

Hemway Limited

**Directors' report and financial
statements**

Registered number 02647311

Year ended 31 March 2023

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Directors' report

The Directors present their Directors' report and financial statements for the year ended 31 March 2023.

Principal activity

The principal activity of the Company in the year under review was that of the provision of management services.

Directors

The Directors during the year under review were:

K Revitt

M L Widders

Going concern

As set out in Note 1, the Directors consider that the Company has adequate resources to continue as a going concern for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Political and charitable contributions

The Company made charitable donations of £nil (2022: £100) during the year. The Company made no political donations in the current year or prior year.

Auditor

McMillan & Co LLP were appointed as auditors on 5 January 2023.

The report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Directors who held office at the date of approval of this Directors' report confirm that, in so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board



M L Widders

Dower House
Dawbers Lane
Euxton
Chorley
Lancashire
PR7 6ED

27 June 2023

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Report of the Auditors to the Members of Hemway Limited

Opinion

We have audited the financial statements of Hemway Limited ("the company") for the year ended 31 March 2023 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Auditors to the Members of Hemway Limited (*continued*)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report of the Auditors to the Members of Hemway Limited (*continued*)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with Directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

Report of the Auditors to the Members of Hemway Limited (continued)

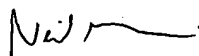
Auditors' responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Neil McMillan FCA (Senior Statutory Auditor)
for and on behalf of McMillan & Co LLP
Chartered Accountants and
Statutory Auditor

Date: 28 June 2023

Profit and Loss Account
for the year ended 31 March 2023

	<i>Note</i>	2022 £'000	2021 £'000
Turnover	<i>1</i>	1,537	1,462
Cost of sales		(25)	(38)
Gross profit		1,512	1,424
Administrative expenses		(1,537)	(1,407)
Operating (loss) / profit	<i>2</i>	(25)	17
Interest payable and similar charges		-	-
(Loss) / profit before taxation		(25)	17
Tax on loss / profit	<i>3</i>	7	1
(Loss) / profit for the year	<i>11</i>	(18)	18

Statement of Other Comprehensive Income
for the year ended 31 March 2023

The profit and loss account includes the only gains and losses of the Company for the current and prior year.

Notes on pages 9 to 14 form an integral part of the financial statements.

Balance Sheet
as at 31 March 2023

	<i>Note</i>	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible assets	5		70		75
Current assets					
Debtors	6	40		116	
Cash at bank and in hand		231		214	
		<u>271</u>		<u>330</u>	
Creditors: amounts falling due within one year	7	<u>(305)</u>		<u>(351)</u>	
Net current liabilities			(34)		(21)
Total assets less current liabilities			<u>36</u>		<u>54</u>
Net assets			<u>36</u>		<u>54</u>
Capital and reserves					
Called up share capital	10	-	-	-	-
Profit and loss account	11	36	36	54	54
Shareholders' funds			<u>36</u>		<u>54</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board of Directors on 27 June 2023 and signed on its behalf by:



ML Widders
Director

Company registered number: 02647311

Notes on pages 9 to 14 form an integral part of the financial statements.

Notes to the financial statements

1 Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Company information

Hemway Limited is a private limited company limited by shares incorporated, registered and domiciled in England and Wales in the UK. The registered number is 02647311 and the registered address is Dower House, Dawbers Lane, Euxton, Chorley, Lancashire, PR7 6ED.

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 thousand pound.

The financial statements have been prepared on the historical cost convention.

Going Concern

The Directors have prepared these financial statements on a going concern basis which they consider to be appropriate for the following reasons.

The Company has net current liabilities of £34,000 (2022: £21,000) and net assets of £36,000 (2022: £54,000) with sufficient cash resources to meet working capital requirements.

The Company is reliant on trade with other entities under common ownership of the Estate of Mr T J Hemmings (Deceased) to continue as a going concern. The Directors of those entities have undertaken assessments of the going concern assumption using the base case financial forecasts and considering plausible downside scenarios for a period of twelve months from the date of approval of these financial statements. The assumptions included in the severe but plausible downside scenario include significant declines in revenue, gross profit and profit from operations when compared to the base case financial forecasts.

The Directors have reviewed the forecasts of these entities and have concluded that those entities will continue to operate for a period of at least the next twelve months, which in turn will allow the Company to continue to provide management services. The Directors have therefore concluded that the Company will be able to meet its liabilities as they fall due for at least the next twelve months and therefore that it is appropriate to continue to prepare the financial statements on a going concern basis.

Turnover

Turnover is the value of services, net of value added tax, provided to customers during the year.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	15% on cost
Motor vehicles	25% on cost
Computer equipment	15% on cost

Taxation

The tax rebate / (expense) represents the sum of the tax currently recoverable / (payable) and deferred tax.

Notes (continued)

1 Statement of accounting policies (continued)

Current tax

The tax currently recoverable / (payable) is based on taxable (loss) / profit for the year. Taxable (loss) / profit differs from net (loss) / 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 asset / (liability) for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the profit and loss account in the period to which they relate.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Management do not consider that there are any significant judgements or estimates necessary in the preparation of these financial statements.

2 Operating (loss) / profit

The operating (loss) / profit is stated after charging:

	2023 £'000	2022 £'000
Depreciation – owned assets	6	6
Pension costs	51	45
	<u> </u>	<u> </u>
Directors' remuneration	386	321
Directors' pension contributions to money purchase schemes	21	19
	<u> </u>	<u> </u>
The number of Directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	1	1
	<u> </u>	<u> </u>

3 Taxation

	2023 £'000	2022 £'000
Current tax:		
UK corporation tax at 19% (2022: 19%)	(4)	1
Adjustments in respect of prior year	2	-
	<u> </u>	<u> </u>
Total current tax (credit) / charge for the year	(2)	1
Deferred tax	(5)	(2)
	<u> </u>	<u> </u>
Tax on (loss) / profit on ordinary activities	(7)	(1)
	<u> </u>	<u> </u>

Notes (continued)

3 Taxation (continued)

The current tax credit for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £'000	2022 £'000
(Loss) / profit for year	(18)	18
Total tax income	(7)	(1)
	<hr/>	<hr/>
(Loss) / profit excluding taxation	(25)	17
	<hr/>	<hr/>
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	(5)	4
Effects of:		
Expenses not deductible for tax purposes	1	-
Re-measurement of deferred tax for changes in tax rates	(1)	(3)
Adjustment in respect of prior year – corporation tax	2	-
Adjustment in respect of prior year – deferred tax	(4)	(2)
	<hr/>	<hr/>
Total tax credit included in profit or loss	(7)	(1)
	<hr/>	<hr/>

4 Staff numbers and costs

	2023 £'000	2022 £'000
<i>Employees costs:</i>		
Wages and salaries	1,118	1,030
Social security costs	159	141
Other pension costs	51	45
	<hr/>	<hr/>
	1,328	1,216
	<hr/>	<hr/>

Notes (continued)

4 Staff numbers and costs (continued)

The average number of persons employed by the Company during the year was as follows:

	2023 Number	2022 Number
Management and administration	8	8
	<u>8</u>	<u>8</u>

5 Tangible fixed assets

	Fixtures and Fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
Cost				
At 1 April 2022	21	107	74	202
Additions	1	-	-	1
Disposals	-	-	-	-
	<u>22</u>	<u>107</u>	<u>74</u>	<u>203</u>
31 March 2023	22	107	74	203
Depreciation				
At 1 April 2022	16	48	63	127
Charge for year	1	2	3	6
Disposals	-	-	-	-
	<u>17</u>	<u>50</u>	<u>66</u>	<u>133</u>
At 31 March 2023	17	50	66	133
Net book value				
At 31 March 2023	<u>5</u>	<u>57</u>	<u>8</u>	<u>70</u>
At 31 March 2022	<u>5</u>	<u>59</u>	<u>11</u>	<u>75</u>

6 Debtors: Amounts falling due within one year

	2023 £'000	2022 £'000
Amounts receivable from related entities	2	80
Corporation tax	13	7
Deferred tax asset (note 9)	14	9
Prepayments and accrued income	11	20
	<u>40</u>	<u>116</u>

Notes (continued)

7 Creditors: Amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	1	9
Amounts payable to related entities	1	27
Other taxes and social security	125	113
Other creditors	22	44
Accruals & deferred income	156	158
	<u>305</u>	<u>351</u>

8 Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2023 £'000	2022 £'000
Expiring:		
Less than one year	120	120
	<u>120</u>	<u>120</u>

During the year £120,000 was recognised as an expense in the profit and loss account in respect of operating leases (2022: £120,000).

9 Deferred tax asset

	2023 £'000	2022 £'000
Balance at 1 April 2022	9	7
Credit for the year	5	2
	<u>14</u>	<u>9</u>
Balance at 31 March 2023	14	9

The deferred tax asset of £14,000 at 31 March 2023 (2022: £9,000) is included within debtors.

The amounts recognised in respect of the deferred tax asset are set out below:

	2023 £'000	2022 £'000
Fixed asset timing differences	8	8
Short term timing differences	1	1
Losses and deductions	5	-
	<u>14</u>	<u>9</u>

10 Called up share capital

Allotted, issued and fully paid:

	2023 £'000	2022 £'000
2 Ordinary shares of £1 each	-	-

Notes (continued)

11 Reserves

	Profit and loss account £'000
At 1 April 2022	54
Loss for the year	(18)
	<hr/>
At 31 March 2022	36
	<hr/>

12 Related party transactions

Northern Trust Company Limited

During the year the Company received management fees of £880,000 (2022: £855,000) from Northern Trust Company Limited. At the end of the year, a balance was owed to Northern Trust Company Limited of £nil (2022: £26,000).

Trust Inns Limited

During the year the Company received management fees of £110,000 (2022: £110,000) from Trust Inns Limited. At the end of the year, a balance was owed from Trust Inns Limited of £nil (2022: £3,000).

Classic Lodges Limited

During the year the Company made payments for hotel services of £4,000 (2022: £2,000) to Classic Lodges Limited. At the end of the year, a balance was owed from Classic Lodges Limited of £2,000 (2022: £2,000).

Ambrose Hire Limited

During the year the Company received management fees of £66,000 (2022: £66,000) from Ambrose Hire Limited. No amounts were outstanding at the year end or the previous year end.

Gleadhill House Stud Limited

During the year the Company paid rental costs of £120,000 (2022: £120,000) to Gleadhill House Stud Limited. No amounts were outstanding at the year end or the previous year end.

Deepdale PNE Holdings Limited

During the year the Company received management fees of £396,000 (2022: £394,000) from Deepdale PNE Holdings Limited. At the end of the year, a balance was owed from Deepdale PNE Holdings Limited of £nil (2022: £75,000).

Tower Beach Management Company Limited

During the year the Company received management fees of £60,000 (2022: £nil) from Tower Beach Management Company Limited. No amounts were outstanding at the year end or the previous year end.

The Estate of Mr T J Hemmings (Deceased) is the ultimate controlling party of all the above companies.

13 Controlling party

The controlling party is the Estate of Mr T J Hemmings (Deceased).