

Final Results

Fragrant Prosperity Holdings Ltd

31 July 2025

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FRAGRANT PROSPERITY HOLDINGS LIMITED

("FPP" or "the Company")

Annual Results for the year ended 31 March 2025

Fragrant Prosperity Holdings Limited ("**FPP**" or the "**Company**") is pleased to announce an extract from its audited results for the year ended 31 March 2025. The full unedited version of the audited annual results will be available shortly on the national storage mechanism at the following website:
<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

Chairmans Statement

I have pleasure in presenting the financial statements of Fragrant Prosperity Holdings Limited (the "Company" or "FPP") for the financial year ended 31 March 2025.

The Board continued to review a number of potential acquisition opportunities across the sector but none of which met the necessary criteria for selection as at the end of the year. It is expected that with the potential improvement in the market conditions for raising capital and undertaking reverse takeovers in the UK along with the changes to the UK listing regime recently announced by the FCA that the Company will have improved prospects for identifying a potential target. The last 3 years have been difficult across the public capital markets globally, but specifically the UK and with limited cash available it has been challenging to consummate potential deals. The Company has therefore undertaken a recapitalisation of the balance sheet and a capital raise post period end to improve the position for undertaking any potential acquisitions.

During the financial year, the Company reported a net loss of £182,934 (2024: £111,877) which represents ongoing administrative expenses and due diligence costs regarding the identification of potential targets. As at 31 March 2025, the Company had cash in bank balance of £67,879 (2024: £109,688).

The Board will provide further updates to shareholders in due course.

Chairman

30 July 2025

Enquires:

Optiva Securities Ltd (Financial Adviser)

Vishal Balasingham

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Notes	Year ended 31 March 2025 £	Year ended 31 March 2024 £
Other operating expenses		(151,321)	(82,281)
Interest charge		(31,613)	(29,596)
OPERATING LOSS BEFORE TAXATION		(182,934)	(111,877)
Income tax expense	3	-	-
LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(182,934)	(111,877)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE		(182,934)	(111,877)

PERIOD

Basic and diluted loss per share (pence)	4	(0.29)	(0.18)
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The notes to the financial statements form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		As at	As at
AS AT 31 MARCH 2025		31 March 2025	31 March 2024
	Notes	£	£
CURRENT ASSETS			
Cash and cash equivalents		67,879	109,688
Prepayments		25,663	15,750
TOTAL ASSETS		93,542	125,438

CURRENT LIABILITIES

Trade Creditors	10	(224,277)	(158,952)
Accruals		(133,479)	(79,279)

Convertible loan note	10	(567,560)	(535,947)
TOTAL LIABILITIES		(925,216)	(774,178)
NET ASSETS		(831,674)	(648,740)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	6	1,492,146	1,492,146
Retained earnings		(2,375,363)	(2,217,106)
Share based payment reserve		-	24,677
Convertible loan note Reserve		51,543	51,543
TOTAL EQUITY		(831,674)	(648,740)

The notes to the financial statements form an integral part of these financial statements.

This report was approved by the board and authorised for issue on and signed on its behalf by;

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Simon Retter

Director

30 July 2025

STATEMENT OF CASHFLOWS

**FOR THE FINANCIAL YEAR ENDED 31 MARCH
2025**

**Year ended
31 March 2025**

**Year ended
31 March 2024**

£

£

Loss before tax	(182,934)	(111,877)
Interest charge	31,613	29,596
Share based payment		-
Cash flow from operating activities	(151,321)	(82,281)

Changes in working capital

Movement in other payables	119,425	(3,426)
Movement in prepayments and other debtor	(9,913)	-
Net cash outflow from operating activities	(41,809)	(85,707)

Issue of equity	-	-
Issue costs	-	-
Repayment of convertible loan note	-	-
Issue of convertible loan note	-	-
Net cash flow from financing activities	-	-
Net decrease in cash and cash equivalents	(41,809)	(85,707)
Cash and cash equivalents at beginning of period	109,688	195,395
Cash and cash equivalents at end of period	67,879	109,688

The notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Share capital	Convertible Loan Note Reserve	Share Based Payment Reserve	Retained earnings	Total
	£	£	£	£	£
As at 31 March 2023	1,492,146	51,543	24,677	(2,105,229)	(536,863)
Issue of equity	-	-	-	-	-
Issues of equity costs	-	-	-	-	-
Derecognition of Convertible Loan	-	-	-	-	-
Recognition of Convertible Loan	-	-	-	-	-
Loss for the year	-	-	-	(111,877)	(111,877)
Share based payment charge	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(111,877)	(111,877)
As at 31 March 2024	1,492,146	51,543	24,677	(2,217,106)	(648,740)
Issue of equity	-	-	-	-	-
Issues of equity costs	-	-	-	-	-
Derecognition of Convertible Loan	-	-	-	-	-
Recognition of Convertible Loan	-	-	-	-	-
Loss for the year	-	-	-	(182,934)	(182,934)
Cancellation of Share based payment charge	-	-	(24,677)	24,677	-
Total comprehensive loss for the year	-	-	(24,677)	(158,257)	(182,934)
As at 31 March 2025	1,492,146	51,543	-	(2,375,363)	(831,674)

The notes to the financial statements form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company was incorporated in the British Virgin Islands on 28 January 2016 as an exempted company with limited liability.

The Company's Ordinary shares are currently admitted to a standard listing on the Official List and to trading on the London Stock Exchange.

On the 12 December 2017 the company changed its name from Vale International Group Ltd to Fragrant Prosperity Holdings Ltd.

The Company's nature of operations is to act as a special purpose acquisition company.

2. ACCOUNTING POLICIES

The Board has reviewed the accounting policies set out below and considers them to be the most appropriate to the Company's business activities.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom and IFRIC interpretations applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified for financial assets carried at fair value.

The financial information of the Company is presented in British Pound Sterling ("£") which is the Company's functional and presentational currency.

Standards and interpretations issued but not yet applied

At the date of authorisation of this financial information, the Directors have reviewed the Standards in issue by the International Accounting Standards Board ("IASB") and IFRIC, which are effective for accounting periods beginning on or after the stated effective date. In their view, none of these standards would have a material impact on the

financial reporting of the Company.

Going concern

Until such time as the Company makes a significant investment it will meet its day to day working capital requirements from its existing cash reserves and by raising new equity finance.

In the year ended 31 March 2025 the Company recorded a loss after tax of £182,934 (2024: £111,877) and a net cash outflow from operating activities of £41,809 (2024: £85,707).

The directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of the financial statements which assume that no significant investment activity is undertaken unless sufficient funding is in place.

The Company had cash of £67,879 at 31 March 2025 which the directors believe is insufficient to undertake the required steps to make an investment and fulfil its investment mandate and at the year end the Company was therefore seeking to raise additional capital to proceed with its strategy.

Post year end the Company agreed the refinancing of certain debts on the balance sheet as well raising £1,000,000 of new equity to provide working capital in order for the Company strategy to be executed.

During the year the Company incurred predominantly ongoing administrative costs, as well as some minor expenditure on legal and other associated costs related to the identification of potential targets.

As the company has no revenue it is reliant on its existing cash resources to fund any ongoing expenditure. Should a potential target be identified and significant expenses incurred in the course of undertaking due diligence then the Company might be in a position that its cash resources are depleted and any potential deal may or may not complete. Should any potential deal fail and significant expenses be incurred then the Company might be required to raise additional capital to continue its strategy.

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short term investments to be cash equivalents.

Trade Creditors

Trade creditors (being obligations to pay for goods or services acquired in the ordinary course of business are recognised when the company becomes party to the contractual provision of the suppliers invoice and are initially recorded at fair value, which is generally the invoiced amount.

Accruals

Accruals represent liabilities for goods or services received by the Company during the reporting period for which payment has not yet been made or invoiced by the supplier. Accruals are recognised when the Company has a present obligation as a result of a past event and are measured at the best estimate of the amount required to settle the obligation.

Prepayments

Prepayments represent payments made by the Company for goods and services that have not yet been received or consumed at the end of the reporting period. Prepayments are recognised when the company makes a payment in advance for goods or services and are initially recognised at the amount paid in advance representing the fair value of consideration given.

Taxation

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes 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 reporting date.

Deferred income tax is provided for using the liability method on temporary timing differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised in full for all temporary differences. Deferred income tax assets are recognised for all deductible temporary differences carried forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused losses can be utilised.

The carrying amount of deferred income tax assets is assessed at each reporting date 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 deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that is probable that future taxable profits will allow the deferred income tax asset to be recovered.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the company

becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at every reporting date.

As at the reporting date, the Group did not have any financial assets subsequently measured at fair value.

Operating segments

The directors are of the opinion that the business of the Company comprises a single activity, that of an investment company. Consequently, all activities relate to this segment.

Convertible Loan Notes

Initial Recognition

Upon issuance, convertible loan notes are recognised in accordance with IAS 32 and IFRS 9. The instrument is split into its liability and equity components based on the following approach:

- **Liability Component:** The fair value of the liability component is determined first by discounting the contractual stream of future cash flows (interest and principal) at the market interest rate for a similar debt instrument without the conversion option. This represents the present value of the issuer's obligation.

- **Equity Component:** The equity component, representing the conversion option, is calculated as the residual amount, i.e., the difference between the total proceeds received from the issuance of the convertible loan note and the fair value of the liability component.

Subsequent Measurement

Liability Component: The liability component is subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss based on the effective interest rate, which reflects the true economic cost of the borrowing.

Equity Component: The equity component is not remeasured after initial recognition, as it represents the residual value of the conversion option classified as equity.

Derecognition and Conversion

At Maturity (No Conversion): If the conversion option is not exercised, the liability component is derecognised upon repayment of the principal and accrued interest. Any related transaction costs or fees are recognized in profit or loss.

Upon Conversion: If the conversion option is exercised, the carrying amount of the liability component and the equity component are derecognised. The issuance of equity instruments is recognised in equity (e.g., share capital and share premium) at the carrying amount of the derecognised components, with no gain or loss recognised on conversion.

Critical accounting estimates and judgements

The preparation of financial statements in compliance with IFRS as adopted for use by the United Kingdom requires the use of certain critical accounting estimates or judgements. The directors do not consider there to be any key estimation uncertainty. In respect of critical judgements, the only key judgement is the adoption of going concern on the basis for preparing the financial statements, details of which are set out in note 2.

Share based payments

The Company operates equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of employee services received in exchange for the grant of share options are recognised as an expense. The total expense to be apportioned over the vesting period is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period the Company revises its estimate of the number of options that are expected to vest.

It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The fair value of goods or services received in exchange for shares is recognised as an expense.

3. INCOME TAX EXPENSE

The Company is regarded as resident for the tax purposes in British Virgin Islands.

No tax is applicable to the Company for the year ended 31 March 2025 and 2024. Consequently no deferred tax is

recognised as all timing differences are permanent.

4. LOSS BEFORE TAXATION

The loss before income tax is stated after charging:

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Staff costs (note 6)	25,000	23,500
Auditors' remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	20,000	14,000

5. LOSS PER SHARE

Basic loss per ordinary share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There are currently no dilutive potential ordinary shares.

Loss per share attributed to ordinary shareholders

	Year ended 31 March 2025	Year ended 31 March 2024
Loss for the period (£)	(182,934)	(126,237)

Weighted average number of shares (Unit)	62,213,386	62,213,386
Loss per share (pence)	(0.29)	(0.20)

6. SHARE CAPITAL

	Number of shares	£
Balance at 31 March 2023, 2024 and 2025	62,213,386	1,492,146

Ordinary shares have no par value and carry equal rights on control, dividends and upon liquidation.

There are no shares issued and reserved for share options.

7. STAFF COSTS

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Staff costs	-	-
Director fees	25,000	25,000
	25,000	25,000

The average numbers of person employed by the Company (including directors) during the reporting period was 1 (2024: 1).

8. CAPITAL MANAGEMENT POLICY

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued share capital and reserves.

9. FINANCIAL RISK MANAGEMENT

The Company uses a limited number of financial instruments, comprising cash and other payables, which arise directly from operations. The Company does not trade in financial instruments.

Financial risk factors

The Company's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

a) Currency risk

The Company does not operate internationally and its exposure to foreign exchange risk is limited to the transactions and balances that are denominated in currencies other than Pounds Sterling.

b) Credit risk

The Company does not have any major concentrations of credit risk related to any individual customer or counterparty. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. The Group has taken necessary steps and precautions in minimising the credit risk by lodging cash and cash equivalents only with reputable licensed banks.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the Company ensures it has adequate resource to discharge all its liabilities. The directors have considered the liquidity risk as part of their going concern

assessment. (See note 2). At the date of approval of the financial statements there was a material uncertainty in relation to liquidity risk.

d) Cash flow interest rate risk

The Company has no significant interest-bearing liabilities and assets. The Company monitors the interest rate on its interest bearing assets closely to ensure favourable rates are secured.

Fair values

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

10. FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise cash and cash equivalents and other payable. The Company's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument are set out in Note 2. The Company do not use financial instruments for speculative purposes.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

	As at	As at
	31 March 2025	31 March 2024
	£	£
Financial assets		
Loans and receivables		
Cash and cash equivalents	67,879	109,688
	-----	-----
	---	--
Total financial assets	67,879	109,688
	=====	=====
	=====	=====
Financial liabilities measured at amortised cost		
Other payables	224,177	158,952
Convertible loan note	567,560	535,947

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	---	--
Total financial liabilities	791,737	694,899
	=====	=====
	=====	=====

The Company currently has convertible loan notes ("CLNs" with a principle amount of £515,000 that have either matured as at the end of the year or subsequent to the year end. Following the year end the Company repaid a CLN with a face value of £125, 000 and successfully negotiated a stand still for the remaining loan notes in order to complete an equity raise of £1,000,000 and convert the CLN's into equity. This was all successfully completed in July 2025. For more details see note 14.

There are no financial assets that are either past due or impaired.

11. RELATED PARTY TRANSACTIONS

Key management are considered to be the directors and the key management personnel compensation as follow:

	Year ended	Year ended
	31 March 2025	31 March 2024
	£	£
Simon James Retter*	-	-
Richard Samuel	-	-
Mahesh Pulandaran	-	-
	-	-

*In 2025 £25,000 of fees were incurred to Stonedale Management & Investments Ltd a company controlled by Simon Retter regarding work undertaken on the administration of the company as well as potential target identification. In 2024 this was £25,000.

No pension contributions were made on behalf of the Directors by the Company. No share options were granted to or exercised by a Director in the reporting period.

During the reporting period, other than those noted above the Company did not enter into any material transactions with related parties. As at reporting date, there was an amount of £90,479 accrued due to the directors.

12. CONTROL

The Directors consider there is no ultimate controlling party.

13. DESCRIPTION OF RESERVES

Retained Earnings comprises accumulated gains and losses incurred to date.

Convertible Loan Note reserve comprises the fair value of the equity component of the convertible loan notes held by the Company.

14. SHARE BASED PAYMENTS

The company has issued options to a third party with a fixed strike price which are valued using the Black Scholes methodology as well as options that have a nil strike price and an anti dilute clause which results in a variable number of shares being issued. The number of options outstanding at the period ends as well as the inputs to the Black Scholes valuation is set out below:

Fixed price options

	Year ended 31 March 2025 £	Year ended 31 March 2024 £
Number in issue at the beginning of period	17,500,000	17,500,000
Weighted average strike price	2p	2p

Exercised during the year	-	-
Lapsed during the year	17,500,000	-
	-	17,500,000

Black Scholes inputs

Share price on date of issue	1.38p	1.38p
Exercise price	2p	2p
Risk Free rate	2.83%	2.83%
Expected volatility	30%	30%
Option life	3yr	3yr
Expected dividends	Nil	nil
Fair value of option determined	0.15p	0.15p

The share options were issued when the shares were suspended from trading and so an assumption was made as to potential future volatility based upon the movement in share prices in similar companies and was not based on historic volatility.

Nil strike price

	Year ended 31 March 2025 £	Year ended 31 March 2024 £
Number in issue at the beginning of period	5,000,000	5,000,000
Weighted average strike price	-	-
Exercised during the year	-	-
Lapsed during the year	2,500,000	-
	2,500,000*	5,000,000

The nil strike priced options were not valued using the Black Scholes model, instead the fair value of the options issued was determined as the value of shares to be issued at any given share price under the terms of the agreement. Due to the inclusion of an antidilution clause the number of shares is to be amended in order to grant

the holder a predetermined monetary value of shares, initially calculated at 2pence per share. The 2,500,000 at the year end therefore had a fair value of £50,000.

* The remaining nil strike price options lapsed after the period end without being exercised.

15. SUBSEQUENT EVENTS

On the 16th April 2025 the Company issued £125,000 of new convertible loan notes convertible at a 10% discount to any future fund raise requiring a prospectus to be issued and carrying interest at 5%. Each share issued under this CLN carried a warrant exercisable at the conversion price.

On 16th April 2025 the Company agreed with certain convertible loan note holders representing £400,000 of the £515,000 outstanding to enter into a standstill arrangement with all past accrued interest to be waived and no applicable future interest should conversion happen prior to the end of the stand still period. Repayment of 75% of the original principle amount advanced and automatic conversion into equity of sums owed under the loan note at the placing price upon Qualifying Fundraise of a minimum of £250,000

On 23rd April 2025 the Company issued 12,438,455 new ordinary shares at a price of 0.6 pence per share raising gross proceeds of £74,631. In addition warrants over 6,219,228 new ordinary shares at a price of 0.8 pence per share.

On 21st May 2025 the Company raised £1,000,000 gross by way of issuing 111,111,111 new ordinary shares in the Company at a price of 0.9 pence per share, subject to the publication of a prospectus. In addition warrants over 6,666,666 new ordinary shares were issued at a price of 0.9 pence per share.

On 24th June 2025 the Company published a prospectus covering the conversion of the various CLN's as well as directors accrued fees and the shares issued under the fundraise agreed on the 21st May 2025. As part of the refinancing of the balance sheet this prospectus covered the issuance of a total of 179,881,590 new ordinary shares.

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