

COMPANY REGISTRATION NUMBER: SC432592

Hothouse Brands Limited
Financial Statements
For the year ended
31 March 2021

Hothouse Brands Limited

Financial Statements

Year ended 31 March 2021

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Hothouse Brands Limited

Officers and Professional Advisers

The Board of Directors

B J P Thomson

P H Skipworth

Registered Office

C/O Inverleith LLP

43 Melville Street

Edinburgh

EH3 7JF

Auditor

Chiene + Tait LLP

Chartered Accountant & Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

Bankers

Adam & Company

25 St Andrew Square

Edinburgh

EH2 1AF

Hothouse Brands Limited

Directors' Report

Year ended 31 March 2021

The directors present their report and the financial statements of the company for the year ended 31 March 2021 .

Principal activities

The principal activity of the company during the year was that of a management company.

Directors

The directors who served the company during the year were as follows:

B J P Thomson

P H Skipworth

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 12 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 1 September 2021 and signed on behalf of the board by:

B J P Thomson

Director

Hothouse Brands Limited

Independent Auditor's Report to the Members of Hothouse Brands Limited

Year ended 31 March 2021

Opinion

We have audited the financial statements of Hothouse Brands Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit; or - the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: - A review of manual adjustments made in coming to the financial statements would identify any unusual adjustments. - Through gaining a detailed understanding of the business and operations this allowed for identification of irregularities. - Analytical review of figures against expectation in order to assess movements which may be caused by irregularities or fraud. - Specific consideration was given to transactions with related parties. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Barry Truswell CA

(Senior Statutory Auditor)

For and on behalf of

Chiene + Tait LLP

Chartered Accountant & Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

7 September 2021

Hothouse Brands Limited

Statement of Income and Retained Earnings

Year ended 31 March 2021

		2021	2020
	Note	£	£
Administrative expenses		(12,583)	(6,372)
		-----	-----
Operating loss		(12,583)	(6,372)
Other interest receivable and similar income	5	15	—
		-----	-----
Loss before taxation		(12,568)	(6,372)
Tax on loss	6	—	—
		-----	-----
Loss for the financial year and total comprehensive income		(12,568)	(6,372)
		-----	-----
Retained losses at the start of the year		(15,771)	(9,399)
		-----	-----
Retained losses at the end of the year		(28,339)	(15,771)
		-----	-----

All the activities of the company are from continuing operations.

Hothouse Brands Limited
Statement of Financial Position
31 March 2021

		2021		2020
	Note	£	£	£
Fixed assets				
Investments	7		4	5
Current assets				
Debtors	8	402		2,512
Cash at bank and in hand		4,810		351
		5,212		2,863
Creditors: amounts falling due within one year	9	(33,553)		(18,637)
Net current liabilities			(28,341)	(15,774)
Total assets less current liabilities			(28,337)	(15,769)
Capital and reserves				
Called up share capital	10		2	2
Profit and loss account			(28,339)	(15,771)
Shareholders deficit			(28,337)	(15,769)

These financial statements were approved by the board of directors and authorised for issue on 1 September 2021
, and are signed on behalf of the board by:

B J P Thomson

Director

Company registration number: SC432592

Hothouse Brands Limited

Statement of Cash Flows

Year ended 31 March 2021

	2021	2020
	£	£
Cash flows from operating activities		
Loss for the financial year	(12,568)	(6,372)
<i>Adjustments for:</i>		
Other interest receivable and similar income	(15)	—
<i>Changes in:</i>		
Trade and other debtors	2,110	81
Trade and other creditors	767	4,945
	-----	-----
Cash generated from operations	(9,706)	(1,346)
Interest received	15	—
	-----	-----
Net cash used in operating activities	(9,691)	(1,346)
	-----	-----
Cash flows from investing activities		
Purchases of other investments	—	(1)
Proceeds from sale of other investments	1	—
	-----	-----
Net cash from/(used in) investing activities	1	(1)
	-----	-----
Cash flows from financing activities		
Proceeds from loans from group undertakings	14,149	260
	-----	-----
Net cash from financing activities	14,149	260
	-----	-----
Net increase/(decrease) in cash and cash equivalents	4,459	(1,087)
Cash and cash equivalents at beginning of year	351	1,438
	-----	-----
Cash and cash equivalents at end of year	4,810	351
	-----	-----

Hothouse Brands Limited

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is C/O Inverleith LLP, 43 Melville Street, Edinburgh, EH3 7JF.

2. Statement of compliance

These financial statements have been prepared in compliance with 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 have been prepared on a going concern basis. The directors have assessed the company's ability to continue as a going concern and have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Turnover

Turnover comprises revenue recognised by the company in respect of services supplied when the right to consideration in exchange for its performance is obtained, exclusive of value added tax. Fees are accrued and recognised in the income statement, as earned.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amount reported for revenues and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates. There are no judgements (apart from those involving estimates) that have had a significant effect on amounts recognised in the financial statements.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, 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.

Investments

Fixed asset investments in the group and unlisted entities are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet and statement of cash flows comprise cash at banks and short term deposits with an original maturity date of three months or less.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement.

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.

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. Debt instruments are subsequently measured at amortised cost. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

4. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	2,603	1,800

5. Other interest receivable and similar income

	2021	2020
	£	£
Other interest receivable and similar income	15	—

6. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19 % (2020: 19 %).

	2021	2020
	£	£
Loss on ordinary activities before taxation	(12,568)	(6,372)
Loss on ordinary activities by rate of tax	(2,388)	(1,211)
Effect of expenses not deductible for tax purposes	1,397	—
Deferred tax not recognised	991	1,211
Tax on loss	—	—

7. Investments

	Shares in group undertakings	Other investments	Total
	£	£	£
Cost			
At 1 April 2020	1	4	5
Disposals	—	(1)	(1)
At 31 March 2021	1	3	4
Impairment			
At 1 April 2020 and 31 March 2021	—	—	—
Carrying amount			
At 31 March 2021	1	3	4
At 31 March 2020	1	4	5

The company controls 100% of the voting rights of HIL (Nominees) Limited, HIL BM Limited, HIL CD Limited and HIL SMWH Limited. The entities are registered in Scotland and their principal activities, with the exception of HIL (Nominees) Limited, is that of advisory services. HIL (Nominees) Limited was largely dormant during the current and prior year.

The investment held in HIL EFC Limited has been written off as the company was dissolved at Companies House on the 22 September 2020.

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
HIL (Nominees) Limited	Ordinary	100
HIL CD Limited	Ordinary Class A	100

HIL BM Limited	Ordinary Class A	100
HIL SMWH Limited	Ordinary Class A	100

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2021	2020	2021	2020
	£	£	£	£
Subsidiary undertakings				
HIL (Nominees) Limited	(12,864)	(9,857)	(1,082)	(8,207)
HIL CD Limited	188,844	200,644	(11,161)	(5,998)
HIL BM Limited	(5,158)	369	(3,554)	(8,412)
HIL SMWH Limited	68,016	71,397	(2,982)	25,259
	-----	-----	-----	-----

8. Debtors

	2021	2020
	£	£
Amounts owed by group undertakings	402	666
Corporation tax repayable	—	1,846
	---	---
	402	2,512
	---	---

9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings	24,745	10,596
Other creditors	8,808	8,041
	-----	-----
	33,553	18,637
	-----	-----

10. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £ 1 each	2	2	2	2
	---	---	---	---

11. Analysis of changes in net debt

	At 1 Apr 2020	Cash flows	At 31 Mar 2021
	£	£	£
Cash at bank and in hand	351	4,459	4,810
Debt due within one year	(10,596)	(14,149)	(24,745)
	-----	-----	-----
	(10,245)	(9,690)	(19,935)
	-----	-----	-----

12. Events after the end of the reporting period

Post year end, the share ownership for both HIL SMWH Limited and HIL CD Limited has been transferred from Hothouse Brands Limited and they are no longer part of the group.

Hothouse Brands Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

13. Controlling party

The ultimate parent entity is Inverleith LLP, a LLP incorporated in Scotland. These financial statements are consolidated in Inverleith LLP's financial statements.

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.