

Hemway Limited

**Directors' report and financial
statements**

Registered number 2647311
For the year ended 31 March 2014

TUESDAY



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2014.

Principal activity

The principal activity of the company in the year under review was that of the provision of management services.

Directors

The directors during the year under review were:

T J Hemmings
J C Kay
K Revitt
M L Widders

Political and charitable contributions

The Company made charitable donations of £nil (2013: £41,150) during the year. The company did not make any political donations or incur any political expenditure during the year.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board



Mrs P A Clare
Secretary

Gleadhill House
Dawbers Lane
Euxton
Chorley
Lancashire
PR7 6EA

29 August 2014



KPMG LLP

Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent auditor's report to the members of Hemway Limited

We have audited the financial statements of Hemway Limited for the year ended 31 March 2014 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006


In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Hemway Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Martin Newsholme (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Preston

3 September 2014

Profit and Loss Account
for the year ended 31 March 2014

	<i>Note</i>	2014 £	2013 £
Turnover	<i>1</i>	1,972,801	2,254,940
Cost of sales		(56,812)	(64,041)
Gross profit		1,915,989	2,190,899
Administrative expenses		(1,889,457)	(2,150,974)
Operating profit	<i>2</i>	26,532	39,925
Interest payable and similar charges		-	(548)
Profit on ordinary activities before taxation		26,532	39,377
Tax on profit on ordinary activities	<i>3</i>	(23,589)	(58,503)
Profit/(loss) for the year		2,943	(19,126)

Statement of Total Recognised Gains and Losses
for the year ended 31 March 2014

The profit and loss account includes the only gains and losses of the company for the current and prior year.

Notes on pages 7 to 10 form an integral part of the financial statements.

Balance Sheet
as at 31 March 2014

	<i>Note</i>	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	4		14,364		23,876
Current assets					
Debtors	5,8	209,181		183,301	
Cash at bank and in hand		157,126		707,358	
		<u>366,307</u>		<u>890,659</u>	
Creditors: amounts falling due within one year	6	<u>(376,691)</u>		<u>(913,498)</u>	
Net current liabilities			(10,384)		(22,839)
Total assets less current liabilities			<u>3,980</u>		<u>1,037</u>
Net assets			<u>3,980</u>		<u>1,037</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		3,978		1,035
Shareholders' funds			<u>3,980</u>		<u>1,037</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the board of directors on *29 August* 2014 and were signed on its behalf by:



J C Kay
Director

Company registered number: 2647311

Notes on pages 7 to 10 form an integral part of the financial statements.

Notes to the financial statements

1 Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover is the value of services, net of value added tax, provided to customers during the year.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 15% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2 Operating profit

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation – owned assets	9,512	10,208
Auditor's remuneration	4,000	4,110
Pension costs	63,786	63,457
	<hr/>	<hr/>
Directors' remuneration	660,894	660,944
Directors' pension contributions to money purchase schemes	32,800	45,040
	<hr/>	<hr/>
The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	2	3
	<hr/>	<hr/>

Notes (continued)

3 Taxation

	2014 £	2013 £
Current tax:		
UK Corporation tax	24,075	58,111
Deferred tax	(486)	392
Tax on profit on ordinary activities	<u>23,589</u>	<u>58,503</u>

4 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost				
At 1 April 2013 and 31 March 2014	13,468	27,075	50,762	91,305
Depreciation				
At 1 April 2013	9,760	13,279	44,390	67,429
Charge for year	1,356	5,744	2,412	9,512
At 31 March 2014	11,116	19,023	46,802	76,941
Net book value				
At 31 March 2014	<u>2,352</u>	<u>8,052</u>	<u>3,960</u>	<u>14,364</u>
At 31 March 2013	<u>3,708</u>	<u>13,796</u>	<u>6,372</u>	<u>23,876</u>

5 Debtors: Amounts falling due within one year

	2014 £	2013 £
Trade debtors	141,944	21,180
Other debtors	53,540	144,145
Deferred tax asset (note 8)	3,956	3,470
Prepayments and accrued income	9,741	14,506
	<u>209,181</u>	<u>183,301</u>

6 Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	23,685	14,122
Corporation Tax	12,875	44,111
Other taxes and social security	130,797	208,674
Other creditors	66,874	535,274
Accruals & deferred income	142,460	111,317
	<u>376,691</u>	<u>913,498</u>

Notes (continued)

7 Operating lease commitments

The following operating lease payments relating to property rental and car lease are committed to be paid within one year.

	2014 £	2013 £
Expiring: In more than five years	120,000	128,543
	<u>120,000</u>	<u>128,543</u>

8 Deferred taxation

	2014 £	2013 £
Balance at 1 April 2013	(3,470)	(3,862)
(Credit)/charge for the year	(486)	392
	<u>(3,956)</u>	<u>(3,470)</u>
Balance at 31 March 2014	<u>(3,956)</u>	<u>(3,470)</u>

The deferred tax asset of £3,956 at 31 March 2014 (2013: £3,470) is included within debtors.

The amounts recognised in respect of the deferred tax asset are set out below:

	2014 £	2013 £
Accelerated capital allowances	(2,901)	(2,245)
Short term timing differences	(1,055)	(1,225)
	<u>(3,956)</u>	<u>(3,470)</u>

9 Called up share capital

Allotted, issued and fully paid:

			2014 £	2013 £
Number:	Class:	Nominal value:		
2	Ordinary	£1	2	2
			<u>2</u>	<u>2</u>

10 Reserves

	Profit and loss account £
At 1 April 2013	1,035
Profit for the year	2,943
	<u>3,978</u>
At 31 March 2014	<u>3,978</u>

Notes *(continued)*

11 Related party transactions

Northern Trust Company Limited

During the year the company received management fees of £800,000 (2013: £900,000) from Northern Trust Company Limited. At the end of the year the company was owed £115,000 (2013: £nil)

Trust Inns Limited

During the year the company received management fees of £530,000 (2013: £597,000) from Trust Inns Limited.

Paragon Hotels Limited

During the year the company received management fees of £145,000 (2013: £113,200) from Paragon Hotels Limited.

Classic Lodges Limited

During the year the company received management fees of £85,000 (2013: £131,800) from Classic Lodges Limited

Crown Leisure Limited

During the year the company received management fees and payroll recharges of £129,800 (2013: £138,720) from Crown Leisure Limited. At the end of the year the company was owed £4,980 (2013: £nil).

Deepdale PNE Holdings Limited

During the year the company received management fees of £226,000 (2013: £300,000) from Deepdale PNE Holdings Limited. At the end of the year the company was owed £20,400 (2013: £20,000).

Gleadhill House Stud Limited

During the year the company paid rental costs of £120,000 (2013: £120,000) to Gleadhill House Stud Limited.

The family interests of Mr T J Hemmings are ultimate controlling party of all the above companies.

12 Cash at bank and in hand

Included in the cash and bank balance is £829 relating to a bank account held by Hemway Ltd, which is due to Insured party interests (2013: £376,765).

As this money is held on behalf of other parties, the same amount of £829 (2013: £376,765) is also included in other creditors.

13 Controlling party

Throughout the current and previous year, the company was under the control of the shareholder, Mr TJ Hemmings.