

REGISTRAR OF COMPANIES

Registration number: SC492282

W H S Hotts Limited
Unaudited Financial Statements
31 March 2018



W H S Hotts Limited

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**Chartered Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
W H S Hotts Limited
for the Year Ended 31 March 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of W H S Hotts Limited for the year ended 31 March 2018 as set out on pages 2 to 10 from the company's accounting records and from information and explanations you have given us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/membershandbook>.

This report is made solely to the Board of Directors of W H S Hotts Limited, as a body, in accordance with the terms of our engagement letter dated 2 December 2014. Our work has been undertaken solely to prepare for your approval the accounts of W H S Hotts Limited and state those matters that we have agreed to state to the Board of Directors of W H S Hotts Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than W H S Hotts Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that W H S Hotts Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of W H S Hotts Limited. You consider that W H S Hotts Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of W H S Hotts Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Dodd & Co Limited

Chartered Accountants
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

26 September 2018

W H S Hotts Limited

(Registration number: SC492282)
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	<u>4</u>	39,524	35,870
Tangible assets	<u>5</u>	290,641	259,014
		<u>330,165</u>	<u>294,884</u>
Current assets			
Stocks		503,576	627,787
Debtors	<u>6</u>	101,374	160,790
		604,950	788,577
Creditors: Amounts falling due within one year	<u>7</u>	(843,233)	(1,004,223)
Net current liabilities		<u>(238,283)</u>	<u>(215,646)</u>
Total assets less current liabilities		91,882	79,238
Creditors: Amounts falling due after more than one year	<u>7</u>	(79,748)	(85,266)
Provisions for liabilities		<u>(7,052)</u>	<u>-</u>
Net assets/(liabilities)		<u>5,082</u>	<u>(6,028)</u>
Capital and reserves			
Allotted, called up and fully paid share capital		100	100
Profit and loss account		<u>4,982</u>	<u>(6,128)</u>
Total equity		<u>5,082</u>	<u>(6,028)</u>

The notes on pages 4 to 10 form an integral part of these financial statements.

W H S Hotts Limited

(Registration number: SC492282)

Balance Sheet as at 31 March 2018 (continued)

For the financial year ending 31 March 2018 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 prepared and 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 26 September 2018 and signed on its behalf by:

.....

G T Hamilton

Director

.....

V L Hamilton

Director

The notes on pages 4 to 10 form an integral part of these financial statements.

W H S Hotts Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

1 General information

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

The address of its registered office is:

Hotts Farm
Waterbeck
LOCKERBIE
DG11 3HA

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.

The company has net current liabilities at 31 March 2018 and meets its day to day working capital requirements through its bank overdraft facility which, in common with all such facilities, is repayable on demand. In addition the directors have provided financial support by way of short term loans. On the basis of this support, the directors consider it appropriate to prepare the financial statements on the going concern basis.

However, should the company not have the support of its bankers, and therefore be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

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.

Government grants

Government grants such as the basic payment scheme are included in the profit and loss account when all the necessary conditions for receipt have been met.

W H S Hotts Limited

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

Other grants

Other grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets on a basis consistent with the depreciation policy.

Basic payment scheme amortisation

The amount paid in connection with the purchase of the basic payment scheme entitlement is being amortised over the useful economic life of that entitlement. In addition, an annual impairment review is being performed.

Tax

The tax expense for the period comprises current and deferred 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.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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.

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
Land and buildings	5% straight line basis
Plant and equipment	15% reducing balance basis
Motor vehicles	25% reducing balance basis

Land and buildings relate to tenants improvements on land leased by the company from the directors. As the long term intention is for the business operation to continue it is deemed a true and fair view to depreciate the assets at 5% straight line over their useful economic life.

Trade debtors

Trade debtors are amounts due from customers for the sale of goods 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.

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Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

Stocks

Trading stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. The cost of livestock represents the purchase cost plus any additional costs of rearing the animal. Net realisable value is based on selling price less anticipated selling costs. Crop stock is valued at fair value less any anticipated costs to sell.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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 where due after more than one year.

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.

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.

W H S Hotts Limited

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 8 (2017 - 8).

W H S Hotts Limited

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

4 Intangible assets

	Basic payment scheme £	Total £
Cost or valuation		
At 1 April 2017	55,000	55,000
Additions	13,219	13,219
At 31 March 2018	68,219	68,219
Amortisation		
At 1 April 2017	19,130	19,130
Amortisation charge	9,565	9,565
At 31 March 2018	28,695	28,695
Carrying amount		
At 31 March 2018	39,524	39,524
At 31 March 2017	35,870	35,870

5 Tangible assets

	Land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2017	-	325,214	21,500	346,714
Additions	21,300	79,697	-	100,997
Disposals	-	(36,724)	-	(36,724)
At 31 March 2018	21,300	368,187	21,500	410,987
Depreciation				
At 1 April 2017	-	86,804	896	87,700
Charge for the year	488	40,379	5,151	46,018
Eliminated on disposal	-	(13,372)	-	(13,372)
At 31 March 2018	488	113,811	6,047	120,346
Carrying amount				
At 31 March 2018	20,812	254,376	15,453	290,641
At 31 March 2017	-	238,410	20,604	259,014

W H S Hotts Limited

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

6 Debtors

	2018 £	2017 £
Trade debtors	86,216	134,329
Other debtors	15,158	26,461
	<u>101,374</u>	<u>160,790</u>

7 Creditors

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	<u>8</u>	707,916	900,901
Trade creditors		81,148	93,989
Taxation and social security		1,582	2,504
Other creditors		<u>52,587</u>	<u>6,829</u>
		<u>843,233</u>	<u>1,004,223</u>

Due after one year

Loans and borrowings	<u>8</u>	59,669	61,644
Other creditors		<u>20,079</u>	<u>23,622</u>
		<u>79,748</u>	<u>85,266</u>

	2018 £	2017 £
After more than five years by instalments	<u>2,853</u>	<u>14,268</u>
	<u>2,853</u>	<u>14,268</u>

W H S Hotts Limited

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

8 Loans and borrowings

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	9,877	9,536
Bank overdraft	34,887	183,869
Finance lease liabilities	15,702	9,800
Other borrowings	647,450	697,696
	<u>707,916</u>	<u>900,901</u>

Current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2018 £	2017 £
Bank borrowings	9,877	9,536
Bank overdraft	34,887	183,869
Finance lease liabilities	15,702	9,800
	<u>60,466</u>	<u>203,205</u>

Bank overdraft and borrowings are secured by a floating charge over the company's assets.
Finance lease liabilities are secured on the assets to which they relate.

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	46,000	55,927
Finance lease liabilities	13,669	5,717
	<u>59,669</u>	<u>61,644</u>

Non-current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2018 £	2017 £
Bank borrowings	46,000	55,927
Finance lease liabilities	13,669	5,717
	<u>59,669</u>	<u>61,644</u>

Bank borrowings are secured by a floating charge over the company's assets.
Finance lease liabilities are secured on the assets to which they relate.