

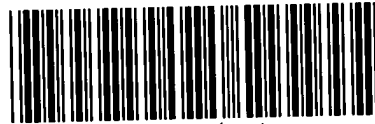
Hemway Limited

**Directors' report and financial
statements**

Registered number 02647311

Year ended 31 March 2018

TUESDAY



A7BDE08A

A21

31/07/2018

#214

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditor's report to the members of Hemway Limited	3
Profit and Loss Account	5
Statement of Other Comprehensive Income	5
Balance Sheet	6
Notes to the financial statements	7

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2018.

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

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

Going concern

As set out in Note 1, the directors consider that the company has adequate resources to continue as a going concern for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

Political and charitable contributions

The Company made charitable donations of £500 (2017: *£nil*) during the year. The Company made political donations of £20,000 (2017: £20,000) 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.

By order of the board



M L Widders

Dower House
Dawbers Lane
Euxton
Chorley
Lancashire
PR7 6ED

11 July 2018

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Hemway Limited

Opinion

We have audited the financial statements of Hemway Limited ("the company") for the year ended 31 March 2018, which comprise the Profit and Loss account, Statement of Other Comprehensive Income, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

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

Matters on which we are required to report by exception (continued)

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

We have nothing to report these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

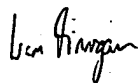
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Liam Finnigan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
One St Peter's Square
Manchester
M2 3AE

19 July 2018

Profit and Loss Account
for the year ended 31 March 2018

	<i>Note</i>	2018 £	2017 £
Turnover	<i>1</i>	1,514,087	1,438,190
Cost of sales		(53,381)	(57,613)
Gross profit		1,460,706	1,380,577
Administrative expenses		(1,430,772)	(1,331,091)
Operating profit	<i>2</i>	29,934	49,486
Interest payable and similar charges		-	-
Profit before taxation		29,934	49,486
Tax on profit	<i>3</i>	(7,565)	(32,981)
Profit for the year	<i>11</i>	22,369	16,505

Statement of Other comprehensive income
for the year ended 31 March 2018

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 12 form an integral part of the financial statements.

Balance Sheet
as at 31 March 2018

	<i>Note</i>	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	5		94,885		53,974
Current assets					
Debtors	6,9	125,777		135,134	
Cash at bank and in hand		297,344		246,551	
		<u>423,121</u>		<u>381,685</u>	
Creditors: amounts falling due within one year	7	<u>(365,960)</u>		<u>(305,982)</u>	
Net current assets			57,161		75,703
Total assets less current liabilities			<u>152,046</u>		<u>129,677</u>
Net assets			<u>152,046</u>		<u>129,677</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		152,044		129,675
Shareholders' funds			<u>152,046</u>		<u>129,677</u>

The financial statements have been prepared under the small companies regime to comply with Companies Act section 414(3) and were approved and authorised for issue by the board and were signed on its behalf on

11 July 2018.



ML Widders
Director

Company registered number: 02647311

Notes on pages 7 to 12 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.

Company information

Hemway Ltd is a private limited company limited by shares incorporated, registered and domiciled in England and Wales in the UK. The registered number is 02647311 and the registered address is Dower House, Dawbers Lane, Euxton, Chorley, Lancashire, PR7 6ED.

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 pound.

The financial statements have been prepared on the historical cost convention.

Going Concern

The nature of the Company's business activities, being the provision of management services which are ultimately recharged, together with fact that the Company is not reliant on external financing, means that the Directors have no reason to believe that a material uncertainty exists that may cast a doubt about the ability of the Company to continue as a going concern. It is therefore considered appropriate to prepare these accounts on a going concern basis.

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

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

Notes (continued)

1 Statement of accounting policies (continued)

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.

Judgements in applying accounting policies and key sources of estimation uncertainty.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Management do not consider that there are any significant judgements or estimates necessary in the preparation of these financial statements.

2 Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation – owned assets	7,393	1,574
Auditor's remuneration	4,356	4,100
Pension costs	40,697	36,585
	<hr/>	<hr/>
Directors' remuneration	373,000	305,000
Directors' pension contributions to money purchase schemes	14,800	13,600
	<hr/>	<hr/>
The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	1	2
	<hr/>	<hr/>

3 Taxation

	2018 £	2017 £
Current tax:		
UK Corporation tax at 19% (2017: 20%)	7,755	32,424
Deferred tax	(190)	557
	<hr/>	<hr/>
Tax on profit on ordinary activities	7,565	32,981
	<hr/>	<hr/>

Notes (continued)

3 Taxation (continued)

The current tax charge for the year is higher (2017: higher) than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit for year	22,369	16,505
Total tax expense	7,565	32,981
	<hr/>	<hr/>
Profit excluding taxation	29,934	49,486
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	5,687	9,897
Effects of:		
Expenses not deductible for tax purposes	1,885	22,917
Adjust closing deferred tax to average rate of 19% (2017: 20%)	81	167
Adjustment in respect of prior year	(589)	-
Adjustment in respect of prior year – deferred tax	501	-
	<hr/>	<hr/>
Total tax charge included in profit or loss	7,565	32,981
	<hr/>	<hr/>

Factors that may affect future current and total tax charge

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2016) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2016. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016 and was substantive enacted on 6 September 2016.

This will reduce the Company's future current tax charge accordingly. The deferred tax liability at 31 March 2018 has been calculated based on the rates substantively enacted at the balance sheet date.

4 Staff numbers and costs

	2018 £	2017 £
<i>Employees costs:</i>		
Wages and salaries	1,017,360	833,693
Social security costs	156,796	153,062
Other pension costs	40,697	36,585
	<hr/>	<hr/>
	1,214,853	1,023,340
	<hr/>	<hr/>

Notes (continued)

4 Staff numbers and costs (continued)

The average number of persons employed by the company during the year was as follows:

	2018 Number	2017 Number
Management and administration	11	9
	<u>11</u>	<u>9</u>

5 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost				
At 1 April 2017	13,468	77,075	54,713	145,256
Additions	2,440	38,000	7,864	48,304
	<u>15,908</u>	<u>115,075</u>	<u>62,577</u>	<u>193,560</u>
Depreciation				
At 1 April 2017	13,383	27,075	50,824	91,282
Charge for year	85	5,883	1,425	7,393
	<u>13,468</u>	<u>32,958</u>	<u>52,249</u>	<u>98,675</u>
Net book value				
At 31 March 2018	<u>2,440</u>	<u>82,117</u>	<u>10,328</u>	<u>94,885</u>
At 31 March 2017	<u>85</u>	<u>50,000</u>	<u>3,889</u>	<u>53,974</u>

6 Debtors: Amounts falling due within one year

	2018 £	2017 £
Amounts receivable from related entities	114,502	129,600
Corporation Tax	4,986	-
Deferred tax asset (note 9)	3,690	3,500
Prepayments and accrued income	2,599	2,034
	<u>125,777</u>	<u>135,134</u>

Notes (continued)

7 Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,276	2,228
Amounts payable to related entities	2,927	-
Corporation tax	-	24,783
Other taxes and social security	134,410	111,410
Other creditors	94,272	39,092
Accruals & deferred income	133,075	128,469
	<u>365,960</u>	<u>305,982</u>

8 Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2018 £	2017 £
Expiring:		
Less than one year	120,000	120,000
	<u>120,000</u>	<u>120,000</u>

During the year £120,000 was recognised as an expense in the profit and loss account in respect of operating leases (2017: £120,000).

9 Deferred tax asset

	2018 £	2017 £
Balance at 1 April 2017	3,500	4,057
Credit/(charge) for the year	190	(557)
	<u>3,690</u>	<u>3,500</u>

The deferred tax asset of £3,690 at 31 March 2018 (2017: £3,500) is included within debtors.

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

	2018 £	2017 £
Accelerated capital allowances	2,919	2,999
Short term timing differences	771	501
	<u>3,690</u>	<u>3,500</u>

10 Called up share capital

	2018 £	2017 £
Allotted, issued and fully paid:		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

Notes (continued)

11 Reserves

	Profit and loss account
	£
At 1 April 2017	129,675
Profit for the year	22,369
	<hr/>
At 31 March 2018	152,044
	<hr/>

12 Related party transactions

Northern Trust Company Limited

During the year the Company received management fees of £800,000 (2017: £800,000) from Northern Trust Company Limited. At the end of the year a balance was owed to Northern Trust Company Limited of £2,927 (2017: £nil).

Trust Inns Limited

During the year the Company received management fees of £100,000 (2017: £100,000) from Trust Inns Limited.

Classic Lodges Limited

During the year the Company received management fees of £200,000 (2017: £200,000) from Classic Lodges Limited. At the end of the year the company was owed £nil (2017: £75,600).

Braconash Plant Limited

During the year the Company received management fees of £nil (2017: £40,000) from Braconash Plant Limited.

Cuerdon Leisure Limited

During the year the Company received management fees of £50,000 (2017: £nil) from Cuerdon Leisure Limited.

Ambrose Hire Limited

During the year the Company received management fees of £60,000 (2017: £60,000) from Ambrose Hire Limited.

Gleadhill House Stud Limited

During the year the Company paid rental costs of £120,000 (2017: £120,000) to Gleadhill House Stud Limited.

Deepdale PNE Holdings Limited

During the year the Company received management fees of £250,000 (2017: £180,000) from Deepdale PNE Holdings Limited. At the end of the year the company was owed £114,502 (2017: £54,000).

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

13 Controlling party

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