

Registration number: 12916039 (England and Wales)

HGS Southern Limited

Annual Report and Financial Statements
for the Year Ended 30 June 2023

Chisnall Comer Ismail and Co
Chartered Accountants & Registered Auditors
Maria House
35 Millers Road
Brighton
BN1 5NP

HGS Southern Limited

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HGS Southern Limited

Company Information

| | |
|--------------------------|--|
| Directors | DJ Lynch JM Harris AJ Bish |
| Registered office | The Haulage Yard Dial Post Horsham West Sussex RH13 8NY |
| Auditors | Chisnall Comer Ismail and Co Chartered Accountants & Registered Auditors Maria House 35 Millers Road Brighton BN1 5NP |

HGS Southern Limited
(Registration number: 12916039)
Balance Sheet as at 30 June 2023

| | Note | 2023 £ | 2022 £ |
|---|----------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | <u>4</u> | 20,778 | 20,296 |
| Current assets | | | |
| Stocks | <u>5</u> | 1,720 | 1,844 |
| Debtors | <u>6</u> | 324,542 | 280,287 |
| Cash at bank and in hand | | 188,325 | 74,655 |
| | | 514,587 | 356,786 |
| Creditors: Amounts falling due within one year | <u>7</u> | (355,023) | (209,410) |
| Net current assets | | 159,564 | 147,376 |
| Total assets less current liabilities | | 180,342 | 167,672 |
| Provisions for liabilities | | (39) | - |
| Net assets | | <u>180,303</u> | <u>167,672</u> |
| Capital and reserves | | | |
| Called up share capital | <u>9</u> | 100 | 100 |
| Retained earnings | | 180,203 | 167,572 |
| Shareholders' funds | | <u>180,303</u> | <u>167,672</u> |

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. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 2 November 2023 and signed on its behalf by:

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DJ Lynch

Director

HGS Southern Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

1 General information

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

The address of its registered office is:

The Haulage Yard
Dial Post
Horsham
West Sussex
RH13 8NY

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 smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

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 financial statements of the company are consolidated in the financial statements of Penfold Verrall Holdings Limited that are available from its registered office which is the same as the company.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The financial statements have been prepared on a going concern basis. The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty in relation to the appropriateness of continuing to adopt the going concern basis in preparing the annual report and accounts. The financial statements have been prepared on a going concern basis.

HGS Southern Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

Audit report

The Independent Auditor's Report was unqualified. . The name of the Senior Statutory Auditor who signed the audit report on 2 November 2023 was T G Humphries FCA FCCA, who signed for and on behalf of Chisnall Comer Ismail and Co.

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HGS Southern Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

2 Accounting policies

Judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Tax

The tax expense for the period comprises 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.

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.

HGS Southern Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

2 Accounting policies

Tangible assets

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 |
|-----------------------|------------------------------|
| Motor vehicles | 25% Reducing balance |
| Other tangible assets | 25% Reducing balance |

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost 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.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

HGS Southern Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

2 Accounting policies

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

Financial instruments

Classification

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Recognition and measurement

Basic financial assets are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Impairment

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

HGS Southern Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

3 Employees

The costs disclosed below relate to staff costs that are recharged to this company from other group companies. This company has no service contracts in place and therefore no employees of its own.

The average number of persons employed by the company (including directors) during the year, was 3 (2022 - 3).

4 Tangible assets

| | Motor vehicles £ | Other tangible assets £ | Total £ |
|--------------------------|---------------------|-------------------------------|------------|
| Cost or valuation | | | |
| At 1 July 2022 | 24,444 | - | 24,444 |
| Additions | 3,330 | 1,550 | 4,880 |
| At 30 June 2023 | 27,774 | 1,550 | 29,324 |
| Depreciation | | | |
| At 1 July 2022 | 4,148 | - | 4,148 |
| Charge for the year | 4,398 | - | 4,398 |
| At 30 June 2023 | 8,546 | - | 8,546 |
| Carrying amount | | | |
| At 30 June 2023 | 19,228 | 1,550 | 20,778 |
| At 30 June 2022 | 20,296 | - | 20,296 |

5 Stocks

| | 2023 £ | 2022 £ |
|-------------------|-----------|-----------|
| Other inventories | 1,720 | 1,844 |

6 Debtors

| | 2023 £ | 2022 £ |
|----------------|-----------|-----------|
| Current | | |
| Trade debtors | 323,269 | 280,262 |
| Other debtors | 1,273 | 25 |
| | 324,542 | 280,287 |

HGS Southern Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

7 Creditors

Creditors: amounts falling due within one year

| | Note | 2023 £ | 2022 £ |
|---|------|----------------|----------------|
| Due within one year | | | |
| Trade creditors | | 46,293 | 21,503 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | | 259,682 | 152,534 |
| Taxation and social security | | - | 24,925 |
| Accruals and deferred income | | 19,048 | 10,448 |
| Other creditors | | 30,000 | - |
| | | <u>355,023</u> | <u>209,410</u> |

Amounts owed to group undertakings have no terms and are therefore repayable on demand. Whilst the classification as current liabilities reflect the contractual nature of the loans, the parent company does not seek repayment of these loans until a subsidiary is financially able to do so. This may be more than 12 months from the reporting date, as part of the parent company's ongoing financial support of its subsidiaries.

8 Dividends

| | 2023 £ | 2022 £ |
|--|----------------|-----------|
| Interim dividend of £1,680.00 (2022 - £Nil) per ordinary share | 168,000 | - |
| | <u>168,000</u> | <u>-</u> |

9 Share capital

Allotted, called up and fully paid shares

| | 2023 | | 2022 | |
|-----------------------------------|------------|------------|------------|------------|
| | No. | £ | No. | £ |
| Ordinary Share Capital of £1 each | 100 | 100 | 100 | 100 |
| | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

HGS Southern Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

10 Parent undertaking

The ultimate parent company is Penfold Verrall Holdings Limited, a company registered in England and Wales. Penfold Verrall Holdings Limited prepares consolidated financial statements and copies can be obtained from Companies House. The registered office of Penfold Verrall Holdings Limited is The Haulage Yard, Dial Post, Horsham, West Sussex, RH13 8NY.

The company's immediate parent is Penfold Verrall Holdings Limited, a company registered in England and Wales.

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.