

Chescombe Limited

trading as Chescombe Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 January 2019

Chescombe Limited
trading as Chescombe Ltd

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Company Information

Director	Mrs Kalwant Singh
Registered office	The Waters Edge Hotel Torbay Road Torquay Devon TQ2 6QH

Chescombe Limited
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(Registration number: 02760859)
Balance Sheet as at 31 January 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>5</u>	721,884	711,780
Investments	<u>6</u>	100	100
		<u>721,984</u>	<u>711,880</u>
Current assets			
Stocks	<u>7</u>	-	2,868
Debtors	<u>8</u>	97,638	133,946
Cash at bank and in hand		47,146	16,593
		144,784	153,407
Creditors: Amounts falling due within one year	<u>9</u>	<u>(1,725,549)</u>	<u>(1,667,330)</u>
Net current liabilities		<u>(1,580,765)</u>	<u>(1,513,923)</u>
Net liabilities		<u>(858,781)</u>	<u>(802,043)</u>
Capital and reserves			
Called up share capital	<u>10</u>	1,000	1,000
Profit and loss account		<u>(859,781)</u>	<u>(803,043)</u>
Total equity		<u>(858,781)</u>	<u>(802,043)</u>

For the financial year ending 31 January 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

For the financial year ending 31 January 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities:

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

Chescombe Limited
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(Registration number: 02760859)
Balance Sheet as at 31 January 2019

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 22 October 2019

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Mrs Kalwant Singh
Director

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

Chescombe Limited
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Notes to the Financial Statements for the Year Ended 31 January 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

The Waters Edge Hotel
Torbay Road
Torquay
Devon
TQ2 6QH
United Kingdom

These financial statements were authorised for issue by the director on 22 October 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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Notes to the Financial Statements for the Year Ended 31 January 2019

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Buildings	50 years
Fixtures and equipment	15% reducing balance
Motor vehicles	25% reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	5 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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Notes to the Financial Statements for the Year Ended 31 January 2019

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 7 (2018 - 6).

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Notes to the Financial Statements for the Year Ended 31 January 2019

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 February 2018	48,000	48,000
At 31 January 2019	48,000	48,000
Amortisation		
At 1 February 2018	48,000	48,000
At 31 January 2019	48,000	48,000
Carrying amount		
At 31 January 2019	-	-

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2018 - £Nil).

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Notes to the Financial Statements for the Year Ended 31 January 2019

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 February 2018	805,905	171,726	6,617	984,248
Additions	-	13,414	-	13,414
At 31 January 2019	805,905	185,140	6,617	997,662
Depreciation				
At 1 February 2018	129,661	121,814	6,469	257,944
Charge for the year	9,613	8,184	37	17,834
At 31 January 2019	139,274	129,998	6,506	275,778
Carrying amount				
At 31 January 2019	666,631	55,142	111	721,884
At 31 January 2018	676,244	35,388	148	711,780

Included within the net book value of land and buildings above is £666,631 (2018 - £676,244) in respect of freehold land and buildings.

6 Investments

	2019 £	2018 £
Investments in subsidiaries	100	100
Subsidiaries		£
Cost or valuation		
At 1 February 2018		100
Provision		
Carrying amount		
At 31 January 2019		100
At 31 January 2018		100

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Notes to the Financial Statements for the Year Ended 31 January 2019

7 Stocks

	2019	2018
	£	£
Other inventories	-	2,868

8 Debtors

	2019	2018
	£	£
Trade debtors	(289)	17,730
Amounts owed by group undertakings and undertakings in which the company has a participating interest	13 96,427	-
Prepayments	1,500	852
Other debtors	-	115,364
	97,638	133,946

9 Creditors

Creditors: amounts falling due within one year

	2019	2018
	£	£
Due within one year		
Bank loans and overdrafts	11 1,577,348	1,577,348
Trade creditors	22,917	21,077
Amounts owed to group undertakings and undertakings in which the company has a participating interest	13 -	8,573
Taxation and social security	50,683	54,106
Accruals and deferred income	2,941	6,226
Other creditors	71,660	-
	1,725,549	1,667,330

10 Share capital

Allotted, called up and fully paid shares

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Notes to the Financial Statements for the Year Ended 31 January 2019

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

11 Loans and borrowings

	2019	2018
	£	£
Current loans and borrowings		
Bank borrowings	1,577,348	1,577,348

Bank borrowings

Bank Loan is denominated in GBP with a nominal interest rate of 3.5%, and the final instalment is due on . The carrying amount at year end is £1,577,348 (2018 - £1,577,348).

Santander Bank Plc hold a second charge over the assets of the company.

12 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £Nil (2018 - £Nil).

Amounts disclosed in the balance sheet

Included in the balance sheet are financial commitments of £5,051,667 (2018 - £5,051,667). NatWest Bank plc and Santander Bank plc have first and second charge respectively over the assets of the company.

The company has given gurantees and commitments to repay the loans.

13 Related party transactions

Transactions with directors

	At 1 February 2018	Advances to directors	At 31 January 2019
	£	£	£
2019			
Mrs Kalwant Singh			
Interest charged at 3% pa	113,537	(183,478)	(69,941)

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Notes to the Financial Statements for the Year Ended 31 January 2019

	At 1 February 2017 £	Repayments by director £	At 31 January 2018 £
2018			
Mrs Kalwant Singh			
Interest charged at 3% pa	224,584	(111,047)	113,537

Directors' remuneration

The director's remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	15,300	15,000

Summary of transactions with subsidiaries

Jakeb Ltd is a wholly owned subsidiary company.
Loans are given to the subsidiary as and when required.
All transactions are at nil interest rate and non instalment basis.

Loans to related parties

	Subsidiary £
2019	
At start of period	(8,573)
Advanced	(20,000)
Repaid	10,000
At end of period	(18,573)
2018	
At start of period	1,357
Advanced	(9,930)
At end of period	(8,573)

Loans from related parties

	Subsidiary £
2019	
Advanced	115,000

Terms of loans from related parties

Interest free non instalment loan.

registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.