

Hortech Systems Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 January 2019

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Hortech Systems Limited

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Hortech Systems Limited

Company Information

Directors Mr Michael John Seaman
Mrs Pauline Ann Seaman
Mr Wayne Michael Seaman

Registered office Hall Gate
Holbech
Spalding Lincolnshire
Lincolnshire
PE12 7LG

Accountants Thomas Quinn
Accountants
The Station House
15 Station Road
St Ives
Cambridgeshire
PE27 5BH

Hortech Systems Limited
(Registration number: 02360633)
Balance Sheet as at 31 January 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>4</u>	37,285	23,877
Current assets			
Stocks	<u>5</u>	57,487	111,256
Debtors	<u>6</u>	244,048	200,043
Cash at bank and in hand		519,597	294,730
		821,132	606,029
Creditors: Amounts falling due within one year	<u>7</u>	(419,267)	(247,920)
Net current assets		401,865	358,109
Net assets		439,150	381,986
Capital and reserves			
Called up share capital	<u>8</u>	203	203
Profit and loss account		438,947	381,783
Total equity		439,150	381,986

For the financial year ending 31 January 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 12 September 2019 and signed on its behalf by:

Mr Michael John Seaman

Director

The notes on pages 3 to 8 form an integral part of these financial statements.

Hortech Systems Limited

Notes to the Financial Statements for the Year Ended 31 January 2019

1 General information

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

The address of its registered office is:

Hall Gate
Holbech
Spalding Lincolnshire
Lincolnshire
PE12 7LG
United Kingdom

The accounts were authorised for issue on the date shown on the Director's report.

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.

Hortech Systems Limited

Notes to the Financial Statements for the Year Ended 31 January 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
Plant and machinery	20% - 25% reducing balance
Motor vehicles	25% reducing balance

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.

Hortech Systems Limited

Notes to the Financial Statements for the Year Ended 31 January 2019

Leases

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 Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance costs in the Profit and Loss Account 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.

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 directors) during the year, was 13 (2018 - 12).

Hortech Systems Limited

Notes to the Financial Statements for the Year Ended 31 January 2019

4 Tangible assets

	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation			
At 1 February 2018	136,121	166,372	302,493
Additions	19,608	4,000	23,608
At 31 January 2019	155,729	170,372	326,101
Depreciation			
At 1 February 2018	114,441	164,175	278,616
Charge for the year	6,646	3,554	10,200
At 31 January 2019	121,087	167,729	288,816
Carrying amount			
At 31 January 2019	34,642	2,643	37,285
At 31 January 2018	21,680	2,197	23,877

5 Stocks

	2019 £	2018 £
Other inventories	57,487	111,256

6 Debtors

	2019 £	2018 £
Trade debtors	231,520	189,739
Prepayments	12,528	10,304
	244,048	200,043

7 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Bank loans and overdrafts	9	10,833	5,000
Trade creditors		290,672	152,686
Taxation and social security		96,478	68,950
Other creditors		21,284	21,284
		419,267	247,920

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Notes to the Financial Statements for the Year Ended 31 January 2019

8 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	200	200	200	200
A Ordinary shares of £1 each	1	1	1	1
B Ordinary shares of £1 each	1	1	1	1
C Ordinary shares of £1 each	1	1	1	1
	<u>203</u>	<u>203</u>	<u>203</u>	<u>203</u>

9 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Finance lease liabilities	<u>10,833</u>	<u>5,000</u>

10 Dividends

Interim dividends paid

	2019 £	2018 £
Interim dividend of £145.00 per each Ordinary shares	29,000	29,000
Interim dividend of £29,500.00 (2018 - £25,000.00) per each B Ordinary shares	29,500	25,000
Interim dividend of £29,500.00 (2018 - £25,000.00) per each C Ordinary shares	29,500	25,000
	<u>88,000</u>	<u>79,000</u>

11 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	24,000	24,100
Contributions paid to money purchase schemes	<u>26,843</u>	<u>26,033</u>
	<u>50,843</u>	<u>50,133</u>

Summary of transactions with other related parties

Hortech Systems Limited

Notes to the Financial Statements for the Year Ended 31 January 2019

Hortech Cleaning Equipment

During the year the company incurred charges from the partnership amounting to £50,000 (2018 - £50,000).

The amount due from the partnership at the year end was £120,683 (2018 - £25,842).

12 Parent and ultimate parent undertaking

The ultimate controlling party is the directors by virtue of their majority shareholding.

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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.