

Company Registration No. 09730711 (England and Wales)

**G&M HOSPITALITY AND CATERING LTD**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**  
**PAGES FOR FILING WITH REGISTRAR**



# G&M HOSPITALITY AND CATERING LTD

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# G&M HOSPITALITY AND CATERING LTD

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	3		96,084		95,765
Investments	4		100		100
			<u>96,184</u>		<u>95,865</u>
<b>Current assets</b>					
Stocks		18,253		17,114	
Debtors	5	48,180		64,304	
Cash at bank and in hand		285,484		158,143	
		<u>351,917</u>		<u>239,561</u>	
<b>Creditors: amounts falling due within one year</b>	6	(228,749)		(183,544)	
<b>Net current assets</b>			<u>123,168</u>		<u>56,017</u>
<b>Total assets less current liabilities</b>			219,352		151,882
<b>Provisions for liabilities</b>			<u>(18,256)</u>		<u>(18,196)</u>
<b>Net assets</b>			<u>201,096</u>		<u>133,686</u>
<b>Capital and reserves</b>					
Called up share capital	7		2		2
Profit and loss reserves			<u>201,094</u>		<u>133,684</u>
<b>Total equity</b>			<u>201,096</u>		<u>133,686</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 August 2019 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 and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

## **G&M HOSPITALITY AND CATERING LTD**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 AUGUST 2019**

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The financial statements were approved by the board of directors and authorised for issue on 13 May 2020 and are signed on its behalf by:

Eric Montgomery  
**Director**

Gemma Howard  
**Director**

**Company Registration No. 09730711**

# G&M HOSPITALITY AND CATERING LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

#### Company information

G&M Hospitality and Catering Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Verulam House, 1 Cropmead, Crewkerne, Somerset, TA18 7HQ.

#### 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 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.3 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	10% reducing balance
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# **G&M HOSPITALITY AND CATERING LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.4 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### **1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.6 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# G&M HOSPITALITY AND CATERING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### 1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# G&M HOSPITALITY AND CATERING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 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 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.

#### **1.11 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

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

#### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 19 (2018 - 38).



# G&M HOSPITALITY AND CATERING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 September 2018	132,841
Additions	12,087
	<u>144,928</u>
At 31 August 2019	
<b>Depreciation and impairment</b>	
At 1 September 2018	37,076
Depreciation charged in the year	11,768
	<u>48,844</u>
At 31 August 2019	
<b>Carrying amount</b>	
At 31 August 2019	96,084
	<u>95,765</u>
At 31 August 2018	<u>95,765</u>

### 4 Fixed asset investments

	2019 £	2018 £
Investments	100	100
	<u>100</u>	<u>100</u>

#### Fixed asset investments not carried at market value

Investments in group undertakings are valued at the lower of cost and net realisable value.

#### Movements in fixed asset investments

	Shares in group undertakings
	£
<b>Cost or valuation</b>	
At 1 September 2018 & 31 August 2019	100
	<u>100</u>
<b>Carrying amount</b>	
At 31 August 2019	100
	<u>100</u>
At 31 August 2018	<u>100</u>

# G&M HOSPITALITY AND CATERING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 5 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	6,085	4,744
Other debtors	42,095	59,560
	<u>48,180</u>	<u>64,304</u>

### 6 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	17,985	17,028
Corporation tax	11,955	20,104
Other taxation and social security	33,518	36,664
Other creditors	165,291	109,748
	<u>228,749</u>	<u>183,544</u>

### 7 Called up share capital

	2019	2018
	£	£
Ordinary share capital Issued and fully paid		
1 Ordinary A of £1 each	1	1
1 Ordinary B of £1 each	1	1
	<u>2</u>	<u>2</u>

### 8 Operating lease commitments

#### Lessee

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

	2019	2018
	£	£
	50,546	49,122
	<u>50,546</u>	<u>49,122</u>

### 9 Related party transactions

#### Transactions with related parties

## **G&M HOSPITALITY AND CATERING LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **9 Related party transactions**

**(Continued)**

At the 31 August 2019 the company owed £3,804 (2018 - £16,297 DR) to M&M Hospitality and Catering Ltd a company in which the director Eric Montgomery is also a director/shareholder.

The company was also owed £32,218 (2018 - £31,108) by G&M @ The Hankridge Arms Ltd. The share capital of G&M @ The Hankridge Arms Ltd is owned in full by the company. The company and its subsidiary have the same directors.

During the year £906 (2018 - £nil) was paid to a close family member of the director, Gemma Howard for providing delivery services,

The directors believe all transactions to be at market value and on no more favourable than normal commercial terms.

#### **10 Directors' transactions**

Dividends totalling £40,000 (2018 - £40,000) were paid in the year in respect of shares held by the company's directors.

At the 31 August 2019 the company owed the directors £146,361 (2018 - £99,153). This loan has been classified as short term.

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.