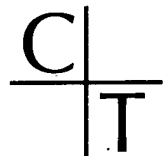


HIL CD Limited
Financial Statements
For the year ended
31 March 2019



HIL CD Limited

Financial Statements

Year ended 31 March 2019

Contents	Page
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the members	4
Statement of income and retained earnings	7
Statement of financial position	8
Statement of cash flows	9
Notes to the financial statements	10
The following pages do not form part of the financial statements	
Detailed income statement	16

HIL CD Limited

Officers and Professional Advisers

The Board of Directors

J M Dunsmore (Resigned 25 September 2019)
B J P Thomson
P H Skipworth (Appointed 25 September 2019)

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

HIL CD Limited

Directors' Report

Year ended 31 March 2019

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

Principal activities

The principal activity of the company during the year was advisory services.

Directors

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

J M Dunsmore (Resigned 25 September 2019)
B J P Thomson

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.

HIL CD Limited

Directors' Report *(continued)*

Year ended 31 March 2019

This report was approved by the board of directors on 7/10/19 2019 and signed on behalf of the board by:

B J P Thomson
Director

A handwritten signature in black ink, appearing to read 'B J P Thomson', is written over the printed name and title.

Opinion

We have audited the financial statements of HIL CD Limited (the 'company') for the year ended 31 March 2019 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 2019 and of its profit 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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

31/10/2019

HIL CD Limited

Statement of Income and Retained Earnings

Year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	238,747	56,016
Gross profit		238,747	56,016
Administrative expenses		(7,800)	(53,752)
Operating profit	5	230,947	2,264
Profit before taxation		230,947	2,264
Tax on profit	7	(43,880)	(430)
Profit for the financial year and total comprehensive income		187,067	1,834
Retained earnings at the start of the year		19,374	17,540
Retained earnings at the end of the year		206,441	19,374

All the activities of the company are from continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

HIL CD Limited

Statement of Financial Position

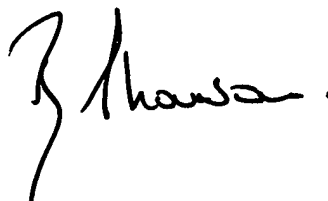
31 March 2019

	Note	2019 £	2018 £
Current assets			
Debtors	8	10,336	–
Cash at bank and in hand		<u>242,590</u>	<u>21,305</u>
		252,926	21,305
Creditors: amounts falling due within one year	9	<u>(46,284)</u>	<u>(1,730)</u>
Net current assets		<u>206,642</u>	<u>19,575</u>
Total assets less current liabilities		<u>206,642</u>	<u>19,575</u>
Capital and reserves			
Called up share capital	11	201	201
Profit and loss account		<u>206,441</u>	<u>19,374</u>
Shareholders funds		<u>206,642</u>	<u>19,575</u>

These financial statements were approved by the board of directors and authorised for issue on 7/10/19 2019, and are signed on behalf of the board by:

B J P Thomson
Director

Company registration number: SC541190



HIL CD Limited

Statement of Cash Flows

Year ended 31 March 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	187,067	1,834
<i>Adjustments for:</i>		
Tax on profit	43,880	430
Accrued expenses	–	12,681
<i>Changes in:</i>		
Trade and other debtors	(10,336)	–
Trade and other creditors	1,104	(1,957)
Cash generated from operations	221,715	12,988
Tax paid	(430)	(4,384)
Net cash from operating activities	<u>221,285</u>	<u>8,604</u>
Net increase in cash and cash equivalents	221,285	8,604
Cash and cash equivalents at beginning of year	21,305	12,701
Cash and cash equivalents at end of year	<u>242,590</u>	<u>21,305</u>

The notes on pages 10 to 14 form part of these financial statements.

HIL CD Limited

Notes to the Financial Statements

Year ended 31 March 2019

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.

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.

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

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.

HIL CD Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

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.

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.

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.

4. Turnover

Turnover arises from:

	2019 £	2018 £
Advisory Fees	–	43,314
Carry Fees	238,747	12,702
	<u>238,747</u>	<u>56,016</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom. Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities. The company's principal activity during the year was the provision of advisory services

5. Operating profit

Operating profit or loss is stated after charging:

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>1,380</u>	<u>1,150</u>

6. Employee numbers

No staff were employed during the year (2018: nil).

HIL CD Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

7. Tax on profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	43,880	430
Tax on profit	<u>43,880</u>	<u>430</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is the same as (2018: the same as) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	230,947	2,264
Profit on ordinary activities by rate of tax	<u>43,880</u>	<u>430</u>

8. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	<u>10,336</u>	<u>—</u>

9. Creditors: amounts falling due within one year

	2019 £	2018 £
Corporation tax	43,880	430
Other creditors	2,404	1,300
	<u>46,284</u>	<u>1,730</u>

10. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 £
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	<u>252,926</u>	<u>21,305</u>
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>10,336</u>	<u>—</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>2,404</u>	<u>1,730</u>

HIL CD Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

11. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
A Ordinary shares of £1 each	1	1.00	1	1.00
B Ordinary shares of £1 each	100	100.00	100	100.00
C Ordinary shares of £1 each	100	100.00	100	100.00
	<u>201</u>	<u>201.00</u>	<u>201</u>	<u>201.00</u>

A Ordinary shares are non-redeemable and entitle the holders to receive notice of and attend and vote at every general meeting.

A Ordinary shares are entitled to receive by way of dividend such sums (if any) as directors may resolve to distribute from time to time which are equivalent to sums received by the company by way of fees paid to the company in return for services provided by the company and/or its directors to the Investee company after the company's deduction of an amount equivalent to the tax payable by the company in relation to the receipt of such fees.

A Ordinary shares have right to receive a distribution of all sums due on a return of capital pro-rata following all payments made to holders of B Ordinary shares.

B and C Ordinary shares have no voting rights and are non-redeemable.

B Ordinary shares are entitled to receive by way of dividend such sums (if any) as the directors may resolve to distribute from time to time which are equivalent to sums received by the company in the form of the payment to the company by the investors or Hothouse Brands Limited of HIL (Nominees) Limited of part of the Profit Share in respect of shares in the Investee company issued on or before 29 February 2016 after the deduction of an amount equivalent to the amount of tax payable by the company in relation to the receipt of such dividends.

On return of capital the holders of the B Ordinary shares shall be entitled to receive a sum equal to the amount of all Carry Fees received by the company (net of any taxes due thereon) relating to investments made by syndicate known as the Hothouse Club prior to 29 February 2016.

C Ordinary shares are entitled to receive by way of dividend such sums (if any) as the directors may resolve to distribute from time to time which are equivalent to sums received by the company in the form of the payment to the company by the investors or Hothouse Brands Limited of HIL (Nominees) Limited of part of the Profit Share in respect of shares in the Investee company issued on or after 29 February 2016 after the deduction of an amount equivalent to the amount of tax payable by the company in relation to the receipt of such dividends.

On return of capital the holders of the C Ordinary shares shall be entitled to receive a sum equal to the amount of all Carry Fees received by the company (net of any taxes due thereon) relating to investments made by syndicate known as the Hothouse Club after 29 February 2016.

12. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2019	2018	2019	2018
	£	£	£	£
Hothouse Brands Limited	<u>—</u>	<u>50,000</u>	<u>10,336</u>	<u>—</u>

HIL CD Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

12. Related party transactions *(continued)*

The immediate parent of HIL CD Limited is Hothouse Brands Limited.

The director did not receive any remuneration from the company in respect of qualifying services to the company (2018: nil). No director was accruing retirement benefits under money purchase pension schemes (2018: nil).

During the year the HIL CD paid £nil for key management personnel services (2018: £nil).

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.