

HK HORSES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2020

HK HORSES LIMITED
REGISTERED NUMBER: 10563577

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	186,054	158,649
		<u>186,054</u>	<u>158,649</u>
Current assets			
Stocks	5	577,264	44,162
Debtors: amounts falling due within one year	6	51,372	69,514
Cash at bank and in hand	7	14,892	117,263
		<u>643,528</u>	<u>230,939</u>
Creditors: amounts falling due within one year	8	(609,686)	(220,236)
Net current assets		<u>33,842</u>	<u>10,703</u>
Total assets less current liabilities		<u>219,896</u>	<u>169,352</u>
Provisions for liabilities			
Deferred tax	9	(22,006)	(21,076)
		<u>(22,006)</u>	<u>(21,076)</u>
Net assets		<u><u>197,890</u></u>	<u><u>148,276</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		197,790	148,176
		<u><u>197,890</u></u>	<u><u>148,276</u></u>

HK HORSES LIMITED
REGISTERED NUMBER: 10563577

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

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 the 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:

M Kent
Director

Date: 11 February 2021

The notes on pages 3 to 9 form part of these financial statements.

HK HORSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

HK Horses Ltd is a private company limited by share capital and incorporated in England and Wales.

The registered office is 2 Communications Road, Greenham Business Park, Greenham, Newbury, Berkshire, RG19 6AB.

The principal place of business is Gardeners Cottage, Ingmanthorpe Hall, York Road, Wetherby, LS22 5EF.

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 Going concern

The directors have considered the impact of the global Covid-19 pandemic on the ability of the company to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections. Based on this review and taken together with existing financing facilities the directors believe that the financial statements have been prepared appropriately on the going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.4 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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 profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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 profit or loss 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.

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, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20%
Office equipment	-	33%
Property improvements	-	5%

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 profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.8 Stocks

Horses are recognised as a biological asset and is accounted for under the cost model in accordance with FRS 102.

The cost of horses purchased is the purchase price plus purchase costs.

At the balance sheet date biological assets are assessed on an individual animal basis for impairment. If stock is impaired, the carrying amount is reduced to its estimated market value less costs to sell. The impairment loss is recognised immediately in profit or loss. This is considered to be more appropriate than applying a systematic depreciation charge.

Other stock comprise purchased feed and bedding valued at the lower of cost and net realisable value.

2.9 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.

2.10 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.

2.11 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.

2.12 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 profit or loss 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.

2.13 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.

HK HORSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.14 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 6 (2019 - 6).

4. Tangible fixed assets

	Plant and machinery £	Office equipment £	Property Improvements £	Total £
Cost or valuation				
At 1 April 2019	139,349	581	36,308	176,238
Additions	42,878	1,964	15,864	60,706
At 31 March 2020	182,227	2,545	52,172	236,944
Depreciation				
At 1 April 2019	16,602	97	890	17,589
Charge for the year on owned assets	31,630	329	1,342	33,301
At 31 March 2020	48,232	426	2,232	50,890
Net book value				
At 31 March 2020	133,995	2,119	49,940	186,054
At 31 March 2019	122,747	484	35,418	158,649

HK HORSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. Stocks

	2020 £	2019 £
Stock - Biological assets	573,614	40,512
Stock - Other stocks	3,650	3,650
	<u>577,264</u>	<u>44,162</u>

6. Debtors

	2020 £	2019 £
Trade debtors	41,824	36,528
Other debtors	2,809	27,200
Prepayments and accrued income	6,739	5,786
	<u>51,372</u>	<u>69,514</u>

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	14,891	117,263
Less: bank overdrafts	(1,995)	-
	<u>12,896</u>	<u>117,263</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	1,995	-
Trade creditors	71,532	64,615
Accruals and deferred income	5,472	5,084
Corporation tax	9,603	15,537
Other taxation and social security	735	116
Other creditors	481,369	95,904
Other loans	38,980	38,980
	<u>609,686</u>	<u>220,236</u>

HK HORSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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9. Deferred taxation

	2020 £
At beginning of year	(21,076)
Charged to profit or loss	(930)
At end of year	<u>(22,006)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(22,006)	(21,076)
	<u>(22,006)</u>	<u>(21,076)</u>

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.