

Company Registration No. 02862671 (England and Wales)

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019

PAGES FOR FILING WITH REGISTRAR

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

CONTENTS

	Page
Balance sheet	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 9

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

BALANCE SHEET

AS AT 31 OCTOBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		271,860		246,190
Current assets					
Stocks		1,736,956		1,889,213	
Debtors	5	1,104,909		359,014	
Cash at bank and in hand		713,030		703,909	
		<u>3,554,895</u>		<u>2,952,136</u>	
Creditors: amounts falling due within one year	6	<u>(1,653,179)</u>		<u>(1,679,985)</u>	
Net current assets			1,901,716		1,272,151
Total assets less current liabilities			<u>2,173,576</u>		<u>1,518,341</u>
Provisions for liabilities	7		<u>(34,911)</u>		<u>(27,851)</u>
Net assets			<u>2,138,665</u>		<u>1,490,490</u>
Capital and reserves					
Called up share capital	8		7,359		8,430
Capital redemption reserve			2,143		1,072
Profit and loss reserves			<u>2,129,163</u>		<u>1,480,988</u>
Total equity			<u>2,138,665</u>		<u>1,490,490</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 October 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2019

The financial statements were approved by the board of directors and authorised for issue on 21 July 2020 and are signed on its behalf by:

T D Ward
Director

Company Registration No. 02862671

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 November 2017		8,698	804	1,266,966	1,276,468
Year ended 31 October 2018:					
Profit and total comprehensive income for the year		-	-	868,033	868,033
Dividends		-	-	(630,000)	(630,000)
Own shares acquired		-	-	(24,011)	(24,011)
Redemption of shares	8	(268)	268	-	-
Balance at 31 October 2018		8,430	1,072	1,480,988	1,490,490
Year ended 31 October 2019:					
Profit and total comprehensive income for the year		-	-	792,130	792,130
Dividends		-	-	(48,000)	(48,000)
Own shares acquired		-	-	(95,955)	(95,955)
Redemption of shares	8	(1,071)	1,071	-	-
Balance at 31 October 2019		7,359	2,143	2,129,163	2,138,665

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

Company information

Growell Hydroponics and Plant Lighting Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 3 Coventry Innovation Village, Cheetah Road, Coventry, CV1 2TL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern which relate to the potential financial impact of the Covid-19 pandemic. However the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% straight line and over the term of the lease
Plant and machinery	20% straight line
Fixtures, fittings and equipment	20% straight line
Computer equipment	33.3% straight line
Motor vehicles	25% straight line

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.

1.5 Impairment of fixed assets

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.

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

1.6 Stocks

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

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

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 balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 profit and loss account in other administrative expenses.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2018 - 4).

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 November 2018	417,187	621,314	1,038,501
Additions	39,521	60,475	99,996
At 31 October 2019	456,708	681,789	1,138,497
Depreciation and impairment			
At 1 November 2018	267,991	524,320	792,311
Depreciation charged in the year	40,556	33,770	74,326
At 31 October 2019	308,547	558,090	866,637
Carrying amount			
At 31 October 2019	148,161	123,699	271,860
At 31 October 2018	149,196	96,994	246,190

4 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	9,950	-

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	55,572	150,986
Amounts owed by group undertakings	848,368	-
Derivative financial instruments	9,950	-
Other debtors	26,711	26,711
Prepayments and accrued income	164,308	181,317
	1,104,909	359,014

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,024,536	854,662
Corporation tax	173,700	189,179
Other taxation and social security	140,126	112,751
Other creditors	129,041	367,698
Accruals and deferred income	185,776	155,695
	<u>1,653,179</u>	<u>1,679,985</u>

7 Provisions for liabilities

	2019 £	2018 £
Deferred tax liabilities	<u>34,911</u>	<u>27,851</u>

8 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
7,359 Ordinary shares of £1 each	<u>7,359</u>	<u>8,430</u>

On 5 April 2019 1,071 ordinary shares of £1 each were bought back by the company for cash consideration of £95,955 and subsequently cancelled.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
	<u>1,489,706</u>	<u>771,371</u>

10 Events after the reporting date

At the time of approval of the financial statements, the United Kingdom is subject to lockdown measures due to the Covid-19 pandemic. The directors estimate that this will have a significant impact on the company's sales during this lockdown period, however it is not currently possible to reliably estimate the full financial effect on the company.

GROWELL HYDROPONICS AND PLANT LIGHTING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

11 Related party transactions

The following amounts were outstanding at the reporting end date:

	2019	2018
Amounts due to related parties	£	£
Key management personnel	-	218,159
	<u> </u>	<u> </u>

The amounts due to key management personnel were repayable on demand and interest free.

The company has taken advantage of the exemption under the terms of FRS 102 not to disclose related party transactions with wholly owned group entities.

12 Directors' transactions

Description	% Rate	Opening balance £	Interest charged £	Amounts repaid £	Closing balance £
Loan	4.00	17,585	680	(780)	17,485
		<u>17,585</u>	<u>680</u>	<u>(780)</u>	<u>17,485</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </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.