower of Life Ltd

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

8 Loans and borrowings

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	287,067	135,069
Hire purchase contracts	165,309	34,464
Convertible loan stock	1,250,000	850,000
Other borrowings	890,377	(149)
	<u>2,592,753</u>	<u>1,019,384</u>
	2022 £	2021 £
Non-current loans and borrowings		
Bank borrowings	318,622	499,850
Hire purchase contracts	328,286	190,721
	<u>646,908</u>	<u>690,571</u>

Bank borrowings

The carrying amount of Vicarage Management No 1 Limited CBILS loan at period end is £550,000 (2021 - £550,000).

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 Convertible loan notes at period end is £1,250,000 (2021 - £850,000).

Euan Smith, Flos Vitae Limited and Lsg Ventures Limited held a floating charge over the licences, patent, goodwill and trade mark of the company registered on 2 December 2021, satisfied on 1 November 2022.

Flower of Life Ltd

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

9 Related party transactions

Transactions with directors

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

Directors' remuneration

The directors' remuneration for the period was as follows:

	2022 £	2021 £
Remuneration	109,255	91,571
Contributions paid to money purchase schemes	4,077	2,747
	<u>113,332</u>	<u>94,318</u>

10 Operating leases

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

	30 June 2022 £	28 February 2021 £
Note		
Less than 1 year	55,640	7,222
Later than 1 year and not later than 5 years	272,405	244,464
	<u>328,045</u>	<u>251,686</u>

The amount of operating leases recognised as an expense in the period was £181,756 (2021 - £132,989) for premises and £77,130 (2021 - £46,097) for other leases.

Flower of Life Ltd

Notes to the Unaudited Financial Statements for the Period from 1 March 2021 to 30 June 2022

11 Creditors

		30 June 2022	28 February 2021
	Note	£	£
Due within one year			
Loans and borrowings	<u>8</u>	2,592,753	1,019,384
Trade creditors		352,073	196,805
Social security and other taxes		18,330	19,049
Outstanding defined contribution pension costs		2,933	4,459
Other payables		(836)	(1,336)
Accrued expenses		49,790	28,445
Deferred income		133,123	108,687
		<u>3,148,166</u>	<u>1,375,493</u>
Due after one year			
Loans and borrowings	<u>8</u>	<u>646,908</u>	<u>690,571</u>

Chartered Certified Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts of Flower of Life Ltd for the Period Ended 30 June 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Flower of Life Ltd for the period ended 30 June 2022 as set out on pages 3 to 16 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at

<https://www.accaglobal.com/gb/en/member/standards/rules-and-standards/rulebook.html>.

This report is made solely to the Board of Directors of Flower of Life Ltd, as a body, in accordance with the terms of our engagement letter dated 21 November 2022. Our work has been undertaken solely to prepare for your approval the accounts of Flower of Life Ltd and state those matters that we have agreed to state to the Board of Directors of Flower of Life Ltd, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2009/october/factsheet-163-audit-exempt-companies.html>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Flower of Life Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Flower of Life Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Flower of Life Ltd. You consider that Flower of Life Ltd is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the accounts of Flower of Life Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Fitton & Co
Chartered Certified Accountants
Callis Mill
Woodland View
Hebden Bridge
West Yorkshire
HX7 6PJ

28 February 2023

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.