

Company Registration No. 04239097 (England and Wales)

**SARN ENTERPRISES LTD**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2019**  
**PAGES FOR FILING WITH REGISTRAR**

**SARN ENTERPRISES LTD**

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# SARN ENTERPRISES LTD

## BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	4		4,065		4,743
Investment properties	5		-		518,800
			<u>4,065</u>		<u>523,543</u>
<b>Current assets</b>					
Stocks		1,397,063		1,389,117	
Debtors	6	378,515		100,000	
Cash at bank and in hand		157,701		446,747	
		<u>1,933,279</u>		<u>1,935,864</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(10,729)</u>		<u>(509,858)</u>	
<b>Net current assets</b>			1,922,550		1,426,006
<b>Total assets less current liabilities</b>			1,926,615		1,949,549
<b>Provisions for liabilities</b>			-		(11,714)
<b>Net assets</b>			<u>1,926,615</u>		<u>1,937,835</u>
<b>Capital and reserves</b>					
Called up share capital	8		2		2
Non-distributable profits reserve			-		49,939
Profit and loss reserves			1,926,613		1,887,894
<b>Total equity</b>			<u>1,926,615</u>		<u>1,937,835</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 30 April 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.

## **SARN ENTERPRISES LTD**

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

***AS AT 30 APRIL 2019***

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The financial statements were approved by the board of directors and authorised for issue on 16 January 2020 and are signed on its behalf by:

S H Howard

**Director**

**Company Registration No. 04239097**

# **SARN ENTERPRISES LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2019**

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### **1 Accounting policies**

#### **Company information**

Sarn Enterprises Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Giggleswick, Speen Road, North Dean, High Wycombe, Bucks, HP14 4NL.

#### **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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

After reviewing the company's forecasts and projections and taking into account the economic conditions and possible changes in trading performance, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

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 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.

Sale of properties are recognised on completion if a legally binding contract has been exchanged. All deposits received for pre-sales are held as payments on account and are not recognised until the above conditions are satisfied.

Rental and sundry income is recognised in the period to which it relates.

#### **1.4 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.

# SARN ENTERPRISES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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### 1 Accounting policies

(Continued)

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:

Furniture and equipment	10% on cost
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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.

#### 1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

#### 1.6 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.

#### 1.7 Stocks

Long-term work in progress is valued at the amount of long-term contract costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover.

Costs included relate to all direct expenditure as well as the costs associated with the purchase of property.

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.

# SARN ENTERPRISES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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### 1 Accounting policies

(Continued)

#### 1.8 Cash and cash equivalents

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.

#### 1.9 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.

#### 1.10 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.

#### 1.11 Taxation

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

# SARN ENTERPRISES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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### 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.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Fair value measurement of investment property**

The company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The company uses a combination of open market valuations of similar properties within the same geographical location and third party information either directly related to the properties under ownership or that of similar properties in order to ascertain a fair value at the Balance Sheet date. If considered significantly different to the value held in the Balance Sheet, the directors will recognise the adjustment to fair value in profit or loss accordingly.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2018 - 2).



# SARN ENTERPRISES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 4 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 May 2018 and 30 April 2019	6,776
<b>Depreciation and impairment</b>	
At 1 May 2018	2,033
Depreciation charged in the year	678
At 30 April 2019	2,711
<b>Carrying amount</b>	
At 30 April 2019	4,065
At 30 April 2018	4,743

### 5 Investment property

	2019 £
<b>Fair value</b>	
At 1 May 2018	518,800
Disposals	(518,800)
At 30 April 2019	-

### 6 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Other debtors	52,767	100,000
<b>Amounts falling due after more than one year:</b>		
Other debtors	325,748	-
<b>Total debtors</b>	378,515	100,000

## SARN ENTERPRISES LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

**7 Creditors: amounts falling due within one year**

	2019 £	2018 £
Corporation tax	877	20,067
Other creditors	9,852	489,791
	<u>10,729</u>	<u>509,858</u>

**8 Called up share capital**

	2019 £	2018 £
<b>Ordinary share capital Issued and fully paid</b>		
2 Ordinary shares of £1 each	2	2

**9 Related party transactions**

Included in creditors is a loan from A J Howard and S H Howard, directors and shareholders in the company. Amounts owed at the year end were £7,945 (2018: £487,941). Movement £479,996.

During the year, consultancy fees were charged to related companies (aggregated). Amount £Nil (2018: £100,000). Amounts owed are included in prepayments and accrued income.

Amounts owed by related companies (aggregated) were £376,191 (2018: £Nil).

Related companies (aggregated) include :-

Beechdean Dairies Limited  
Beechdean Manufacturing Limited  
Beechdean Motorsport Limited

AJ Howard and SH Howard are directors and shareholders in both companies.

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