

Down to Earth (Wales) Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 28 February 2019

Down to Earth (Wales) Ltd

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Financial Statements	<u>3 to 7</u>

Down to Earth (Wales) Ltd

Company Information

Directors Mr R A Davies
Mr S P Worthington

Registered office Tynton Farm
Pontyberem
Llanelli
SA15 5LP

Down to Earth (Wales) Ltd
(Registration number: 08876281)
Balance Sheet as at 28 February 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>5</u>	18,981	23,586
Current assets			
Stocks	<u>6</u>	37,131	35,000
Debtors	<u>7</u>	690	18,107
Cash at bank and in hand		25,188	3,113
		63,009	56,220
Creditors: Amounts falling due within one year	<u>8</u>	(49,585)	(62,682)
Net current assets/(liabilities)		13,424	(6,462)
Net assets		32,405	17,124
Capital and reserves			
Called up share capital		100	100
Profit and loss account		32,305	17,024
Total equity		32,405	17,124

For the financial year ending 28 February 2019 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 Profit and Loss Account has been taken.

Approved and authorised by the Board on 25 September 2019 and signed on its behalf by:

.....
Mr R A Davies
Director

.....
Mr S P Worthington
Director

Down to Earth (Wales) Ltd

Notes to the Financial Statements for the Year Ended 28 February 2019

1 General information

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

The address of its registered office is:

Tynton Farm
Pontyberem
Llanelli
SA15 5LP

These financial statements were authorised for issue by the Board on 25 September 2019.

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.

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.

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.

Down to Earth (Wales) Ltd

Notes to the Financial Statements for the Year Ended 28 February 2019

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
Motor vehicles	20% reducing balance basis
Plant and machinery	20% reducing balance basis

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.

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.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Down to Earth (Wales) Ltd

Notes to the Financial Statements for the Year Ended 28 February 2019

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 5 (2018 - 4).

4 Profit before tax

Arrived at after charging/(crediting)

	2019	2018
	£	£
Depreciation expense	4,605	5,732

Down to Earth (Wales) Ltd

Notes to the Financial Statements for the Year Ended 28 February 2019

5 Tangible assets

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 March 2018	3,851	35,886	39,737
At 28 February 2019	3,851	35,886	39,737
Depreciation			
At 1 March 2018	1,599	14,552	16,151
Charge for the year	338	4,267	4,605
At 28 February 2019	1,937	18,819	20,756
Carrying amount			
At 28 February 2019	1,914	17,067	18,981
At 28 February 2018	2,252	21,334	23,586

6 Stocks

	2019 £	2018 £
Work in progress	37,131	35,000

7 Debtors

	2019 £	2018 £
Trade debtors	690	18,107
	690	18,107

8 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Trade creditors		9,318	13,193
Directors loan account	10	26,917	32,737
Taxation and social security		3,369	981
Other creditors		9,981	15,771
		49,585	62,682

Down to Earth (Wales) Ltd

Notes to the Financial Statements for the Year Ended 28 February 2019

9 Reserves

10 Related party transactions

Transactions with directors

	At 1 March 2018 £	Advances to directors £	At 28 February 2019 £
2019			
Mr S P Worthington			
Interest free loan with no fixed repayments	(18,905)	2,820	(16,085)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Mr R A Davies			
Interest free loan with no fixed repayments	(13,831)	3,000	(10,831)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	At 1 March 2017 £	Advances to directors £	At 28 February 2018 £
2018			
Mr S P Worthington			
Interest free loan with no fixed repayments	(22,380)	3,475	(18,905)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Mr R A Davies			
Interest free loan with no fixed repayments	(18,031)	4,200	(13,831)

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.