

Southern Hospitality UK Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 June 2018

EKWilliams Accountants Limited
1 Pavilion Square
Cricketers Way
Westhoughton
Bolton
BL5 3AJ

Southern Hospitality UK Limited

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Southern Hospitality UK Limited

Company Information

Director Mr J Gilchrist

Company secretary Mr J Gilchrist

Registered office 1 Rebirth House Europa Triangle
John Gilbert Way
Trafford Park
Manchester
M17 1FP

Accountants EKWilliams Accountants Limited
1 Pavilion Square
Cricketers Way
Westhoughton
Bolton
BL5 3AJ

Southern Hospitality UK Limited

(Registration number: 05277425)

Balance Sheet as at 30 June 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	<u>4</u>	2,865	5,733
Tangible assets	<u>5</u>	118,016	146,600
		<u>120,881</u>	<u>152,333</u>
Current assets			
Stocks	<u>6</u>	73,000	40,000
Debtors	<u>7</u>	135,417	131,901
Cash at bank and in hand		109,187	21,085
		317,604	192,986
Creditors: Amounts falling due within one year	<u>8</u>	(195,883)	(116,364)
Net current assets		<u>121,721</u>	<u>76,622</u>
Total assets less current liabilities		242,602	228,955
Creditors: Amounts falling due after more than one year	<u>8</u>	(210,654)	(186,823)
Provisions for liabilities		<u>(19,282)</u>	<u>(22,833)</u>
Net assets		<u>12,666</u>	<u>19,299</u>
Capital and reserves			
Called up share capital	<u>9</u>	945	945
Share premium reserve		11,176	11,176
Profit and loss account		545	7,178
Total equity		<u>12,666</u>	<u>19,299</u>

For the financial year ending 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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 director acknowledges his 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 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 and the option not to file the Profit and Loss Account has been taken.

The notes on pages 4 to 11 form an integral part of these financial statements.

Southern Hospitality UK Limited

(Registration number: 05277425)

Balance Sheet as at 30 June 2018

Approved and authorised by the director on 22 January 2019

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Mr J Gilchrist

Company secretary and director

The notes on pages 4 to 11 form an integral part of these financial statements.

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Southern Hospitality UK Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

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:

1 Rebirth House Europa Triangle
John Gilbert Way
Trafford Park
Manchester
M17 1FP
England

These financial statements were authorised for issue by the director on 22 January 2019.

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 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

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.

Southern Hospitality UK Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

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.

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.

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 and machinery	6.67% straight line
Property improvements	20% straight line
Fixtures and fittings	25% reducing balance
Office equipment	33% straight line
Motor vehicles	25% reducing balance

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
Website costs	33% straight line

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.

Southern Hospitality UK Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

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.

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Notes to the Financial Statements for the Year Ended 30 June 2018

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. 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

The average number of persons employed by the company (including the director) during the year, was 38 (2017 - 26).

Southern Hospitality UK Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

4 Intangible assets

	Goodwill £	Website Costs £	Total £
Cost or valuation			
At 1 July 2017	10,000	8,600	18,600
At 30 June 2018	10,000	8,600	18,600
Amortisation			
At 1 July 2017	10,000	2,867	12,867
Amortisation charge	-	2,868	2,868
At 30 June 2018	10,000	5,735	15,735
Carrying amount			
At 30 June 2018	-	2,865	2,865
At 30 June 2017	-	5,733	5,733

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2017 - £Nil).

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £
Cost or valuation				
At 1 July 2017	106,353	59,799	21,448	78,260
Additions	936	6,393	-	-
At 30 June 2018	107,289	66,192	21,448	78,260
Depreciation				
At 1 July 2017	42,541	47,171	11,762	17,786
Charge for the year	21,458	6,814	2,421	5,220
At 30 June 2018	63,999	53,985	14,183	23,006
Carrying amount				
At 30 June 2018	43,290	12,207	7,265	55,254
At 30 June 2017	63,812	12,628	9,686	60,474

Southern Hospitality UK Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

	Total £
Cost or valuation	
At 1 July 2017	265,860
Additions	<u>7,329</u>
At 30 June 2018	<u>273,189</u>
Depreciation	
At 1 July 2017	119,260
Charge for the year	<u>35,913</u>
At 30 June 2018	<u>155,173</u>
Carrying amount	
At 30 June 2018	<u><u>118,016</u></u>
At 30 June 2017	<u><u>146,600</u></u>

Included within the net book value of land and buildings above is £43,291 (2017 - £63,812) in respect of freehold land and buildings.

6 Stocks

	2018 £	2017 £
Other inventories	<u>73,000</u>	<u>40,000</u>

7 Debtors

	2018 £	2017 £
Trade debtors	97,231	75,513
Amounts owed by group undertakings and undertakings in which the company has a participating interest	15,000	15,000
Prepayments	9,027	25,168
Other debtors	<u>14,159</u>	<u>16,220</u>
	<u><u>135,417</u></u>	<u><u>131,901</u></u>

Southern Hospitality UK Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

8 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	<u>10</u>	22,836	35,096
Trade creditors		57,466	48,226
Taxation and social security		99,198	25,719
Accruals and deferred income		1,200	1,650
Other creditors		15,183	5,673
		<u>195,883</u>	<u>116,364</u>

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	<u>10</u>	<u>210,654</u>	<u>186,823</u>

Southern Hospitality UK Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

9 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary A Shares of £1 each	900	900	900	900
Ordinary B Shares of £1 each	1	1	1	1
Ordinary C Shares of £1 each	44	44	44	44
	945	945	945	945

10 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	193,492	156,825
Finance lease liabilities	17,162	29,998
	210,654	186,823

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	10,000	22,260
Finance lease liabilities	12,836	12,836
	22,836	35,096

11 Dividends

Interim dividends paid

	2018 £	2017 £
Interim dividend of £25.33 (2017 - £20.00) per each Ordinary shares	22,800	18,000

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.