COMPANY REGISTRATION NUMBER: SC522697

HB Scotland Ltd

Filleted Unaudited Financial Statements

31 July 2018

HB Scotland Ltd

Statement of Financial Position

31 July 2018

	Note	2018 £	£	2017 £
Fixed assets				
Intangible assets	5		**80,178**	110,244
Tangible assets	6		**1,475**	2,025
			81,653	112,269
Current assets				
Stocks		**78,156**		29,398
Debtors	7	**21,159**		17,744
Cash at bank and in hand		**130,164**		121,838
		229,479		168,980
Creditors: amounts falling due within one year	8	**58,944**		68,035
Net current assets			**170,535**	100,945
Total assets less current liabilities			**252,188**	213,214
Creditors: amounts falling due after more than one year	9		**260,000**	100,000
Net (liabilities)/assets			**(7,812)**	113,214
Capital and reserves				
Called up share capital			**493,333**	333,333
Profit and loss account			**(501,145)**	(220,119)
Shareholders (deficit)/funds			**(7,812)**	113,214

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 July 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 financial statements for the year in question in accordance with section 476 ;

- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

Statement of Financial Position *(continued)*

31 July 2018

These financial statements were approved by the board of directors and authorised for issue on 21 April 2019 , and are signed on behalf of the board by:

Mr RR Murray

Director

Company registration number: SC522697

HB Scotland Ltd

Notes to the Financial Statements

Year ended 31 July 2018

1. General information

The company is a private company limited by shares, registered in Scotland`. The address of the registered office is Forbes House, 36 Huntly Street, Inverness, IV3 5PR, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements were prepared on a going concern basis. The company has started to generate sales but has incurred significant losses to date. The company is expected to generate positive cash flows on its own account in the future. The directors, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	-	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 6 (2017: 4).

5. Intangible assets

	Goodwill
	£
Cost	
At 1 August 2017 and 31 July 2018	**150,333**
Amortisation	
At 1 August 2017	**40,089**
Charge for the year	**30,066**
At 31 July 2018	**70,155**
Carrying amount	
At 31 July 2018	**80,178**
At 31 July 2017	110,244

6. Tangible assets

	Equipment	**Total**
	£	**£**
Cost		
At 1 August 2017 and 31 July 2018	2,203	**2,203**
Depreciation		
At 1 August 2017	178	**178**
Charge for the year	550	**550**
At 31 July 2018	728	**728**
Carrying amount		
At 31 July 2018	1,475	**1,475**
At 31 July 2017	2,025	2,025

7. Debtors

	2018	2017
	£	£
Trade debtors	**9,248**	5,140
Other debtors	**11,911**	12,604
	21,159	17,744

8. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	**15,437**	20,250
Social security and other taxes	**5,455**	3,195
Other creditors	**38,052**	44,590
	58,944	68,035

9. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	**113,000**	40,000
Other creditors	**147,000**	60,000
	260,000	100,000

Included within creditors: amounts falling due after more than one year is an amount of £105,600 (2017: £33,000) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The loans are unsecured and interest is charged at 4% plus libor per annum.

10. Related party transactions

During the year, a company in which one of the directors' is also a director, invoiced HB Scotland Ltd £15,611 (2017: £25,957) for consultancy fees, and £347 (2017: £3,718) for other costs. Included in trade creditors at 31 July 2018 is £nil (2017: £7,617) due to this company. Included in accruals at 31 July 2018 is £524 (2017: £nil) due to this company. During the year, a company in with three directors in common, invoiced the company £6,397 (2017: £12,844) for administration charges, £31,000 (2017: £16,000) for consultancy fees and £1,262 (2017: £1,210) for computer costs paid on their behalf and £3,838 (2017: £nil) for other costs. Included in trade creditors at 31 July 2018 is £5,504 (2017: £573) due to this company. During the year, a company in which two of the directors' is also a director, invoiced HB Scotland Ltd £18,017 (2017: £2,370) for administration charges and £58 (2017: £nil) for other costs. Included in trade creditors at 31 July 2018 is £1,757 (2017: £nil) due to this company. During the year, HB Scotland Ltd invoiced this company £28,941 (2017: £2,094) for administration charges and £1,710 (2017: £nil) delivery charges. Included in trade debtors at 31 July 2018 is £2,677 (2017: £nil) due from the company. During the year, HB Scotland Ltd invoiced a company, in which four of the directors are also directors, £22,948 (2017: £3,141) for administration charges, £29 (2017: £108) for delivery charges and £108 (2017: - £nil) for other costs. Included in trade debtors is £1,997 (2017: £nil) due from this company. During the year HB Scotland Ltd made purchases £18,761 (2017: £24,098) for administration charges and £775 (2017: £53) for other costs from this company. Included in trade creditors at 31 July 2018 is is £1,678 (2016: £64) due to this company. During 2016 a company in which three of the directors are also directors made a loan to the company amounting to £40,000. This company also made loans to HB Scotland in the year to 31 July 2018 amounting to £73,000. This loan is unsecured and charges interest at 4% plus libor. Interest accrued for the year amounted to £1,836 (2017: £nil).

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