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Registration number: 08876281

Down to Earth (Wales) Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 28 February 2022

Down to Earth (Wales) Ltd

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Down to Earth (Wales) Ltd

Company Information

Director Mr R A Davies

Registered office Gelli Oer
Pontyates
Llanelli
SA15 5UB

Down to Earth (Wales) Ltd
(Registration number: 08876281)
Balance Sheet as at 28 February 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>5</u>	18,906	27,378
Current assets			
Stocks	<u>6</u>	500	24,000
Debtors	<u>7</u>	8,966	1,568
Cash at bank and in hand		-	28,291
		9,466	53,859
Creditors: Amounts falling due within one year	<u>8</u>	(20,650)	(43,008)
Net current (liabilities)/assets		(11,184)	10,851
Net assets		<u>7,722</u>	<u>38,229</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		7,622	38,129
Total equity		<u>7,722</u>	<u>38,229</u>

For the financial year ending 28 February 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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 director acknowledges his 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 director on 7 April 2022

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Mr R A Davies
Director

Down to Earth (Wales) Ltd

Notes to the Financial Statements for the Year Ended 28 February 2022

1 General information

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

The address of its registered office is:

Gelli Oer
Pontyates
Llanelli
SA15 5UB

These financial statements were authorised for issue by the director on 7 April 2022.

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 balance sheet 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 2022

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.

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 Profit and Loss Account 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.

Down to Earth (Wales) Ltd

Notes to the Financial Statements for the Year Ended 28 February 2022

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.

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 the director) during the year, was 5 (2021 - 5).

4 Profit before tax

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	4,502	6,374

Down to Earth (Wales) Ltd

Notes to the Financial Statements for the Year Ended 28 February 2022

5 Tangible assets

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 March 2021	6,344	48,186	54,530
Disposals	-	(9,695)	(9,695)
At 28 February 2022	6,344	38,491	44,835
Depreciation			
At 1 March 2021	2,755	24,397	27,152
Charge for the year	538	3,963	4,501
Eliminated on disposal	-	(5,724)	(5,724)
At 28 February 2022	3,293	22,636	25,929
Carrying amount			
At 28 February 2022	3,051	15,855	18,906
At 28 February 2021	3,589	23,789	27,378

6 Stocks

	2022 £	2021 £
Work in progress	500	24,000

7 Debtors

	2022 £	2021 £
Trade debtors	7,238	1,568
Other debtors	1,728	-
	8,966	1,568

8 Creditors

Creditors: amounts falling due within one year

Down to Earth (Wales) Ltd

Notes to the Financial Statements for the Year Ended 28 February 2022

	Note	2022 £	2021 £
Due within one year			
Bank loans and overdrafts	9	7,366	-
Trade creditors		3,726	7,819
Directors loan account	10	5,780	17,439
Taxation and social security		742	3,635
Other creditors		3,036	14,115
		<u>20,650</u>	<u>43,008</u>

9 Loans and borrowings

	2022 £	2021 £
Current loans and borrowings		
Bank overdrafts	<u>7,366</u>	<u>-</u>

10 Related party transactions

Transactions with directors

	At 1 March 2021 £	Other payments made to company by director £	At 28 February 2022 £
2022			
Mr S P Worthington			
Interest free loan with no fixed repayments	(11,726)	11,336	(390)
	<u></u>	<u></u>	<u></u>
Mr R A Davies			
Interest free loan with no fixed repayments	(5,712)	322	(5,390)
	<u></u>	<u></u>	<u></u>

	At 1 March 2020 £	Other payments made to company by director £	At 28 February 2021 £
2021			
Mr S P Worthington			
Interest free loan with no fixed repayments	(9,523)	(2,203)	(11,726)
	<u></u>	<u></u>	<u></u>

Mr R A Davies

Interest free loan with no fixed repayments

(4,268)

(1,444)

(5,712)

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