

FRAGRANT PROSPERITY HOLDINGS LIMITED

INTERIM REPORT AND ACCOUNTS

For the 6 month period year ended 30 September 2023

FRAGRANT PROSPERITY HOLDINGS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period 1 April 2023 to 30 September 2023

Chairmans Statement

I have pleasure in presenting the condensed financial statements of FrAGRANT Prosperity Holdings Limited (the “Company” or “FPH”) for the period from 1 April 2023 to 30 September 2023.

During the financial period, the Company reported a net loss of £40,363. As at 30 September 2023, the Company had cash in bank balance of £195,324.

During the period the Company continued to search for potential targets to acquire as well as to seek additional funding. The current economic climate as well as challenging financial markets mean this has taken longer than expected, although the directors are optimistic that suitable funding and resulting acquisition of a company will be forthcoming.

The Board looks forward to providing further updates to shareholders in due course.

Chairman

30 May 2024

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period 1 April 2023 to 30 September 2023

Introduction

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

Its issued share capital, consisting of Ordinary Shares admitted to a Standard Listing on the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities on 5 September 2016.

Company objective

The Company was formed to undertake an acquisition of a target company or business. The Company does not have any specific acquisition under consideration and does not expect to engage in substantive negotiations with any target company or business until after Admission. The Directors believe that their network, and the Company's cash resources and profile following Admission, mean that the Company will target an Acquisition where the target company has a value of up to £100 million. The Company expects that consideration for the Acquisition will primarily be satisfied by issue of new Shares to a vendor (or vendors), but that some cash may also be payable by the Company. Any funds not used in connection with the Acquisition will be used for future acquisitions, internal or external growth and expansion, and working capital in relation to the acquired company or business.

Following completion of the Acquisition, the objective of the Company will be to operate the acquired business and implement an operating strategy with a view to generating value for its Shareholders through operational improvements as well as potentially through additional complementary acquisitions following the Acquisition. Following the Acquisition, the Company intends to seek re-admission of the enlarged group to listing on the Official List and trading on the London Stock Exchange or admission to another stock exchange.

The Company's efforts in identifying a prospective target company or business will not be limited to a particular industry or geographic region. However, given the experience of the Directors, the Company expects to focus on acquiring a company or business in the technology sector (in particular focussing on technology and/or intellectual property that is used in the financial services industry) with either all or a substantial portion of its operations in Europe or Asia. The Directors' initial search will focus on businesses based in or with operations in Hong Kong, Malaysia, or the United Kingdom.

Going Concern

During the prior year the Company worked on acquiring the entire share capital of a business that led to significant expenditure on legal, due diligence and other associated costs. The acquisition was due to be completed alongside a capital raise to provide working capital for the enlarged group, due to adverse market conditions the capital raise was unsuccessful and the result was the depletion of the Company's existing cash reserves. Due to the limited cash balance as at the period end the Company is in the process of seeking additional funding in order to pursue its strategy of making an acquisition to seek re-admission of the enlarged group to listing on the Official List and trading on the London Stock Exchange or admission to another stock exchange. As well as seeking additional funding the company is also likely to seek to renegotiate with its creditors in order to recapitalise the company which should improve the prospects for acquiring an operating business.

The Should the raising of new capital be unsuccessful then the Company faces significant uncertainty over its ability to continue as a going concern. The Company has reduced its cash expenditure to a minimum whilst it works on the recapitalisation of the business.

Directors

The Directors of the Company since the last financial period are:

Mahesh s/o Pulandaran
Simon James Retter
Richard Samuel
Daniel Reshef

Corporate governance

In order to implement its business strategy, the Company has adopted a corporate governance structure as follows:

- consistent with the rules applicable to companies with a Standard Listing, unless required by law or other regulatory process, Shareholder approval is not required in order for the Company to complete the Acquisition. The Company will, however, be required to obtain the approval of the Board before it may complete the Acquisition;
- the Board intends to comply, in all material respects, with certain Main Principles of the UK Corporate Governance Code (as set out in more detail in “Part II – The Company, its Board and the Acquisition Structure”) and has adopted a share dealing code that complies with the requirements of the Market Abuse Regulations. All persons discharging management responsibilities (comprising only the Directors at the date of this Document) shall comply with the share dealing code from the date of Admission; and
- following the Acquisition, the Directors may seek to transfer the Company from a Standard Listing to either a Premium Listing or other appropriate listing venue, based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. If the Company is successful in obtaining a Premium Listing, further rules will apply to the Company under the Listing Rules and Disclosure and Transparency Rules and the Company will be obliged to comply with or explain any derogation from the UK Corporate Governance Code. In addition to, or in lieu of, a Premium Listing, the Company may determine to seek a listing on another stock exchange or seek re-admission to a Standard Listing.

Responsibility Statement

The Directors are responsible for preparing the Condensed Financial Statements in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Conduct Authority (‘DTR’) and with International Accounting Standard 34 on Interim Financial Reporting (IAS 34).

The directors confirm that, to the best of their knowledge, this condensed consolidated half-yearly report has been prepared in accordance with IAS 34. The interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the period and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions during the period and any material changes in the related-party transactions described in the last annual report.

By order of the Board

Simon James Retter
Chairman

30 May 2024

**CONDENSED STATEMENT OF COMPREHESIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023**

		Period from 1 April 2023 to 30 September 2023	Period from 1 April 2022 to 30 September 2022
	Notes	£	£
INCOME		-	-
Administrative expenses		(25,820)	(33,089)
Interest charge		(14,543)	(12,910)
OPERATING LOSS/LOSS BEFORE TAXATION		(40,363)	(45,999)
Income tax expense	3	-	-
LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(40,363)	(45,999)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(40,363)	(45,999)

CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2023

		As at 30 September 2023 (unaudited)	As at 31 March 2023 (audited)
	Notes	£	£
CURRENT ASSETS			
Cash and cash equivalents		195,324	195,395
Prepayments		-	15,570
		195,324	211,145
CURRENT LIABILITIES			
Trade Creditors		(187,578)	(187,578)
Accruals		(64,079)	(54,079)
		(520,894)	(506,361)
Convertible loan note		(772,551)	(748,008)
NET ASSETS		(577,227)	(536,863)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	5	1,492,146	1,492,146
Retained Earnings		(2,120,916)	(2,080,552)
Convertible loan note reserve		51,543	51,543
TOTAL EQUITY		(577,227)	(536,863)

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

	Period from 1 April 2023 to 30 September 2023	Period from 1 April 2022 to 30 September 2022
Notes	£	£
Cash flow from operating activities		
Loss before tax	(40,363)	(45,999)
Interest charge	14,543	12,910
Share Based Payment	-	-
	<hr/>	<hr/>
Changes in working capital	25,750	18,500
	<hr/>	<hr/>
	25,570	18,500
	<hr/>	<hr/>
Net cash flow from operating activities	(70)	(14,589)
	<hr/>	<hr/>
Cash flow from financing activities		
Issue of share capital	-	-
Issue of convertible loan note	-	-
	<hr/>	<hr/>
Net cash flow from financing activities	-	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	(70)	(14,589)
Cash and cash equivalents at beginning of period	195,395	281,448
	<hr/>	<hr/>
Cash and cash equivalents at end of period	195,324	266,859
	<hr/>	<hr/>

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Period from 1 April 2022 to 30 September 2022

	Share capital	Convertible Loan Note Reserve	Retained earnings	Total
	£	£	£	£
As at 1 April 2022	1,492,146	51,543	(1,954,315)	(410,626)
Loss for the period	-	-	(45,999)	(45,999)
Share based payment charge	-	-	-	-
Total comprehensive loss for the period	-	-		
As at 30 September 2022	1,492,146	51,543	(2,000,314)	(456,625)

Period from 1 April 2023 to 30 September 2023

	Share capital	Convertible Loan Note Reserve	Retained earnings	Total
	£	£	£	£
As at 1 April 2023	1,492,146	51,543	(2,080,552)	(536,863)
Loss for the period	-	-	(40,363)	(40,363)
Share based payment charge	-	-	-	-
Total comprehensive loss for the period	-	-		
As at 30 September 2023	1,492,146	51,543	(2,120,915)	(577,227)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

1. GENERAL INFORMATION

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

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

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

2. ACCOUNTING POLICIES

Basis of preparation

The interim condensed unaudited financial statements for the period ended 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The results for the period ended 30 September 2023 are unaudited.

The condensed unaudited financial statements for the period ended 30 September 2023 has been prepared on a basis consistent with, and on the basis of, the accounting policies set out in the financial information on the Company set out in the Company's Prospectus for admission to the Standard Listing segment of the Official List and in the audited financial statements for the year ended 31 March 2023.

The financial information of the Company is presented in British Pound Sterling ("£").

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 annual accounting periods ending 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.

Cash and cash equivalents

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

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 balance sheet date.

Deferred income tax is provided for using the liability method on temporary timing differences at the balance sheet 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 balance sheet 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 balance sheet date and are recognised to the extent that is probable that future taxable profits will allow the deferred income tax asset to be recovered.

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 six-month period ended 30 September 2023 the Company recorded a loss after tax of £40,363 (2022: £45,999) and a net cash outflow from operating activities of £70 (2022: £14,589). The Company was focussed on raising additional capital and on identifying a suitable target to acquire whilst keeping cash expenditure to a minimum.

The Company had cash of £195,324 at 30 September 2023 and had significant liabilities resulting in a negative asset position of £577,227. Although the level of cash outgoings prior to making an investment is expected to be modest, the cash flow forecasts indicate that the Company needs to raise additional funds in the coming months.

Although the directors believe that the Company will be successful in raising the funds required there can be no guarantee of success of that fundraising.

Based on their assessment, the Directors have a reasonable expectation that the Company has adequate resources, supplemented by the additional funds to be raised, to continue as a going concern for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

The requirement to raise additional funds constitutes a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

If the Company was unable to secure sufficient funding to enable it to continue on a going concern basis then adjustments would be necessary to write down assets to their recoverable amounts and provide for additional liabilities.

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.

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 period ended 30 September 2023. No deferred income tax asset has been recognised in respect of the losses carried forward, due to the uncertainty as to whether the Company will generate sufficient future profits in the foreseeable future to prudently justify this.

4. SHARE CAPITAL & RESERVES

	Shares in issue	Share capital
	Number	£
As at 31 March 2019	43,214,287	930,124
Issue of Ordinary shares	8,638,535	59,789
As at 30 September 2019	51,852,822	989,913
Issue of Ordinary shares	-	-
As at 30 September 2020	51,852,822	989,913
Issue of Ordinary shares	10,360,564	543,930
Issue costs	-	(41,696)
As at 30 September 2021, 2022 and 2023	62,223,386	1,492,146