

HORSE SHOE INN LIMITED

UNAUDITED
FINANCIAL STATEMENTS

28 FEBRUARY 2019

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

HORSE SHOE INN LIMITED
REGISTERED NUMBER: 04678491

BALANCE SHEET
AS AT 28 FEBRUARY 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	430,504	448,350
		<u>430,504</u>	<u>448,350</u>
Current assets			
Stocks		4,340	4,340
Debtors: amounts falling due within one year	6	39,868	39,765
Cash at bank and in hand		28,834	61,192
		<u>73,042</u>	<u>105,297</u>
Creditors: amounts falling due within one year	7	(61,625)	(52,578)
Net current assets		<u>11,417</u>	<u>52,719</u>
Total assets less current liabilities		<u>441,921</u>	<u>501,069</u>
Creditors: amounts falling due after more than one year	8	(106,787)	(119,598)
Provisions for liabilities			
Deferred tax		(19,600)	(21,267)
		<u>(19,600)</u>	<u>(21,267)</u>
Net assets		<u><u>315,534</u></u>	<u><u>360,204</u></u>

HORSE SHOE INN LIMITED
REGISTERED NUMBER: 04678491

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital		100	100
Profit and loss account		315,434	360,104
		<u>315,534</u>	<u>360,204</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mrs A Clarke
Director

Date: 16 June 2019

The notes on pages 3 to 8 form part of these financial statements.

HORSE SHOE INN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

1. General information

Horse Shoe Inn Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is Braeside, Portinscale, Keswick, Cumbria, CA12 5RF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.4 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Motor vehicles	-	20% reducing balance
Fixtures and fittings	-	15% reducing balance
Office equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

HORSE SHOE INN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 17 (2018 - 14).

4. Intangible assets

	Goodwill
	£
Cost	
At 1 March 2018	45,000
At 28 February 2019	45,000
Amortisation	
At 1 March 2018	45,000
At 28 February 2019	45,000
Net book value	
At 28 February 2019	-
At 28 February 2018	-

HORSE SHOE INN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

5. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 March 2018	470,706	15,378	79,460	6,907	572,451
Additions	-	-	917	-	917
At 28 February 2019	<u>470,706</u>	<u>15,378</u>	<u>80,377</u>	<u>6,907</u>	<u>573,368</u>
Depreciation					
At 1 March 2018	75,963	1,281	40,574	6,284	124,102
Charge for the year on owned assets	9,414	2,819	5,927	602	18,762
At 28 February 2019	<u>85,377</u>	<u>4,100</u>	<u>46,501</u>	<u>6,886</u>	<u>142,864</u>
Net book value					
At 28 February 2019	<u>385,329</u>	<u>11,278</u>	<u>33,876</u>	<u>21</u>	<u>430,504</u>
At 28 February 2018	<u>394,744</u>	<u>14,096</u>	<u>38,887</u>	<u>623</u>	<u>448,350</u>

6. Debtors

	2019 £	2018 £
Other debtors	39,205	38,245
Prepayments and accrued income	663	1,520
	<u>39,868</u>	<u>39,765</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	11,607	10,401
Trade creditors	12,087	10,095
Corporation tax	13,200	8,755
Other taxation and social security	14,768	16,744
Accruals and deferred income	9,963	6,583
	<u>61,625</u>	<u>52,578</u>

Bank loans amounting to £11,607 (2018 - £10,401) are secured by the company.

HORSE SHOE INN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

8. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	106,787	119,598
	<u>106,787</u>	<u>119,598</u>

Bank loans amounting to £106,787 (2018 - £119,598) are secured by the company.

9. Transactions with directors

During the year the company loaned funds to Mr P and Mrs A Clarke. Total advances of £95,128 were

made. Repayments of £94,168 were made. Interest of £733 (2018 - £79) was charged in respect of this loan. At the balance sheet date the company was owed £39,205 (2018 - £38,245) by Mr P and Mrs A Clarke.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.