

COMPANY REGISTRATION NUMBER: SC510717

**IHCT LTD**

**Filleted Unaudited Financial Statements**

**31 July 2021**

# IHCT LTD

## Statement of Financial Position

31 July 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	3,208	3,800
Investments	6	1,879,053	1,552,053
		<u>1,882,261</u>	<u>1,555,853</u>
<b>Current assets</b>			
Debtors	7	625,938	1,820,118
Cash at bank and in hand		399,011	746,902
		<u>1,024,949</u>	<u>2,567,020</u>
<b>Creditors: amounts falling due within one year</b>	8	399,295	762,111
<b>Net current assets</b>		<u>625,654</u>	<u>1,804,909</u>
<b>Total assets less current liabilities</b>		<u>2,507,915</u>	<u>3,360,762</u>
<b>Creditors: amounts falling due after more than one year</b>	9	2,709,705	2,060,620
<b>Net (liabilities)/assets</b>		<u>( 201,790)</u>	<u>1,300,142</u>
<b>Capital and reserves</b>			
Called up share capital		6	6
Profit and loss account		( 201,796)	1,300,136
<b>Shareholders (deficit)/funds</b>		<u>( 201,790)</u>	<u>1,300,142</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 July 2021 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 financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

# **IHCT LTD**

## **Statement of Financial Position** *(continued)*

**31 July 2021**

These financial statements were approved by the board of directors and authorised for issue on 4 July 2022 , and are signed on behalf of the board by:

Mr C Moffat

Director

Company registration number: SC510717

# IHCT LTD

## Notes to the Financial Statements

### Year ended 31 July 2021

#### 1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Forbes House, 36 Huntly Street, Inverness, IV3 5PR, United Kingdom.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of 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 company has incurred a net loss of £1,471,104 during the year ended 31 July 2021 and at that date the balance sheet was in deficit by £201,790. The company has previously made a profit, a loss has been incurred this year due to the impairment of an investment of £173,001, the impairment of an intercompany loan of £1,455,400 and the impairment of an other debtor of £250,000, it is anticipated that the company will continue to make a profit going forward. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

##### Consolidation

The entity 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 entity and its subsidiary undertakings comprise a small group.

##### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

##### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in 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.

### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Computer Equipment	-	33% straight line
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### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

### **Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

### 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 entity 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.

### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 3 (2020: 3 ).

### 5. Tangible assets

	Equipment £	Total £
<b>Cost</b>		
At 1 August 2020	10,699	<b>10,699</b>
Additions	1,220	<b>1,220</b>
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<b>At 31 July 2021</b>	<b>11,919</b>	<b>11,919</b>
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<b>Depreciation</b>		
At 1 August 2020	6,899	<b>6,899</b>
Charge for the year	1,812	<b>1,812</b>
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<b>At 31 July 2021</b>	<b>8,711</b>	<b>8,711</b>
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<b>Carrying amount</b>		
<b>At 31 July 2021</b>	<b>3,208</b>	<b>3,208</b>
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At 31 July 2020	3,800	3,800
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## 6. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 August 2020	1,552,053
Additions	500,001
<b>At 31 July 2021</b>	<b>2,052,054</b>
<b>Impairment</b>	
At 1 August 2020	—
Impairment losses	173,001
<b>At 31 July 2021</b>	<b>173,001</b>
<b>Carrying amount</b>	
<b>At 31 July 2021</b>	<b>1,879,053</b>
At 31 July 2020	1,552,053

The company owns 100% (2020 - 100%) of the issued share capital in Nairnside Ltd, 100% (2020 - 100%) of the issued share capital in Omega Product Developments Ltd, 100% (2020 - 100%) of the issued share capital in Teaninich Ltd, 100% (2020 - 100%) of the issued share capital in Highland Primary Processing Ltd, 60% (2020 - 60%) of the issued share capital in New Wave Foods Ltd and 51.95% (2020 - 35%) of the issued share capital in Bay Food Group Ltd.

During the year the investment in Bay Food Group Ltd was impaired in full by £173,001 (2020 - £nil).

## 7. Debtors

	2021 £	2020 £
Trade debtors	12,445	35,811
Amounts owed by group undertakings and undertakings in which the company has a participating interest	609,465	1,737,465
Other debtors	4,028	46,842
	<b>625,938</b>	<b>1,820,118</b>

The debtors above include the following amounts falling due after more than one year:

	2021 £	2020 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	553,165	1,672,865

## 8. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	6,389	2,413
Corporation tax	30,828	140,520
Social security and other taxes	5,247	48,375
Other creditors - loans	245,777	174,879
Other creditors	111,054	395,924
	<b>399,295</b>	<b>762,111</b>

## 9. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	2,709,705	2,060,620

Included within creditors: amounts falling due after more than one year is an amount of £852,720 (2020: £792,000) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The loans are unsecured and interest is charged at 4%.

## 10. Subsidiary companies

At 31 July 2021 the company owned 3 shares in Nairnside Ltd, a company registered in Scotland with the registered office Forbes House, 36 Huntly Street, Inverness, IV3 5PR. The shareholding equates to 100% of the shares in the company.

At 31 July 2021 the company owned 2 shares in Omega Product Developments Ltd, a company registered in Scotland with the registered office Forbes House, 36 Huntly Street, Inverness, IV3 5PR. The shareholding equates to 100% of the shares in the company.

At 31 July 2021 the company owned 100 shares in Teaninich Ltd, formerly known as Bay Food Group Ltd, a company registered in Scotland with the registered office Forbes House, 36 Huntly Street, Inverness, IV3 5PR. The shareholding equates to 100% of the shares in the company.

At 31 July 2021 the company owned 1 share in Highland Primary Processing Ltd, a company registered in Scotland with the registered office 36 Huntly Street, Inverness, IV3 5PR. The shareholding equates to 100% of the shares in the company.

## 11. Impairment of loans

During the year the loans due from Bay Food Group Ltd amounting to £1,455,400 (2020 - £nil) have been impaired in full.

During the year a loan due from RSF (Scotland) Ltd amounting to £250,000 (2020 - £nil) have been impaired in full.

## 12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	4,635	5,025
Later than 1 year and not later than 5 years	259	4,894
	4,894	9,919



### 13. Related party transactions

The company has taken advantage of FRS102 1AC.35 exemption available to 100% owned group companies. Accordingly, no disclosure is made of any related party transactions with the company's four wholly owned subsidiaries. During the year two (2020 - two) partnerships , each having one (2020 - one) director as a partner, invoiced the company £315,398 (2020 - £334,420) for consultancy fees . At 31 July 2021 there was £( 562 ) (2020 - £135,051) included in accruals relating to these partnerships. During the year two (2020 - one) companies which each have one (2020 - one) director in common invoiced the company £162,908 (2020 - £172,152) for consultancy . At 31 July 2021 there was £( 562 ) (2020 - £66,160) included in accruals relating to this company. On 1 February 2016 the company made an outsource agreement with a company in which one (2020 - two) of the directors are also directors and invoiced the company £985,111 (2020 - £711,296) in respect of these services and administration fees. Included in deferred income at 31 July 2021 is £107,814 (2020 - £177,199) in relation to services under the outsource agreement. During the year the company and made purchases from this company of £16,237 (2020 - £19,211) for management charges. At 31 July 2021 there is £135 (2020 - £nil) included in trade debtors and £1,082 (2020 - £6706) included in trade creditors in respect of this company. The company has also received loans amounting to £842,000 (2020 - £900,000) from this company. These loans are unsecured and an interest holiday was granted for 24 months after which interest is charged on these loans at 4%. At 31 July 2021 £2,933,105 (2020 - £2,060,620) was outstanding in respect of these loans . During the year the company invoiced two (2020 - two) companies in which three (2020 - three) of the directors are also directors £201,503 (2020 - £233,933) for administration expenses, consultancy fees and computer costs paid on behalf of these companies and was invoiced of £95 (2020 - £151) by these companies. At 31 July 2021 £8,960 (2020 - £31,997) is included in trade debtors in respect of these companies. During the year the company made loans to these companies amounting to £642,000 (2020 - - £702,000). These loans are unsecured and interest is charged on these loans at 4%. An impairment review was carried out on the loan balances with one of the loan balances not being expected to be recovered, as such the full loan value of £1,705,400 and accrued loan interest of £1,565 has been impaired. At 31 July 2021 £(530) (2020 - £46,309) is included in accrued income in respect of these loans. During the year £51,000 (2020 - £250,417) was repaid in respect of these loans and £nil (2020 - £605,000) of the loan balance was converted to equity. At 31 July 2021 £609,465 (2020 - £1,737,465) was owed to the company in respect of these loans.

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