

HEAVES HOTEL LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

28 FEBRUARY 2019



**ArmstrongWatson<sup>®</sup>**

Accountants, Business & Financial Advisers

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 28 FEBRUARY 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	4	656,174	673,830
		<u>656,174</u>	<u>673,830</u>
<b>Current assets</b>			
Stocks	5	150	150
Debtors: amounts falling due within one year	6	12,147	3,935
Cash at bank and in hand		3,702	2,607
		<u>15,999</u>	<u>6,692</u>
Creditors: amounts falling due within one year	7	(259,835)	(219,964)
<b>Net current liabilities</b>		<u>(243,836)</u>	<u>(213,272)</u>
<b>Total assets less current liabilities</b>		<u>412,338</u>	<u>460,558</u>
<b>Provisions for liabilities</b>			
Deferred tax	8	(82,720)	(84,691)
		<u>(82,720)</u>	<u>(84,691)</u>
<b>Net assets</b>		<u><u>329,618</u></u>	<u><u>375,867</u></u>

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

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 28 FEBRUARY 2019**

	Note	2019 £	2018 £
<b>Capital and reserves</b>			
Called up share capital		7,700	7,700
Share premium account		3,965	3,965
Revaluation reserve		352,656	361,057
Profit and loss account		(34,703)	3,145
		<u>329,618</u>	<u>375,867</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.

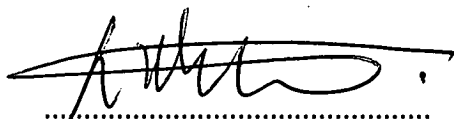
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 comprehensive income 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: 27 NOVEMBER 2019

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

# HEAVES HOTEL LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2019

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 March 2017</b>	<b>7,700</b>	<b>3,965</b>	<b>369,461</b>	<b>76,324</b>	<b>457,450</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(48,553)	(48,553)
Transfer from revaluation reserve	-	-	-	10,374	10,374
Deferred taxation on revaluation	-	-	1,970	-	1,970
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,970</b>	<b>(38,179)</b>	<b>(36,209)</b>
Dividends: Equity capital	-	-	-	(35,000)	(35,000)
Transfer to profit and loss account	-	-	(10,374)	-	(10,374)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(10,374)</b>	<b>(35,000)</b>	<b>(45,374)</b>
<b>At 1 March 2018</b>	<b>7,700</b>	<b>3,965</b>	<b>361,057</b>	<b>3,145</b>	<b>375,867</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(48,220)	(48,220)
Transfer from revaluation reserve	-	-	-	10,372	10,372
Deferred taxation on revaluation	-	-	1,971	-	1,971
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,971</b>	<b>(37,848)</b>	<b>(35,877)</b>
Transfer to profit and loss account	-	-	(10,372)	-	(10,372)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(10,372)</b>	<b>-</b>	<b>(10,372)</b>
<b>At 28 February 2019</b>	<b>7,700</b>	<b>3,965</b>	<b>352,656</b>	<b>(34,703)</b>	<b>329,618</b>

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

# HEAVES HOTEL LIMITED

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

### 1. General information

Heaves Hotel Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is Heaves Hotel, Kendal, Cumbria, LA8 8EF.

### 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 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

#### 2.4 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

#### 2.5 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 Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

## HEAVES HOTEL LIMITED

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

#### 2. Accounting policies (continued)

##### 2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 reporting 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 Statement of Financial Position 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 reporting date.

##### 2.7 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
Motor vehicles	- 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 Statement of Comprehensive Income.

## HEAVES HOTEL LIMITED

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

#### 2. Accounting policies (continued)

##### 2.8 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.

##### 2.9 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 reporting 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.

##### 2.10 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.

##### 2.11 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.

##### 2.12 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.

##### 2.13 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 Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

## **HEAVES HOTEL LIMITED**

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

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

##### **2.14 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.

##### **2.15 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 3 (2018 - 3).



# HEAVES HOTEL LIMITED

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

### 4. Tangible fixed assets

	Freehold property £	Crockery Crisis Fixtures and Fittings £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>						
At 1 March 2018	762,458	28,271	2,400	152,242	2,781	948,152
At 28 February 2019	762,458	28,271	2,400	152,242	2,781	948,152
<b>Depreciation</b>						
At 1 March 2018	115,462	27,907	600	127,571	2,781	274,321
Charge for the year on owned assets	14,649	91	450	2,467	-	17,657
At 28 February 2019	130,111	27,998	1,050	130,038	2,781	291,978
<b>Net book value</b>						
At 28 February 2019	632,347	273	1,350	22,204	-	656,174
At 28 February 2018	646,996	364	1,800	24,670	-	673,830

Cost or valuation at 28 February 2019 is as follows:

	<b>Land and buildings £</b>
<b>At cost</b>	<b>248,868</b>
<b>At valuation: 28 February 2010</b>	<b>513,590</b>
	<b>762,458</b>

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

	2019 £	2018 £
Cost	248,868	248,868
Net book value	248,868	248,868

# HEAVES HOTEL LIMITED

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

### 5. Stocks

	2019 £	2018 £
Raw materials and consumables	150	150
	<u>150</u>	<u>150</u>

### 6. Debtors

	2019 £	2018 £
Trade debtors	1,776	2,269
Other debtors	9,038	-
Prepayments and accrued income	1,333	1,666
	<u>12,147</u>	<u>3,935</u>

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

	2019 £	2018 £
Trade creditors	2,433	311
Corporation tax	-	52,245
Other taxation and social security	652	763
Other creditors	253,625	164,140
Accruals and deferred income	3,125	2,505
	<u>259,835</u>	<u>219,964</u>

# HEAVES HOTEL LIMITED

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

### 8. Deferred taxation

	2019 £	2018 £
At beginning of year	(84,690)	(86,661)
Release to revaluation reserve	1,971	1,970
<b>At end of year</b>	<b>(82,719)</b>	<b>(84,691)</b>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Fair value movements	82,719	84,691

### 9. Related party transactions

During the year the company continued to borrow funds interest free from Mr L M and Mrs C E Whitelock, the directors. At the balance sheet date the company owed £231,565 (2018 - £148,907) to Mr L M and Mrs C E Whitelock.

During the year the company continued to borrow funds interest free from Mr P M Whitelock, a director. At the balance sheet date the company owed £22,058 (2018 - £15,234) to Mr P M Whitelock.