

HK HORSES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2021

HK HORSES LIMITED
REGISTERED NUMBER: 10563577

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	251,151	186,054
		<u>251,151</u>	<u>186,054</u>
Current assets			
Stocks	5	617,692	577,264
Debtors: amounts falling due within one year	6	92,531	51,372
Cash at bank and in hand	7	13,836	14,892
		<u>724,059</u>	<u>643,528</u>
Creditors: amounts falling due within one year	8	(806,049)	(609,686)
Net current (liabilities)/assets		<u>(81,990)</u>	<u>33,842</u>
Total assets less current liabilities		<u>169,161</u>	<u>219,896</u>
Creditors: amounts falling due after more than one year	9	(45,343)	-
Provisions for liabilities			
Deferred tax	11	(29,716)	(22,006)
		<u>(29,716)</u>	<u>(22,006)</u>
Net assets		<u><u>94,102</u></u>	<u><u>197,890</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		94,002	197,790
		<u><u>94,102</u></u>	<u><u>197,890</u></u>

HK HORSES LIMITED
REGISTERED NUMBER: 10563577

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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:

Morgan Kent
Director

Date: 3 March 2022

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

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

The registered office is Gardeners Cottage Ingmanthorpe, York Road, Wetherby, West Yorkshire, England, LS22 5EF.

The principal place of business is Gardeners Cottage, Ingmanthorpe, York Road, Wetherby, West Yorkshire, England, 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 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 2021**

2. Accounting policies (continued)

2.3 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.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.5 Finance costs

Finance costs are charged to profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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.

2.9 Stocks

Horses are recognised as a biological assets and are 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.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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 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.

2.14 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 6 (2020 - 6).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Tangible fixed assets

	Plant and machinery £	Office equipment £	Property improvements £	Total £
Cost or valuation				
At 1 April 2020	182,227	2,545	52,172	236,944
Additions	26,349	-	80,533	106,882
At 31 March 2021	208,576	2,545	132,705	343,826
Depreciation				
At 1 April 2020	48,232	426	2,232	50,890
Charge for the year on owned assets	39,602	841	1,342	41,785
At 31 March 2021	87,834	1,267	3,574	92,675
Net book value				
At 31 March 2021	120,742	1,278	129,131	251,151
At 31 March 2020	133,995	2,119	49,940	186,054

HK HORSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Stocks

	2021 £	2020 £
Stock - biological assets	616,192	573,614
Stock - other stocks	1,500	3,650
	<u>617,692</u>	<u>577,264</u>

6. Debtors

	2021 £	2020 £
Trade debtors	42,547	41,824
Other debtors	33,134	2,809
Prepayments and accrued income	4,554	6,739
Tax recoverable	12,296	-
	<u>92,531</u>	<u>51,372</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	13,837	14,891
Less: bank overdrafts	(934)	(1,995)
	<u>12,903</u>	<u>12,896</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	934	1,995
Trade creditors	76,218	71,532
Accruals and deferred income	5,654	5,472
Corporation tax	-	9,603
Other taxation, social security and VAT	1,984	735
Other creditors	616,622	481,369
Other loans	104,637	38,980
	<u>806,049</u>	<u>609,686</u>

HK HORSES LIMITED

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FOR THE YEAR ENDED 31 MARCH 2021

9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	45,343	-
	<u>45,343</u>	<u>-</u>

10. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Other loans	104,637	38,980
	<u>104,637</u>	<u>38,980</u>
Amounts falling due 1-2 years		
Other loans	6,210	-
	<u>6,210</u>	<u>-</u>
Amounts falling due 2-5 years		
Other loans	39,133	-
	<u>39,133</u>	<u>-</u>
	<u>149,980</u>	<u>38,980</u>

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11. Deferred taxation

	2021 £
At beginning of year	(22,006)
Charged to profit or loss	(7,710)
At end of year	<u>(29,716)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(27,023)	(22,006)
Losses and other deductions	(2,693)	-
	<u>(29,716)</u>	<u>(22,006)</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.