

Company Registration No. SC393055 (Scotland)

ARCHERS SLEEP CENTRE (HILLINGTON) LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

ARCHERS SLEEPCENTRE (HILLINGTON) LTD

COMPANY INFORMATION

Directors	Dr I Archibald R Beveridge
Company number	SC393055
Registered office	39 - 41 Colquhoun Avenue Glasgow United Kingdom G52 4BN
Accountants	Azets Titanium 1 Kings Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF

ARCHERS SLEEPCENTRE (HILLINGTON) LTD

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ARCHERS SLEEPCENTRE (HILLINGTON) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The directors present their annual report and financial statements for the year ended 31 August 2021.

Principal activities

The principal activity of the company continued to be that of retailing of beds and bedroom furniture.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr I Archibald
R Beveridge

Results

2020-21 has been a record year for Archers Sleepcentre. Profit before interest, taxation, depreciation and amortisation (EBITDA) increased to £1.38m (£703k previous year). Gross margin decreased from 56.4% to 51.8%. The decrease in gross margin is due to significant growth in internet sales which are sold at lower mark ups. Turnover increased 41% from £8.8m to £12.4m

Store sales increased by 5% from 2018-19 (full trading year pre COVID) despite only trading for 9 months due the second COVID lockdown. The increase is attributed to a surge in demand post lockdown and the opening of our new store in Edinburgh.

The cash position at the year-end is £2.8m (£2.8m previous year). Previous year cash was inflated due to COVID related deferred payments (VAT and Rent) all of which are now settled.

During 2020-21 we opened our new Edinburgh store, relocated our Cumbernauld store and opened a second hub warehouse to service the East of Scotland. We upgraded our premises with movement activated LED lighting and have made significant progress replacing our legacy gas heating systems with air conditioning and heat recovery systems.

Post year end we have successfully launched our new website that will allow us to greatly increase our online product offering, enhance efficiencies and stream line our customer service. Instore sales continue to be buoyant.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Dr I Archibald
Director
18 November 2021

ARCHERS SLEEPCENTRE (HILLINGTON) LTD

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ARCHERS SLEEPCENTRE (HILLINGTON) LTD FOR THE YEAR ENDED 31 AUGUST 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Archers Sleepcentre (Hillington) Ltd for the year ended 31 August 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

This report is made solely to the Board of Directors of Archers Sleepcentre (Hillington) Ltd, as a body, in accordance with the terms of our engagement letter dated 24 October 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Archers Sleepcentre (Hillington) Ltd and state those matters that we have agreed to state to the Board of Directors of Archers Sleepcentre (Hillington) Ltd, as a body, in this report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Archers Sleepcentre (Hillington) Ltd and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Archers Sleepcentre (Hillington) Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Archers Sleepcentre (Hillington) Ltd. You consider that Archers Sleepcentre (Hillington) Ltd 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 financial statements of Archers Sleepcentre (Hillington) Ltd. 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 financial statements.

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18 November 2021

Titanium 1
Kings Inch Place
Renfrew
Renfrewshire
United Kingdom
PA4 8WF

ARCHERS SLEEPCENTRE (HILLINGTON) LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	2021	2020
	£	£
Turnover	12,423,307	8,769,617
Cost of sales	(5,989,270)	(3,826,074)
Gross profit	<u>6,434,037</u>	<u>4,943,543</u>
Administrative expenses	(5,434,853)	(4,759,968)
Other operating income	195,580	433,973
Profit before taxation	<u>1,194,764</u>	<u>617,548</u>
Tax on profit	(232,892)	(124,520)
Profit for the financial year	<u><u>961,872</u></u>	<u><u>493,028</u></u>

ARCHERS SLEEP CENTRE (HILLINGTON) LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2021

	2021	2020
	£	£
Profit for the year	961,872	493,028
Other comprehensive income	-	-
Total comprehensive income for the year	<u>961,872</u>	<u>493,028</u>

ARCHERS SLEEPCENTRE (HILLINGTON) LTD**BALANCE SHEET****AS AT 31 AUGUST 2021**

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		527,754		258,411
Current assets					
Stocks		1,278,144		1,017,299	
Debtors	5	11,387		124,831	
Cash at bank and in hand		2,821,525		2,853,938	
		<u>4,111,056</u>		<u>3,996,068</u>	
Creditors: amounts falling due within one year	6	<u>(1,760,007)</u>		<u>(2,309,996)</u>	
Net current assets			2,351,049		1,686,072
Total assets less current liabilities			<u>2,878,803</u>		<u>1,944,483</u>
Creditors: amounts falling due after more than one year	7		(737,500)		(750,000)
Provisions for liabilities			<u>(94,976)</u>		<u>(38,028)</u>
Net assets			<u>2,046,327</u>		<u>1,156,455</u>
Capital and reserves					
Called up share capital			304		304
Profit and loss reserves			2,046,023		1,156,151
Total equity			<u>2,046,327</u>		<u>1,156,455</u>

For the financial year ended 31 August 2021 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 in accordance with the provisions applicable to companies subject to the small companies regime.

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ARCHERS SLEEPCENTRE (HILLINGTON) LTD

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2021

The financial statements were approved by the board of directors and authorised for issue on 18 November 2021 and are signed on its behalf by:

Dr I Archibald
Director

Company Registration No. SC393055

ARCHERS SLEEPCENTRE (HILLINGTON) LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2021**

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 September 2019	304	756,456	756,760
Year ended 31 August 2020:			
Profit and total comprehensive income for the year	-	493,028	493,028
Dividends	-	(93,333)	(93,333)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2020	304	1,156,151	1,156,455
Year ended 31 August 2021:			
Profit and total comprehensive income for the year	-	961,872	961,872
Dividends	-	(72,000)	(72,000)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2021	<u>304</u>	<u>2,046,023</u>	<u>2,046,327</u>

ARCHERS SLEEPCENTRE (HILLINGTON) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Company information

Archers Sleepcentre (Hillington) Ltd is a private company limited by shares incorporated in Scotland. The registered office is 39 - 41 Colquhoun Avenue, Glasgow, United Kingdom, G52 4BN.

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

In common with most businesses the company is facing potential issues in respect of the COVID-19 pandemic. This is an ongoing situation and the company is adopting a strategy to manage the ever changing situation as effectively as possible.

The directors are satisfied that these events do not affect the company's ability to continue as a going concern and this basis is appropriate for the preparation of the accounts.

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 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

1.5 Tangible fixed assets

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

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

Fixtures and fittings	25% on cost
Computer software	Fully depreciated

ARCHERS SLEEPCENTRE (HILLINGTON) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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).

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.8 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.

1.9 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.

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.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

ARCHERS SLEEPCENTRE (HILLINGTON) LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2021****1 Accounting policies (Continued)****1.11 Retirement benefits**

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

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	82	65

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 September 2020	851,227
Disposals	(851,227)
At 31 August 2021	-
Amortisation and impairment	
At 1 September 2020	851,227
Disposals	(851,227)
At 31 August 2021	-
Carrying amount	
At 31 August 2021	-
At 31 August 2020	-

ARCHERS SLEEPCENTRE (HILLINGTON) LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2021****4 Tangible fixed assets**

	Fixtures and fittings	Computer software	Total
	£	£	£
Cost			
At 1 September 2020	728,582	90,002	818,584
Additions	412,822	-	412,822
Disposals	-	(90,002)	(90,002)
At 31 August 2021	<u>1,141,404</u>	<u>-</u>	<u>1,141,404</u>
Depreciation and impairment			
At 1 September 2020	470,171	90,002	560,173
Depreciation charged in the year	143,479	-	143,479
Eliminated in respect of disposals	-	(90,002)	(90,002)
At 31 August 2021	<u>613,650</u>	<u>-</u>	<u>613,650</u>
Carrying amount			
At 31 August 2021	<u>527,754</u>	<u>-</u>	<u>527,754</u>
At 31 August 2020	<u>258,411</u>	<u>-</u>	<u>258,411</u>

5 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	10,387	23,831
Amounts owed by group undertakings	1,000	1,000
Prepayments and accrued income	-	100,000
	<u>11,387</u>	<u>124,831</u>

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	597,747	676,171
Corporation tax	175,944	137,955
Other taxation and social security	200,516	402,307
Other creditors	764,617	1,073,680
Accruals and deferred income	21,183	19,883
	<u>1,760,007</u>	<u>2,309,996</u>

ARCHERS SLEEPCENTRE (HILLINGTON) LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2021****7 Creditors: amounts falling due after more than one year**

	Notes	2021 £	2020 £
Other borrowings		737,500	750,000

8 Operating lease commitments

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

2021 £	2020 £
6,785,733	5,797,212

9 Related party transactions**Transactions with related parties**

	2021 £	2020 £
Amounts owed from Archers Sleepcentre Retail Ltd	1,000	1,000

This loan is unsecured, interest free with no fixed date for repayment.

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