

Kestrel Inns Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 August 2018

Robert J Hart & Company
Chartered Accountants
Riversleigh
9 Kilwinning Road
Irvine
Ayrshire
KA12 8RR

Kestrel Inns Limited

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Kestrel Inns Limited

Company Information

Director	G Graham
Registered office	Riversleigh 9 Kilwinning Road Irvine Ayrshire KA12 8RR
Bankers	Royal Bank of Scotland 30 Sylvania Way South Clydebank Glasgow G81 1TS
Accountants	Robert J Hart & Company Chartered Accountants Riversleigh 9 Kilwinning Road Irvine Ayrshire KA12 8RR

Kestrel Inns Limited

(Registration number: SC166916)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>4</u>	367,445	370,220
Current assets			
Stocks	<u>5</u>	9,720	14,351
Debtors	<u>6</u>	105,909	106,892
Cash at bank and in hand		635	5,219
		<u>116,264</u>	<u>126,462</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(129,541)</u>	<u>(118,395)</u>
Net current (liabilities)/assets		<u>(13,277)</u>	<u>8,067</u>
Total assets less current liabilities		354,168	378,287
Creditors: Amounts falling due after more than one year	<u>7</u>	(117,036)	(145,191)
Provisions for liabilities	<u>9</u>	-	(493)
Net assets		<u>237,132</u>	<u>232,603</u>
Capital and reserves			
Called up share capital	<u>8</u>	117	117
Capital redemption reserve		49	49
Profit and loss account		<u>236,966</u>	<u>232,437</u>
Total equity		<u>237,132</u>	<u>232,603</u>

For the financial year ending 31 August 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 4 to 10 form an integral part of these financial statements.

Kestrel Inns Limited

(Registration number: SC166916)
Balance Sheet as at 31 August 2018

Approved and authorised by the director on 29 May 2019

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G Graham
Director

The notes on pages 4 to 10 form an integral part of these financial statements.

Kestrel Inns Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

1 General information

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Riversleigh
9 Kilwinning Road
Irvine
Ayrshire
KA12 8RR
United Kingdom

The principal place of business is:

The Goldenhill
1 Victoria Place
Hardgate, Clydebank, G81 6AX

These financial statements were authorised for issue by the director on 29 May 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Kestrel Inns Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	15% reducing balance
Fixtures and fittings	25% reducing balance or 15 years straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Kestrel Inns Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 10 (2017 - 11).

Kestrel Inns Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant & machinery £	Total £
Cost or valuation					
At 1 September 2017	364,876	75,600	-	3,020	443,496
Additions	-	-	3,050	-	3,050
At 31 August 2018	364,876	75,600	3,050	3,020	446,546
Depreciation					
At 1 September 2017	-	70,589	-	2,687	73,276
Charge for the year	-	5,003	763	59	5,825
At 31 August 2018	-	75,592	763	2,746	79,101
Carrying amount					
At 31 August 2018	364,876	8	2,287	274	367,445
At 31 August 2017	364,876	5,011	-	333	370,220

Included within the net book value of land and buildings above is £364,876 (2017 - £364,876) in respect of freehold land and buildings.

5 Stocks

	2018 £	2017 £
Other inventories	9,720	14,351

6 Debtors

	2018 £	2017 £
Other debtors	105,909	106,892
	105,909	106,892

Kestrel Inns Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

7 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Loans and overdrafts	<u>10</u>	61,603	49,770
Trade creditors		18,816	21,390
Taxation and social security		11,018	12,034
Accruals and deferred income		13,014	11,620
Other creditors		<u>25,090</u>	<u>23,581</u>
		<u>129,541</u>	<u>118,395</u>

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	<u>10</u>	<u>117,036</u>	<u>145,191</u>

Kestrel Inns Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

8 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
100 Ordinary shares of £1 each	51	51	51	51
66 Ordinary Redeemable n.v. shares of £1 each	66	66	66	66
	117	117	117	117

9 Deferred tax and other provisions

	Deferred tax £
At 1 September 2017	493
Increase (decrease) in existing provisions	(493)
At 31 August 2018	-

Kestrel Inns Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

10 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	103,389	136,394
Other borrowings	13,647	8,797
	<u>117,036</u>	<u>145,191</u>

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	45,000	45,000
Bank overdrafts	8,083	-
Other borrowings	8,520	4,770
	<u>61,603</u>	<u>49,770</u>

Security

Loans on which security has been given by the company £156,472 (2017:£181,394)

11 Related party transactions

Summary of transactions with other related parties

Directors have a material interest in a partnership

At the balance sheet date the amount due from the partnership was £105,909 (2017: £106,892) repayable on demand.

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.