

Company Registration Number 00434439



HEAVES HOTEL LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

28 FEBRUARY 2017

**THE REGISTRAR  
OF COMPANIES**

**ArmstrongWatson®**  
Accountants & Financial Advisers

**HEAVES HOTEL LIMITED**  
**REGISTERED NUMBER: 00434439**

**BALANCE SHEET**  
**AS AT 28 FEBRUARY 2017**

		28 February 2017 £	29 February 2016 £
	Note		
<b>Fixed assets</b>			
Tangible assets	4	689,545	1,013,017
		<u>689,545</u>	<u>1,013,017</u>
<b>Current assets</b>			
Stocks	5	1,135	9,790
Debtors: amounts falling due within one year	6	8,077	15,573
Cash at bank and in hand		45,427	1,329
		<u>54,639</u>	<u>26,692</u>
Creditors: amounts falling due within one year	7	(200,073)	(186,193)
<b>Net current liabilities</b>		<u>(145,434)</u>	<u>(159,501)</u>
<b>Total assets less current liabilities</b>		<u>544,111</u>	<u>853,516</u>
Creditors: amounts falling due after more than one year	8		(273,376)
<b>Provisions for liabilities</b>			
Deferred tax		(86,661)	(146,115)
		<u>(86,661)</u>	<u>(146,115)</u>
<b>Net assets</b>		<u><u>457,450</u></u>	<u><u>434,025</u></u>

**HEAVES HOTEL LIMITED**  
**REGISTERED NUMBER: 00434439**

**BALANCE SHEET (CONTINUED)**  
**AS AT 28 FEBRUARY 2017**

	Note	28 February 2017 £	29 February 2016 £
<b>Capital and reserves</b>			
Called up share capital		7,700	7,700
Share premium account		3,965	3,965
Revaluation reserve		369,461	622,911
Profit and loss account		76,324	(200,551)
		<u>457,450</u>	<u>434,025</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.

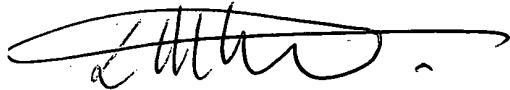
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 profit and loss account 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:



.....  
**L M Whitelock**  
Director

Date: 29/11/17.

The notes on pages 4 to 11 form part of these financial statements.

**HEAVES HOTEL LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 28 FEBRUARY 2017**

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 May 2015</b>	<b>7,700</b>	<b>3,965</b>	<b>769,026</b>	<b>(193,154)</b>	<b>587,537</b>
<b>Comprehensive income for the period</b>					
Loss for the period	-	-	-	(7,397)	(7,397)
<b>Other comprehensive income for the period</b>					
	-	-	-	-	-
<b>Total comprehensive income for the period</b>				(7,397)	(7,397)
Transfer to/from profit and loss account	-	-	(146,115)	-	(146,115)
<b>Total transactions with owners</b>			(146,115)	-	(146,115)
<b>At 1 March 2016</b>	<b>7,700</b>	<b>3,965</b>	<b>622,911</b>	<b>(200,551)</b>	<b>434,025</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(10,179)	(10,179)
Surplus on revaluation of freehold property	-	-	-	312,904	312,904
<b>Other comprehensive income for the year</b>				312,904	312,904
<b>Total comprehensive income for the year</b>				302,725	302,725
Dividends: Equity capital	-	-	-	(25,850)	(25,850)
Transfer to/from profit and loss account	-	-	(253,450)	-	(253,450)
<b>Total transactions with owners</b>			(253,450)	(25,850)	(279,300)
<b>At 28 February 2017</b>	<b>7,700</b>	<b>3,965</b>	<b>369,461</b>	<b>76,324</b>	<b>457,450</b>

## HEAVES HOTEL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

#### 1. General information

The company is a limited liability company incorporated in England. The registered office address is Heaves Hotel, Kendal, Cumbria, LA8 8EF. The principal activity of the company is a hotel and rental properties.

#### 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 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.

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
Crockery Crisis	- 25% reducing balance
Fixtures and fittings	- 10% 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 Profit and Loss Account.

## **HEAVES HOTEL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

#### **2. Accounting policies (continued)**

##### **2.4 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are included at the valuation at its date of transition to FRS102. Future valuations will not be undertaken as permitted by FRS102.

Revaluation gains and losses are recognised in the Profit and Loss Account unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

##### **2.5 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 weighted average 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.

##### **2.6 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.

##### **2.7 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.

##### **2.8 Financial instruments**

The Company only enters into basic financial instruments 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.

##### **2.9 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.

##### **2.10 Finance costs**

Finance costs are charged to the Profit and Loss Account 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.

## HEAVES HOTEL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

#### 2. Accounting policies (continued)

##### 2.11 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### 2.12 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.13 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 Profit and Loss Account 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.

##### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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.

# **HEAVES HOTEL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

### **3. Employees**

The average monthly number of employees, including directors, during the year was 9 (2016 - 8).

### **4. Tangible fixed assets**

	Freehold property £	Crockery Crisis Fixtures and Fittings £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 March 2016	1,108,439	28,271	152,242	2,781	1,291,733
Disposals	(345,981)	-	-	-	(345,981)
At 28 February 2017	<u>762,458</u>	<u>28,271</u>	<u>152,242</u>	<u>2,781</u>	<u>945,752</u>
<b>Depreciation</b>					
At 1 March 2016	126,528	27,623	121,785	2,781	278,717
Charge for the year on owned assets	14,649	162	3,046	-	17,857
Disposals	(40,365)	-	-	-	(40,365)
At 28 February 2017	<u>100,812</u>	<u>27,785</u>	<u>124,831</u>	<u>2,781</u>	<u>256,209</u>
<b>Net book value</b>					
At 28 February 2017	<u>661,646</u>	<u>486</u>	<u>27,411</u>	<u>-</u>	<u>689,543</u>
At 29 February 2016	<u>981,912</u>	<u>648</u>	<u>30,457</u>	<u>-</u>	<u>1,013,017</u>

Cost or valuation at 28 February 2017 is as follows:

	<b>Land and buildings £</b>
<b>At cost</b>	<b>45,981</b>
<b>At valuation: 28 February 2010</b>	<b>716,477</b>
	<u><b>762,458</b></u>



# **HEAVES HOTEL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

### **4. Tangible fixed assets (continued)**

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	<b>28 February 2017 £</b>	<b>29 February 2016 £</b>
Cost	<b>45,981</b>	45,981
<b>Net book value</b>	<b>45,981</b>	45,981

### **5. Stocks**

	<b>28 February 2017 £</b>	<b>29 February 2016 £</b>
Raw materials and consumables	<b>1,135</b>	9,790
	<b>1,135</b>	9,790

### **6. Debtors**

	<b>28 February 2017 £</b>	<b>29 February 2016 £</b>
Trade debtors	<b>7,244</b>	11,322
Prepayments and accrued income	<b>833</b>	4,251
	<b>8,077</b>	15,573

### **7. Creditors: Amounts falling due within one year**

	<b>28 February 2017 £</b>	<b>29 February 2016 £</b>
Bank overdrafts	-	21,198
Bank loans	-	13,044
Trade creditors	<b>5,511</b>	19,932
Corporation tax	<b>61,283</b>	-
Other taxation and social security	<b>3,840</b>	10,613
Other creditors	<b>126,439</b>	118,356
Accruals and deferred income	<b>3,000</b>	3,050
	<b>200,073</b>	186,193

# HEAVES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

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

	28 February 2017 £	29 February 2016 £
Bank loans	-	263,376
Other creditors	-	10,000
	<u>-</u>	<u>273,376</u>

### 9. Deferred taxation

	2017 £
At beginning of year	(146,115)
Release to revaluation reserve	59,454
At end of year	<u>(86,661)</u>

The provision for deferred taxation is made up as follows:

	28 February 2017 £
Fair value movements	(86,661)
	<u>(86,661)</u>

# HEAVES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

### 10. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 May 2015. The impact of the transition to FRS 102 is as follows:

	Note	As previously stated 1 May 2015 £	Effect of transition 1 May 2015 £	FRS 102 (as restated) 1 May 2015 £	As previously stated 29 February 2016 £	Effect of transition 29 February 2016 £	FRS 102 (as restated) 29 February 2016 £
Fixed assets		1,033,860	-	1,033,860	1,013,017	-	1,013,017
Current assets		24,902	-	24,902	26,692	-	26,692
Creditors: amounts falling due within one year		(196,159)	-	(196,159)	(186,193)	-	(186,193)
<b>Net current liabilities</b>		<b>(171,257)</b>	<b>-</b>	<b>(171,257)</b>	<b>(159,501)</b>	<b>-</b>	<b>(159,501)</b>
<b>Total assets less current liabilities</b>		<b>862,603</b>	<b>-</b>	<b>862,603</b>	<b>853,516</b>	<b>-</b>	<b>853,516</b>
Creditors: amounts falling due after more than one year		(275,065)	-	(275,065)	(273,376)	-	(273,376)
Provisions for liabilities		-	(146,115)	(146,115)	-	(146,115)	(146,115)
<b>Net assets</b>		<b>587,538</b>	<b>(146,115)</b>	<b>441,423</b>	<b>580,140</b>	<b>(146,115)</b>	<b>434,025</b>
Capital and reserves		-	441,423	441,423	580,141	(146,116)	434,025