

XL Horticulture Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 November 2019

XL Horticulture Limited

Contents

Balance Sheet	<u>1</u> to <u>2</u>
Notes to the Unaudited Financial Statements	<u>3</u> to <u>11</u>

XL Horticulture Limited
(Registration number: 05576710)
Balance Sheet as at 30 November 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>5</u>	342,540	309,828
Other financial assets	<u>6</u>	21	21
		<u>342,561</u>	<u>309,849</u>
Current assets			
Stocks	<u>7</u>	443,025	474,855
Debtors	<u>8</u>	404,188	431,920
Cash at bank and in hand		122,935	60,416
		970,148	967,191
Creditors: Amounts falling due within one year	<u>9</u>	(534,470)	(647,005)
Net current assets		<u>435,678</u>	<u>320,186</u>
Total assets less current liabilities		778,239	630,035
Creditors: Amounts falling due after more than one year	<u>9</u>	(515,811)	(531,826)
Provisions for liabilities		<u>(7,692)</u>	<u>(10,268)</u>
Net assets		<u>254,736</u>	<u>87,941</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>254,636</u>	<u>87,841</u>
Total equity		<u>254,736</u>	<u>87,941</u>

XL Horticulture Limited
(Registration number: 05576710)
Balance Sheet as at 30 November 2019

For the financial year ending 30 November 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 16 November 2020 and signed on its behalf by:

.....

O R E Lane
Director

XL Horticulture Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2019

1 General information

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

The address of its registered office is:

Devonshire Lavenders
Exmouth Road
West Hill
Ottery St. Mary
Devon
EX11 1JZ
UK

These financial statements were authorised for issue by the Board on 16 November 2020.

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 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.

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.

XL Horticulture Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2019

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 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.

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
Freehold property	4% straight line
Plant and machinery	25% reducing balance
Computer equipment	33% straight line
Motor vehicles	25% reducing balance
Office equipment	20% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Internally generated goodwill	equal installments over 10 years

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.

XL Horticulture Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2019

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.

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.

XL Horticulture Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2019

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 11 (2018 - 12).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 December 2018	138,290	138,290
At 30 November 2019	138,290	138,290
Amortisation		
At 1 December 2018	138,290	138,290
At 30 November 2019	138,290	138,290
Carrying amount		
At 30 November 2019	-	-
At 30 November 2018	-	-

XL Horticulture Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2019

5 Tangible assets

	Freehold land and buildings £	Computer and office equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 December 2018	257,025	25,139	41,318	117,616	441,098
Additions	29,939	2,197	18,750	2,300	53,186
At 30 November 2019	286,964	27,336	60,068	119,916	494,284
Depreciation					
At 1 December 2018	1,372	20,026	26,030	83,842	131,270
Charge for the year	1,478	1,469	8,509	9,018	20,474
At 30 November 2019	2,850	21,495	34,539	92,860	151,744
Carrying amount					
At 30 November 2019	284,114	5,841	25,529	27,056	342,540
At 30 November 2018	255,653	5,113	15,288	33,774	309,828

Included within the net book value of land and buildings above is £284,114 (2018 - £255,653) in respect of freehold land and buildings.

XL Horticulture Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2019

6 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 December 2018	21	21
At 30 November 2019	21	21
Carrying amount		
At 30 November 2019	21	21
At 30 November 2018	21	21

7 Stocks

	2019 £	2018 £
Other inventories	443,025	474,855

8 Debtors

	Note	2019 £	2018 £
Trade debtors		350,168	427,238
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>12</u>	467	-
Other debtors		52,737	1,162
Prepayments and accrued income		816	3,520
Total current trade and other debtors		404,188	431,920

XL Horticulture Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2019

9 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Bank loans and overdrafts	<u>10</u>	30,718	28,744
Trade creditors		249,723	297,733
Taxation and social security		50,200	38,014
Other creditors		151,777	264,108
Accruals and deferred income		8,882	8,892
Corporation tax		43,170	9,514
		<u>534,470</u>	<u>647,005</u>

Creditors include bank loans and overdrafts and net obligations under hire purchase contracts which are secured of £30,718 (2018 - £28,744).

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	<u>10</u>	<u>515,811</u>	<u>531,826</u>
		2019 £	2018 £
Due after more than five years			
After more than five years by instalments		522,756	545,122
		<u>522,756</u>	<u>545,122</u>

Creditors include bank loans and overdrafts and net obligations under hire purchase contracts which are secured of £515,811 (2018 - £531,826).

XL Horticulture Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2019

10 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Bank borrowings	499,845	520,370
Hire purchase contracts	15,966	11,456
	<u>515,811</u>	<u>531,826</u>
	2019 £	2018 £
Current loans and borrowings		
Bank borrowings	22,911	24,752
Hire purchase contracts	7,807	3,992
	<u>30,718</u>	<u>28,744</u>

Included in the loans and borrowings are the following amounts due after more than five years:

Bank loans and overdrafts after five years

The amount of the bank loan due by instalments after five years is £408,201.

11 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £1,570 (2018 - £4,711).

XL Horticulture Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 November 2019

12 Related party transactions

Summary of transactions with other related parties

XL Horticulture (Holdings) Limited

(A company that is owned and controlled by L K Lane, G Lane and O R E Lane)

During the year XL Horticulture (Holdings) Limited received a loan from the company. No interest is charged on this loan. At the balance sheet date the amount due from XL Horticulture (Holdings) Limited was £467 (2018 - £nil).

Loans from related parties

	Key management £	Total £
2019		
At start of period	152,983	152,983
Repaid	(8,528)	(8,528)
At end of period	<u>144,455</u>	<u>144,455</u>
	Key management £	Total £
2018		
At start of period	101,942	101,942
Advanced	51,041	51,041
At end of period	<u>152,983</u>	<u>152,983</u>

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.