

Company registration number: 2478355

Herb U.K. Limited

Unaudited filleted financial statements

31 December 2020

Herb U.K. Limited

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Directors and other information

Directors	Mr R.J. Perfitt	
	Mr I. Bishop	
	Mr L.A. Tybinkowski	(Appointed 1 February 2020)
	Mrs K.A. Crew	(Appointed 1 February 2020)
Company number	2478355	
Registered office	310 Ampress Lane	
	Ampress Park	
	Lymington	
	Hampshire SO41 8JX	
Business address	310 Ampress Lane	
	Ampress Park	
	Lymington	
	Hampshire SO41 8JX	
Accountants	Redford & Co Limited	
	Chartered Accountants	
	First Floor	
	64 Baker Street	
	London	
	W1U 7GB	

Herb U.K. Limited

Statement of financial position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	5	401,128	383,731
Tangible assets	6	73,393	91,210
Investments	7	100	100
		<u>474,621</u>	<u>475,041</u>
Current assets			
Stocks		545,780	554,394
Debtors	8	1,539,492	1,718,111
Cash at bank and in hand		291,828	19,763
		<u>2,377,100</u>	<u>2,292,268</u>
Creditors: amounts falling due within one year	9	(725,689)	(901,289)
Net current assets		<u>1,651,411</u>	<u>1,390,979</u>
Total assets less current liabilities		<u>2,126,032</u>	<u>1,866,020</u>
Creditors: amounts falling due after more than one year	10	(137,500)	(251)
Net assets		<u>1,988,532</u>	<u>1,865,769</u>
Capital and reserves			
Called up share capital		69,675	69,675
Share premium account		118,949	118,949
Capital redemption reserve		8,876	8,876
Profit and loss account		1,791,032	1,668,269
Shareholders funds		<u>1,988,532</u>	<u>1,865,769</u>

For the year ending 31 December 2020 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.

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 Section 1A of 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.

These financial statements were approved by the board of directors and authorised for issue on 22 September 2021 , and are signed on behalf of the board by:

Mr R.J. Perfitt

Director

Company registration number: 2478355

Herb U.K. Limited

Notes to the financial statements

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is 310 Ampress Lane, Ampress Park, Lymington, Hampshire SO41 8JX.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Turnover

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.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and any accumulated impairment losses. Any intangible assets carried at a revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

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: 10 years for patents, trademarks and licences; 3 years for capitalised software; and 5 years for capitalised web development costs.

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.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Tangible assets

tangible assets are initially recorded at cost, and are 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 capital and reserves, 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 capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves 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:

Computer equipment	-	25 % straight line
Fittings fixtures and equipment	-	25 % reducing balance

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

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment

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. 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 are 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 stocks to their present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Financial instruments

A financial asset or a financial liability is recognised only when the company 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.

Defined contribution plans

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 59 (2019: 62).

5. Intangible assets

	Goodwill	Other intangible assets	Total
	£	£	£
Cost			
At 1 January 2020	424,999	529,134	954,133
Additions	-	83,846	83,846
Disposals	(225,000)	-	(225,000)
At 31 December 2020	199,999	612,980	812,979
Amortisation			
At 1 January 2020	328,333	242,069	570,402
Charge for the year	20,000	46,449	66,449
Disposals	(225,000)	-	(225,000)
At 31 December 2020	123,333	288,518	411,851
Carrying amount			
At 31 December 2020	76,666	324,462	401,128
At 31 December 2019	96,666	287,065	383,731

6. Tangible assets

	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2020	83,453	597,626	681,079
Additions	2,927	7,594	10,521
Disposals	-	(3,500)	(3,500)
At 31 December 2020	86,380	601,720	688,100
Depreciation			
At 1 January 2020	67,441	522,430	589,871
Charge for the year	7,083	19,316	26,399
Disposals	-	(1,563)	(1,563)
At 31 December 2020	74,524	540,183	614,707
Carrying amount			
At 31 December 2020	11,856	61,537	73,393
At 31 December 2019	16,012	75,196	91,208

7. Investments

	Shares in group undertakings and participating interests	Total
	£	£
Cost		
At 1 January 2020 and 31 December 2020	100	100
Impairment		
At 1 January 2020 and 31 December 2020	-	-
Carrying amount		
At 31 December 2020	100	100
At 31 December 2019	100	100

8. Debtors

	2020	2019
	£	£
Trade debtors	223,745	313,450
Amounts owed by group undertakings	995,984	1,221,771
Other debtors	319,763	182,890
	<u>1,539,492</u>	<u>1,718,111</u>

9. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	12,599	4,083
Trade creditors	375,724	486,659
Amounts owed to group undertakings	140,568	99,532
Corporation tax	12,792	1,502
Social security and other taxes	50,283	31,222
Other creditors	133,723	278,291
	<u>725,689</u>	<u>901,289</u>

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

	2020	2019
	£	£
Bank loan	137,500	-
Other creditors	-	251
	<u>137,500</u>	<u>251</u>

11. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2020	2019
	£	£
Tangible assets	24,843	-

The amount of £24,843 is exclusive of VAT.

12. Other financial commitments

The company has given a debenture, comprising of fixed and floating charges over all of its assets, to its bank in order to provide security for a bank loan granted to its parent undertaking. The company has also given an unlimited composite cross guarantee to its bank securing all liabilities of other group undertakings.

13. Related party transactions

The company's loan borrowings and lease obligations are supported by personal guarantees given by two of the directors.

14. Controlling party

The company's parent undertaking is Herb U.K. (Holdings) Limited, a company incorporated in England, which owns 99.8% of the share capital of the company. The registered office address is 310 Ampress Lane, Ampress Park, Lymington, Hampshire, SO41 8JX.

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.