

Hemway Limited

**Directors' report and financial
statements**

Registered number 02647311

Year ended 31 March 2021



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2021.

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 (Resigned 23 July 2020)
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 £1,000 (2020: £nil) during the year. The Company made political donations of £nil (2020: £nil) during the year.

Auditor

No auditor's report will be prepared so long as the company is entitled to exemption from audit under section 477 of the Companies Act 2006 regarding small companies.

By order of the board



M L Widders

Dower House
Dawbers Lane
Euxton
Chorley
Lancashire
PR7 6ED

15 July 2021

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.

Profit and Loss Account
for the year ended 31 March 2021

	<i>Note</i>	2021 £'000	2020 £'000
Turnover	<i>1</i>	1,422	1,464
Cost of sales		(39)	(42)
		<hr/>	<hr/>
Gross profit		1,383	1,422
Administrative expenses		(1,391)	(1,439)
		<hr/>	<hr/>
Operating loss	<i>2</i>	(8)	(17)
Interest payable and similar charges		-	-
		<hr/>	<hr/>
Loss before taxation		(8)	(17)
Tax on loss	<i>3</i>	10	(9)
		<hr/>	<hr/>
Profit / (loss) for the year	<i>11</i>	2	(26)
		<hr/> <hr/>	<hr/> <hr/>

Statement of Other comprehensive income
for the year ended 31 March 2021

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

Notes on pages 5 to 10 form an integral part of the financial statements.

Balance Sheet
as at 31 March 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	5		80		76
Current assets					
Debtors	6,9	12		188	
Cash at bank and in hand		256		369	
		<u>268</u>		<u>557</u>	
Creditors: amounts falling due within one year	7	<u>(312)</u>		<u>(599)</u>	
Net current liabilities			(44)		(42)
Total assets less current liabilities			<u>36</u>		<u>34</u>
Net assets			<u>36</u>		<u>34</u>
Capital and reserves					
Called up share capital	10	-		-	
Profit and loss account	11	36		34	
Shareholders' funds			<u>36</u>		<u>34</u>

For the financial year to 31 March 2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year to 31 March 2021 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board of directors on 15 July 2021 and signed on its behalf by:



ML Widders
Director

Company registered number: 02647311

Notes on pages 5 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.

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 directors have prepared these financial statements on a going concern basis which they consider to be appropriate for the following reasons.

The company has net current liabilities of £44k (2020: £42k) and net assets of £36k (2020: £34k) with sufficient cash resources to meet working capital requirements.

The Company is reliant on trade with other entities under common ownership of Mr T J Hemmings to continue as a going concern. As a result of the impact of the global pandemic, COVID-19, the Directors of those entities have undertaken assessments of the going concern assumption using the base case financial forecasts and considering plausible downside scenarios for a period of twelve months from the date of approval of these financial statements. The assumptions included in the severe but plausible downside scenario include significant declines in revenue, gross profit and profit from operations when compared to the base case financial forecasts.

The Directors have reviewed the forecasts of these entities and have concluded that those entities will continue to operate for a period of at least the next twelve months, which in turn will allow the Company to continue to provide management services. The Directors have therefore concluded that the Company will be able to meet its liabilities as they fall due for at least the next twelve months and therefore that it is appropriate to continue to prepare the financial statements 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.

Notes (continued)

1 Statement of accounting policies (continued)

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

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.

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 loss

The operating loss is stated after charging:

	2021 £'000	2020 £'000
Depreciation – owned assets	13	13
Auditor's remuneration	-	5
Pension costs	43	41
	<hr/>	<hr/>
Directors' remuneration	339	338
Directors' pension contributions to money purchase schemes	18	16
	<hr/>	<hr/>
The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	1	1
	<hr/>	<hr/>

3 Taxation

	2021 £'000	2020 £'000
Current tax:		
UK Corporation tax at 19% (2020: 19%)	-	-
Adjustments in respect of prior year	(10)	9
	<hr/>	<hr/>
Total current tax (credit) / charge for the year	(10)	9
Deferred tax	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	(10)	9
	<hr/>	<hr/>

Notes (continued)

3 Taxation (continued)

The current tax (credit)/charge for the year is lower (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Loss for year	2	(26)
Total tax expense	(10)	9
	<hr/>	<hr/>
Loss excluding taxation	(8)	(17)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(2)	(3)
Effects of:		
Expenses not deductible for tax purposes	-	1
Losses carried back	-	-
Fixed asset differences	1	1
Adjustment in respect of prior year	(9)	9
Adjustment in respect of prior year – deferred tax	-	1
	<hr/>	<hr/>
Total tax (credit)/charge included in profit or loss	(10)	9
	<hr/>	<hr/>

Factors that may affect future current and total tax charge

In the 3 March 2021 Budget it was announced that the UK corporation tax rate will increase to 25% with effect from 1 April 2023. If this rate is substantively enacted, it will increase the Company's future current tax charge accordingly.

The deferred tax liability at 31 March 2021 has been calculated at 19% (2020: 19%). If this rate had been substantively enacted at the current balance sheet date the Company's deferred tax liability would have increased by £2,000.

4 Staff numbers and costs

	2021 £'000	2020 £'000
<i>Employees costs:</i>		
Wages and salaries	1,020	1,025
Social security costs	140	134
Other pension costs	43	41
	<hr/>	<hr/>
	1,203	1,200
	<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:

	2021 Number	2020 Number
Management and administration	8	10
	<u>8</u>	<u>10</u>

5 Tangible fixed assets

	Fixtures and Fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
Cost				
At 1 April 2020	14	100	70	184
Additions	7	7	3	17
Disposals				
	<u>21</u>	<u>107</u>	<u>73</u>	<u>201</u>
31 March 2021				
Depreciation				
At 1 April 2020	14	37	57	108
Charge for year	1	9	3	13
Disposals				
	<u>15</u>	<u>46</u>	<u>60</u>	<u>121</u>
At 31 March 2021				
Net book value				
At 31 March 2021	<u>6</u>	<u>61</u>	<u>13</u>	<u>80</u>
At 31 March 2020	<u>-</u>	<u>63</u>	<u>13</u>	<u>76</u>

6 Debtors: Amounts falling due within one year

	2021 £'000	2020 £'000
Amounts receivable from related entities	-	119
Corporation Tax	2	9
Deferred tax asset (note 9)	7	7
Prepayments and accrued income	3	53
	<u>12</u>	<u>188</u>

Notes (continued)

7 Creditors: Amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	1	3
Amounts payable to related entities	22	-
Other taxes and social security	111	141
Other creditors	49	68
Accruals & deferred income	129	387
	<u>312</u>	<u>599</u>

8 Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2021 £'000	2020 £'000
Expiring:		
Less than one year	120	120
	<u>120</u>	<u>120</u>

During the year £120,000 was recognised as an expense in the profit and loss account in respect of operating leases (2020: £120,000).

9 Deferred tax asset

	2021 £'000	2020 £'000
Balance at 1 April 2020	7	7
Credit for the year	-	-
	<u>7</u>	<u>7</u>
Balance at 31 March 2021	<u>7</u>	<u>7</u>

The deferred tax asset of £7,471 at 31 March 2021 (2020: £7,172) is included within debtors.

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

	2021 £'000	2020 £'000
Accelerated capital allowances	3	4
Short term timing differences	1	1
Losses and deductions	3	2
	<u>7</u>	<u>7</u>

10 Called up share capital

Allotted, issued and fully paid:

	2021 £'000	2020 £'000
2 Ordinary shares of £1 each	-	-

Notes (continued)

11 Reserves

	Profit and loss account
	£'000
At 1 April 2020	34
Profit for the year	2
	<hr/>
At 31 March 2021	36
	<hr/>

12 Related party transactions

Northern Trust Company Limited

During the year the Company received management fees of £840,000 (2020: £880,000) from Northern Trust Company Limited. At the end of the year, a balance was owed to Northern Trust Company Limited of £Nil (2020: £nil).

Trust Inns Limited

During the year the Company received management fees of £105,000 (2020: £100,000) from Trust Inns Limited.

Classic Lodges Limited

During the year the Company received management fees of £Nil (2020: £nil) from Classic Lodges Limited. At the end of the year the company was owed £Nil (2020: £nil). During the year the Company made payments for hotel services of £nil (2020: £3,847) to Classic Lodges Limited.

Ambrose Hire Limited

During the year the Company received management fees of £63,000 (2020: £66,000) from Ambrose Hire Limited.

Gleadhill House Stud Limited

During the year the Company paid rental costs of £120,000 (2020: £120,000) to Gleadhill House Stud Limited.

Deepdale PNE Holdings Limited

During the year the Company received management fees of £375,000 (2020: £366,000) from Deepdale PNE Holdings Limited. At the end of the year the company was owed £37,500 (2020: £115,200).

Guild Ventures Limited

During the year the Company received a credit for management fees of £Nil (2020: £nil) from Guild Ventures Limited. At the end of the year a balance was owed to Guild Ventures amounting to £848 (2020: £848).

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 T J Hemmings.