

# Hofton & Son Limited

Unaudited Abridged Financial Statements  
(Companies House version)  
for the Year Ended 31 March 2022

Page Kirk LLP  
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Sherwood House  
7 Gregory Boulevard  
Nottingham  
NG7 6LB

# Hofton & Son Limited

## Contents

Accountants' Report	<u>1</u>
Abridged Balance Sheet	<u>2</u> to <u>3</u>
Notes to the Unaudited Abridged Financial Statements	<u>4</u> to <u>10</u>

**Chartered Accountants' Report to the Board of Directors on the Preparation of the  
Unaudited Statutory Accounts of  
Hofton & Son Limited  
for the Year Ended 31 March 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Hofton & Son Limited for the year ended 31 March 2022 as set out on pages 2 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Hofton & Son Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Hofton & Son Limited and state those matters that we have agreed to state to the Board of Directors of Hofton & Son Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hofton & Son Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Hofton & Son Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Hofton & Son Limited. You consider that Hofton & Son Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Hofton & Son Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Page Kirk LLP  
Chartered Accountants  
Sherwood House  
7 Gregory Boulevard  
Nottingham  
NG7 6LB

20 December 2022

# Hofon & Son Limited

(Registration number: 00314560)

## Abridged Balance Sheet as at 31 March 2022

	Note	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	<u>4</u>		-		-
Tangible assets	<u>5</u>		991,229		941,745
Investments			<u>100</u>		<u>-</u>
			991,329		941,745
<b>Current assets</b>					
Stocks		2,003,636		3,185,065	
Debtors		458,385		585,747	
Cash at bank and in hand		<u>1,419,951</u>		<u>921,973</u>	
		3,881,972		4,692,785	
<b>Creditors:</b> Amounts falling due within one year	<u>7</u>	<u>(244,317)</u>		<u>(788,208)</u>	
<b>Net current assets</b>			<u>3,637,655</u>		<u>3,904,577</u>
<b>Total assets less current liabilities</b>			4,628,984		4,846,322
<b>Creditors:</b> Amounts falling due after more than one year	<u>8</u>		<u>-</u>		<u>(335,279)</u>
<b>Net assets</b>			<u><u>4,628,984</u></u>		<u><u>4,511,043</u></u>
<b>Capital and reserves</b>					
Called up share capital		296,000		296,000	
Profit and loss account		<u>4,332,984</u>		<u>4,215,043</u>	
<b>Total equity</b>			<u><u>4,628,984</u></u>		<u><u>4,511,043</u></u>

# **Hofton & Son Limited**

**(Registration number: 00314560)**

## **Abridged Balance Sheet as at 31 March 2022**

For the financial year ending 31 March 2022 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 and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

All of the company's members have consented to the preparation of an Abridged Balance Sheet in accordance with Section 444(2A) 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 20 December 2022 and signed on its behalf by:

.....

Mr M B Shouler

Director

# **Hofton & Son Limited**

## **Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2022**

### **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:  
10A Coach Gap Lane  
Langar  
Nottingham  
NG13 9HP

These financial statements were authorised for issue by the Board on 20 December 2022.

### **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.

#### **Basis of preparation of financial statements**

These financial statements were prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards, including the Financial Reporting Standard 102 ('FRS 102') Section 1A small entities, and with the Companies Act 2006.

#### **Revenue recognition**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Property sales are recognised upon exchange of contracts. The net present value of property sale income receivable in 10 years' time is computed using the company's current cost of capital and included within prepayments and accrued income.

#### **Government grants**

Government grants are accounted for using the accrual model.

#### **Tax**

The tax expense for the period comprises current 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.

# Hofton & Son Limited

## Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2022

### 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. Freehold property and leasehold property are subject to an annual impairment review.

### 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
Plant & Machinery	20% reducing balance
Fixtures & Fittings	20% reducing balance / 33.33% straight line
Motor Vehicles	25% straight line

### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

### 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
Goodwill	over 20 years

### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

# **Hofton & Son Limited**

## **Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2022**

### **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.

### **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.



# **Hofton & Son Limited**

## **Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2022**

### **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.

### **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**

During the year, the average number of employees at the company was 7 (2021 - 6).

# Hofon & Son Limited

## Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2022

### 4 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 April 2021	50,000	50,000
At 31 March 2022	50,000	50,000
<b>Amortisation</b>		
At 1 April 2021	50,000	50,000
At 31 March 2022	50,000	50,000
<b>Carrying amount</b>		
At 31 March 2022	-	-

## Hofton & Son Limited

### Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2022

#### 5      Tangible assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 April 2021	921,163	47,404	39,483	17,250	1,025,300
Additions	2,906	2,311	699	50,839	56,755
Disposals	(500)	-	-	-	(500)
At 31 March 2022	923,569	49,715	40,182	68,089	1,081,555
<b>Depreciation</b>					
At 1 April 2021	-	35,046	31,259	17,250	83,555
Charge for the year	-	2,782	3,989	-	6,771
At 31 March 2022	-	37,828	35,248	17,250	90,326
<b>Carrying amount</b>					
At 31 March 2022	923,569	11,887	4,934	50,839	991,229
At 31 March 2021	921,163	12,358	8,224	-	941,745

# Hofton & Son Limited

## Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 March 2022

### 6 Investments

	Subsidiaries £	Total £
<b>Cost or valuation</b>		
Additions	100	100
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 March 2022	100	100

### 7 Creditors: amounts falling due within one year

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £nil (2021 - £305,335).

Bank loans and overdrafts are secured by:

- A debenture over all assets of the company dated 2 February 2006;
- A legal charge over 11 Nottingham South & Wilford Industrial Estate dated 2 August 2010;
- A legal charge over 46-52 Blenheim Drive, Chilwell dated 2 August 2010;
- A legal charge over 255-265 (odd numbers only) Derby Road, Bramcote dated 28 November 2011.

### 8 Creditors: amounts falling due after more than one year

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £nil (2021 - £337,576).

Bank loans and overdrafts are secured by:

- A debenture over all assets of the company dated 2 February 2006;
- A legal charge over 11 Nottingham South & Wilford Industrial Estate dated 2 August 2010;
- A legal charge over 46-52 Blenheim Drive, Chilwell dated 2 August 2010;
- A legal charge over 255-265 (odd numbers only) Derby Road, Bramcote dated 28 November 2011.

### 9 Obligations under leases and hire purchase contracts

#### Operating leases

At 31 March 2022 the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £16,318 (2021 - £28,125).

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.