

**REGISTERED NUMBER: 04481036 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019  
FOR  
TRUE NORTH BREW CO LIMITED**

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FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

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**TRUE NORTH BREW CO LIMITED**

**COMPANY INFORMATION  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

**DIRECTORS:**

S F Kelly  
K S Yeardley  
A D Liddle

**SECRETARY:**

S F Kelly

**REGISTERED OFFICE:**

13-17 Paradise Square  
Sheffield  
South Yorkshire  
S1 2DE

**REGISTERED NUMBER:**

04481036 (England and Wales)

**AUDITORS:**

Marriott Gibbs Rees Wallis Limited  
Statutory Auditor  
13-17 Paradise Square  
Sheffield  
South Yorkshire  
S1 2DE

**STRATEGIC REPORT  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

The directors present their strategic report for the period 2 April 2018 to 31 March 2019.

**REVIEW OF BUSINESS**

In 2019 True North Brew Co Limited has made a profit before tax of £91,504 (2018 - £612,158). Turnover was down by 1.87% which accounts for part of the drop in profit as well as increasing overheads versus 2018. 2019 saw significant increases in some key overhead lines - Wages, Rent & Rates, Utilities and Repairs. There were 11 trading venues at the end of the year with the Milton Arms being refurbished and opened in December 2018. This refurbishment added to 2019's repairs & renewals figure totalling £247,122, as well as £50k+ of pre-opening costs.

The Balance Sheet of the financial statements show that the Company's net assets at the year end have decreased from £2,182,204 to £1,770,955. The Company had lower cash flow than 2018 mainly due the new venue and lower profits throughout the year. Cash generated from operations was £502,403. Tangible fixed asset additions amounted to £567,128. There was significant expenditure on the existing estate in 2019.

Overall, the financial statements are considered to show another successful trading year for True North Brew Co Limited by the directors. The Company has 12 trading sites which are cash generative and ready for future expansion. The Company also has four further sites, The Horse & Jockey, The Norfolk Arms and The Grindstone. The Punch Bowl's renovation was completed in September and is a new inclusion in our portfolio for the year ending March 2020.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the Company are as follows:

- Increased competition
- Rising costs
- Loss of key management
- Managing growth
- Performance of new venues

**ON BEHALF OF THE BOARD:**

K S Yeardley - Director

14 February 2020

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

The directors present their report with the financial statements of the company for the period 2 April 2018 to 31 March 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of managing licensed retail venues.

**DIVIDENDS**

The total distribution of dividends for the period ended 31 March 2019 will be £ 452,000 .

**FUTURE DEVELOPMENTS**

We now have 12 trading venues, with the additional venue in Crookes, The Punch Bowl, which was refurbished and reopened at the end of September 2019. The three other venues we own will be refurbished and traded under True North's ownership within the next two years.

Alongside our regular range of beers we will continue brewing specials on cask & keg. Sheffield Pilsner has started to be brewed again by us in 2020.

In 2020 we have various events planned. Summer and Winter Gin Festivals 2020 as well as large scale music festivals at some of the sites. Our Sheffield School of Gin tickets are also available online and we will continue to refurbish the venue where they are held on Eldon Street.

True North Sheffield Dry Gin is available for sale at all True North venues. We also have an online store where we sell our Gin in a variety of flavours and sizes including gift sets.

There are limited edition gins produced each year and planned for release in 2020, with our current limited gin range being Forest Fruits and Rose and Jasmine. Also, in September 2019 in collaboration with Kid Acne, and featuring custom Kid Acne artwork, 120 bottles of gin were produced and sold alongside the Have a Word exhibition. Leeds Gin was purchased in January 2019 and will be a focus for us in 2020 with a rebrand and relaunch.

**EVENTS SINCE THE END OF THE PERIOD**

Information relating to events since the end of the period is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 2 April 2018 to the date of this report.

S F Kelly  
K S Yeardley  
A D Liddle

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

**FINANCIAL INSTRUMENTS**

The company's principal financial instruments include a bank overdraft and bank loans, the main purpose being to raise finance for the company's operations and activities.

**Price risk, credit risk, liquidity and cash flow risk**

The company manages its cash and borrowing requirements to minimise interest expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of its business.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

The company's principal foreign currency exposure arises from trading in overseas markets. The company's exposure may be hedged in order to fix the cost in sterling. This hedging may involve the use of foreign exchange forward contracts.

The directors do not envisage any cash flow difficulties over the coming year that would prevent any borrowing obligations being met as at the financial year end the company carries forward a good portfolio of trading venues so with prudent cashflow management, strengthening balance sheet and good awareness of opportunities should be well placed to weather the economic downturn.

**EMPLOYEES**

The company encourages the involvement of its employees and they are made aware of significant matters through regular updates from the directors, management meetings, informal briefings, team meetings, and emails.

The company's policy is to ensure adequate provision for the welfare, health and safety of its employees and other people who may be affected by its activities. The company is committed to ensuring there are equal opportunities for all employees, irrespective of age, gender, ethnicity, race, religion and belief, sexual orientation, disability and marital status. All employees are treated fairly and equally.

The company gives full consideration to all applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practical in the same or an alternative position and provide appropriate training to achieve this aim.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Marriott Gibbs Rees Wallis Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

K S Yeardley - Director

14 February 2020

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TRUE NORTH BREW CO LIMITED**

### **Opinion**

We have audited the financial statements of True North Brew Co Limited (the 'company') for the period ended 31 March 2019 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement 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 2019 and of its profit for the period 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TRUE NORTH BREW CO LIMITED**

### **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 Strategic Report or 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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, 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.

### **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.

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](http://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.

Alan Pickstone FCCA (Senior Statutory Auditor)  
for and on behalf of Marriott Gibbs Rees Wallis Limited  
Statutory Auditor  
13-17 Paradise Square  
Sheffield  
South Yorkshire  
S1 2DE

14 February 2020

**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

	Notes	Period 2.4.18 to 31.3.19 £	Period 27.3.17 to 1.4.18 £
<b>TURNOVER</b>		<b>12,702,968</b>	12,945,769
Cost of sales		<u>8,461,884</u>	<u>8,528,061</u>
<b>GROSS PROFIT</b>		<b>4,241,084</b>	4,417,708
Administrative expenses		<u>4,182,052</u>	<u>3,825,398</u>
		59,032	592,310
Other operating income		<u>65,663</u>	<u>56,171</u>
<b>OPERATING PROFIT</b>	6	<b>124,695</b>	648,481
Interest receivable and similar income		<u>2,500</u>	<u>1,344</u>
		127,195	649,825
Interest payable and similar expenses	7	<u>35,691</u>	<u>37,667</u>
<b>PROFIT BEFORE TAXATION</b>		<b>91,504</b>	612,158
Tax on profit	8	<u>50,753</u>	<u>149,241</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<b>40,751</b>	462,917

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

	Notes	Period 2.4.18 to 31.3.19 £	Period 27.3.17 to 1.4.18 £
<b>PROFIT FOR THE PERIOD</b>		<b>40,751</b>	462,917
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><b>40,751</b></u>	<u>462,917</u>

**BALANCE SHEET**  
**31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		<b>302,952</b>		358,102
Tangible assets	11		<b>3,476,898</b>		3,417,366
Investments	12		<b>25,000</b>		-
Investment property	13		<b>311,590</b>		311,590
			<b>4,116,440</b>		4,087,058
<b>CURRENT ASSETS</b>					
Stocks	14	<b>240,968</b>		226,577	
Debtors	15	<b>1,041,862</b>		707,996	
Cash at bank and in hand		<b>63,791</b>		98,148	
		<b>1,346,621</b>		1,032,721	
<b>CREDITORS</b>					
Amounts falling due within one year	16	<b>2,438,307</b>		1,974,394	
<b>NET CURRENT LIABILITIES</b>			<b>(1,091,686)</b>		(941,673)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>3,024,754</b>		3,145,385
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		<b>(1,104,935)</b>		(841,077)
<b>PROVISIONS FOR LIABILITIES</b>	22		<b>(148,864)</b>		(122,104)
<b>NET ASSETS</b>			<b>1,770,955</b>		2,182,204
<b>CAPITAL AND RESERVES</b>					
Called up share capital	23		<b>1,000</b>		1,000
Capital redemption reserve	24		<b>30</b>		30
Retained earnings	24		<b>1,769,925</b>		2,181,174
<b>SHAREHOLDERS' FUNDS</b>			<b>1,770,955</b>		2,182,204

The financial statements were approved by the Board of Directors on 14 February 2020 and were signed on its behalf by:

K S Yeardley - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 27 March 2017</b>	1,000	2,018,257	30	2,019,287
<b>Changes in equity</b>				
Dividends	-	(300,000)	-	(300,000)
Total comprehensive income	-	462,917	-	462,917
<b>Balance at 1 April 2018</b>	<u>1,000</u>	<u>2,181,174</u>	<u>30</u>	<u>2,182,204</u>
<b>Changes in equity</b>				
Dividends	-	(452,000)	-	(452,000)
Total comprehensive income	-	40,751	-	40,751
<b>Balance at 31 March 2019</b>	<u>1,000</u>	<u>1,769,925</u>	<u>30</u>	<u>1,770,955</u>

**CASH FLOW STATEMENT**  
**FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

		Period 2.4.18 to 31.3.19 £	Period 27.3.17 to 1.4.18 £
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	29	502,403	1,195,958
Interest paid		(2,848)	(5,511)
Interest element of hire purchase payments paid		(482)	(482)
Tax paid		(70,607)	(31,494)
Net cash from operating activities		<u>428,466</u>	<u>1,158,471</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(567,128)	(316,292)
Purchase of fixed asset investments		(25,000)	-
Sale of tangible fixed assets		-	4,556
Interest received		2,500	1,344
Net cash from investing activities		<u>(589,628)</u>	<u>(310,392)</u>
<b>Cash flows from financing activities</b>			
New loans in year		400,000	-
Loan repayments in year		(99,124)	(93,072)
Interest paid		(32,361)	(31,674)
Capital repayments in year		(4,857)	(4,855)
Amount introduced by directors		703,029	47,500
Amount withdrawn by directors		(601,045)	(246,799)
Equity dividends paid		(452,000)	(300,000)
Net cash from financing activities		<u>(86,358)</u>	<u>(628,900)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(247,520)</u>	<u>219,179</u>
<b>Cash and cash equivalents at beginning of period</b>	30	<b>98,146</b>	<b>(121,033)</b>
<b>Cash and cash equivalents at end of period</b>	30	<u><b>(149,374)</b></u>	<u><b>98,146</b></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

**1. STATUTORY INFORMATION**

True North Brew Co Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historic cost convention as modified for the valuation of investment property.

**Preparation of consolidated financial statements**

The financial statements contain information about True North Brew Co Limited as an individual company and do not contain the consolidated financial information as the parent of a group. The company is exempt under section 405 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The directors consider that the company's subsidiary should be excluded from consolidation as it is not material for the purpose of giving a true and fair view.

**Turnover**

Turnover represents the fair value of the consideration received for goods and services sold in the normal course of business, net of discounts and value added tax.

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.

The majority of the Company's revenue comprises food and beverage sales which are recognised at the point of sale.

**Goodwill**

Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. Provision is made for any impairment.

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**  
Goodwill

**Amortisation method and rate**  
10 and 20 years straight line

**Intangible assets**  
**Asset Class**  
Lease Premium

**Amortisation method and rate**  
4 years straight line (over the lease term)

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

**3. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life, as follows:

<b>Asset Class</b>	<b>Amortisation method and rate</b>
Freehold land	Not depreciated
Freehold property	Between 10 to 50 years straight line
Long leasehold land and buildings	Between 10 to 30 years straight line
Short leasehold building improvements	Between 10 to 33 years straight line
Plant and machinery	Between 5 to 20 years straight line
Motor vehicles	5 years straight line

**Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost less any accumulated impairment losses.

**Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including transaction costs. Subsequently investment properties whose fair value can be measured reliably without undue cost or effort on an on-going basis are measured at fair value. Gains and losses arising from the changes in the fair value of investment properties are included in the profit or loss in the period in which they arise.

Investment properties whose fair values cannot be measured reliably without undue cost or effort on an on-going basis are included in plant, property and equipment at cost less accumulated depreciation and accumulated impairment losses.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

**3. ACCOUNTING POLICIES - continued**

**Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

**3. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at the present value of future payments.

**Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**Cash and cash equivalents**

For the purposes of the cash flow statement, 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, less any bank overdrafts payable on demand. On the balance sheet, bank overdrafts are included within current liabilities unless there is a right of offset against a current account, in which case they are included within cash.

**Related parties**

Related parties include the directors, significant shareholders, their close families and businesses they control in addition to other entities controlled by the company or where the company has significant influence. Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

**Going concern**

The financial statements have been prepared on a going concern basis.

The company has sufficient cash reserves and in the opinion of the directors the company has adequate resources to continue in operational existence for the foreseeable future. Therefore the company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

**4. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and recorded amounts of assets, liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historic experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors believe the following estimates and assumptions have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

**Fixed asset lives**

Tangible fixed assets are the single largest balance on the company's balance sheet and the rate chosen to depreciate these assets has a material effect on the company's reported position and performance. Assets held under hire purchase or lease arrangements under FRS 102 are depreciated over the lease term, even where the business plan includes using them for a longer term than this. There is judgement involved in determining appropriate rates to use assets where there is no constraint of lease term.

**Useful life and impairment of goodwill**

Goodwill on the company's balance sheet relates to several businesses that were acquired as trade and assets. Goodwill for The Forum and Crown & Anchor are amortised over twenty years and for The Riverside and Waggon & Horses over ten years, as this is the directors' best estimate of the time it will have a clear effect on the business. In practice, the trades acquired have been subsumed into the company's main trade so separate cash generating units cannot be meaningfully amortised to review goodwill balances for impairment; instead they are included with other fixed assets for a global impairment review.

**Investment property**

The directors have also made key assumptions in the determination of the fair value of an investment property in respect of the state of the property market in the location where the property is situated and in respect of the range of reasonable fair value estimates of the asset. The valuation of the property is in Note 13.

**5. EMPLOYEES AND DIRECTORS**

	Period <b>2.4.18</b> to <b>31.3.19</b> £	Period 27.3.17 to 1.4.18 £
Wages and salaries	<b>4,877,995</b>	4,729,105
Social security costs	<b>335,623</b>	317,680
Other pension costs	<b>43,123</b>	20,773
	<b><u>5,256,741</u></b>	<u>5,067,558</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019

## 5. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the period was as follows:

	Period 2.4.18 to 31.3.19	Period 27.3.17 to 1.4.18
Bar staff	228	199
Kitchen staff	78	80
Administration and support	31	26
	<u>337</u>	<u>305</u>
	Period 2.4.18 to 31.3.19 £	Period 27.3.17 to 1.4.18 £
Directors' remuneration	228,233	187,896
Directors' pension contributions to money purchase schemes	<u>807</u>	<u>449</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director for the period ended 31 March 2019 is as follows:

	Period 2.4.18 to 31.3.19 £
Emoluments etc	112,590
Pension contributions to money purchase schemes	<u>807</u>

In the period to 1 April 2018, the highest paid director received emoluments etc amounting to £101,023.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019

## 6. OPERATING PROFIT

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

	Period 2.4.18 to 31.3.19 £	Period 27.3.17 to 1.4.18 £
Other operating leases	579,740	531,392
Depreciation - owned assets	471,075	549,440
Depreciation - assets on hire purchase contracts	3,939	3,939
Loss/(profit) on disposal of fixed assets	32,582	(11,354)
Goodwill amortisation	48,900	48,900
Lease premium amortisation	6,250	6,250
Auditors' remuneration	<u>17,500</u>	<u>17,501</u>

## 7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 2.4.18 to 31.3.19 £	Period 27.3.17 to 1.4.18 £
Bank loan interest	32,361	31,674
Other interest payable	2,848	5,511
Hire purchase	482	482
	<u>35,691</u>	<u>37,667</u>

## 8. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the period was as follows:

	Period 2.4.18 to 31.3.19 £	Period 27.3.17 to 1.4.18 £
Current tax:		
UK corporation tax	23,993	154,586
Deferred tax	26,760	(5,345)
Tax on profit	<u>50,753</u>	<u>149,241</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

**8. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 2.4.18 to 31.3.19 £	Period 27.3.17 to 1.4.18 £
Profit before tax	<u>91,504</u>	<u>612,158</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	17,386	116,310
Effects of:		
Expenses not deductible for tax purposes	(1,940)	(1,527)
Depreciation in excess of capital allowances	38,730	34,350
Adjustments to tax charge in respect of previous periods	(3,423)	-
Affect of change in tax rate	-	108
Total tax charge	<u>50,753</u>	<u>149,241</u>

**9. DIVIDENDS**

	Period 2.4.18 to 31.3.19 £	Period 27.3.17 to 1.4.18 £
Interim	<u>452,000</u>	<u>300,000</u>

**10. INTANGIBLE FIXED ASSETS**

	Goodwill £	Lease premium £	Totals £
<b>COST</b>			
At 2 April 2018 and 31 March 2019	<u>816,502</u>	<u>25,000</u>	<u>841,502</u>
<b>AMORTISATION</b>			
At 2 April 2018	466,733	16,667	483,400
Amortisation for period	48,900	6,250	55,150
At 31 March 2019	<u>515,633</u>	<u>22,917</u>	<u>538,550</u>
<b>NET BOOK VALUE</b>			
At 31 March 2019	<u>300,869</u>	<u>2,083</u>	<u>302,952</u>
At 1 April 2018	<u>349,769</u>	<u>8,333</u>	<u>358,102</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019

## 11. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Improvements to property £
<b>COST</b>			
At 2 April 2018	627,307	459,291	1,663,070
At 31 March 2019	627,307	459,291	1,663,070
<b>DEPRECIATION</b>			
At 2 April 2018	78,237	17,185	650,519
Charge for period	22,250	16,028	94,717
Eliminated on disposal	-	-	-
At 31 March 2019	100,487	33,213	745,236
<b>NET BOOK VALUE</b>			
At 31 March 2019	526,820	426,078	917,834
At 1 April 2018	549,070	442,106	1,012,551

  

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>			
At 2 April 2018	2,366,821	19,724	5,136,213
Additions	567,128	-	567,128
Disposals	(227,918)	-	(227,918)
At 31 March 2019	2,706,031	19,724	5,475,423
<b>DEPRECIATION</b>			
At 2 April 2018	963,816	9,090	1,718,847
Charge for period	338,080	3,939	475,014
Eliminated on disposal	(195,336)	-	(195,336)
At 31 March 2019	1,106,560	13,029	1,998,525
<b>NET BOOK VALUE</b>			
At 31 March 2019	1,599,471	6,695	3,476,898
At 1 April 2018	1,403,005	10,634	3,417,366

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2019 £	2018 £
Motor Vehicles	6,695	10,634

Included in cost of freehold property is land of £25,000 (2018 - £25,000) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019

## 12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
<b>COST</b>	
Additions	<u>25,000</u>
At 31 March 2019	<u>25,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u>25,000</u>

## 13. INVESTMENT PROPERTY

	Total £
<b>FAIR VALUE</b>	
At 2 April 2018 and 31 March 2019	<u>311,590</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u>311,590</u>
At 1 April 2018	<u>311,590</u>

The investment property was valued on an open market basis on 31 March 2019 by the company directors, who are not professionally qualified valuers and are internal to the company.

The historic cost of the investment property was £311,590 (2018 - £311,590) and the aggregate depreciation thereon would have been £17,656 (2018 - £11,425).

**Operating lease of investment property**

The company rents out the investment property under an operating lease. The current agreement is for the period 1 September 2018 to 31 May 2020.

The future minimum lease payments receivable for the property are as follows:

	2019	2018
£		
Not later than one year	26,000	10,857
Later than one year and not later than five years	<u>4,333</u>	<u>-</u>
	<u>30,333</u>	<u>10,857</u>

## 14. STOCKS

	2019	2018
£		
Drink and food stock	<u>240,968</u>	<u>226,577</u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019

## 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	135,408	47,140
Other debtors	181,209	166,697
Directors' current accounts	3,037	152,521
Prepayments and accrued income	722,208	341,638
	<u>1,041,862</u>	<u>707,996</u>

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans and overdrafts (see note 18)	339,981	93,451
Hire purchase contracts (see note 19)	3,652	4,856
Trade creditors	902,278	760,644
Corporation tax	108,544	155,158
Social security and other taxes	110,653	99,773
VAT	565,152	569,015
Other creditors	32,929	48,353
Wages control account	165,553	79,668
Directors' current accounts	-	47,500
Accruals and deferred income	209,565	115,976
	<u>2,438,307</u>	<u>1,974,394</u>

## 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Bank loans (see note 18)	1,104,935	837,424
Hire purchase contracts (see note 19)	-	3,653
	<u>1,104,935</u>	<u>841,077</u>

## 18. LOANS

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year or on demand:		
Bank overdrafts	213,165	2
Bank loans	126,816	93,449
	<u>339,981</u>	<u>93,451</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>318,616</u>	<u>93,950</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019

## 18. LOANS - continued

	2019 £	2018 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>786,319</u>	<u>743,474</u>

## 19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019 £	2018 £
Net obligations repayable:		
Within one year	3,652	4,856
Between one and five years	-	3,653
	<u>3,652</u>	<u>8,509</u>

	Non-cancellable operating leases	
	2019 £	2018 £
Within one year	457,045	485,731
Between one and five years	633,814	595,933
In more than five years	89,631	139,500
	<u>1,180,490</u>	<u>1,221,164</u>

## 20. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Bank overdrafts	213,165	2
Bank loans	1,231,751	930,873
Hire purchase contracts	3,652	8,509
	<u>1,448,568</u>	<u>939,384</u>

There are legal charges over the company's investment property and freehold properties in form and substance satisfactory to Barclays Bank.

Hire purchase contracts are secured on the assets acquired under those agreements.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019

## 21. FINANCIAL INSTRUMENTS

The carrying amounts of the company's financial instruments are as follows:

	2019 £	2018 £
<b>Financial assets</b>		
Debt instruments measured at amortised cost		
Trade debtors	135,408	47,140
Other debtors	181,209	166,697
Directors' current accounts	3,037	152,521
	<u>319,654</u>	<u>366,358</u>
<b>Financial liabilities</b>		
Measured at amortised cost		
Bank loans and overdrafts	1,444,916	930,875
Hire purchase contracts	3,652	8,509
Trade creditors	902,278	760,644
Other creditors	32,929	48,353
Wages control account	165,553	79,668
Directors' current accounts	-	47,500
Accruals	209,565	115,975
	<u>2,758,893</u>	<u>1,991,525</u>

## 22. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax		
Accelerated capital allowances	<u>148,864</u>	<u>122,104</u>
		<b>Deferred tax</b>
		£
Balance at 2 April 2018		122,104
Provided during period		<u>26,760</u>
Balance at 31 March 2019		<u>148,864</u>

## 23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
1,000	Ordinary Shares	£1	<u>1,000</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019

## 24. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 2 April 2018	2,181,174	30	2,181,204
Profit for the period	40,751		40,751
Dividends	(452,000)		(452,000)
At 31 March 2019	<u>1,769,925</u>	<u>30</u>	<u>1,769,955</u>

## 25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the periods ended 31 March 2019 and 1 April 2018:

	2019 £	2018 £
<b>K S Yeardley</b>		
Balance outstanding at start of period	152,251	-
Amounts advanced	63,744	152,251
Amounts repaid	(212,958)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>3,037</u>	<u>152,251</u>

Directors loan balances whether in credit or advanced are subject to interest at a rate of 2.5% (2018 - 2.5%).

Interest was payable to the company on K S Yeardley's overdrawn loan balance of £140 (2018 - £211).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

**26. RELATED PARTY DISCLOSURES**

**Transactions with directors**

**A D Liddle**

Interest of £196 (2018 - £979) was payable on A D Liddle's directors loan account. The loan is repayable upon demand and included in creditors due within one year at the year end £nil (2018 - £47,500).

**K S Yeardley**

Interest of £1,524 (2018 - £3,702) was payable to K S Yeardley on his directors loan account when the balance was in credit. The loan is repayable upon demand and at the year end the overdrawn balance is included in debtors due within one year.

Dividends of £452,000 were paid to K S Yeardley during the year (2018 - £300,000). K S Yeardley also received a dividend after the year end as detailed in Note 27.

The company leased premises owned by K S Yeardley on normal commercial terms. Rent and service charges payable during the year amounted to £222,862 (2018 - £176,418). At the balance sheet date, the amount advanced to K S Yeardley was £3,037 (2018 - £152,251).

K S Yeardley gave a limited guarantee of £50,000 to the company's banker on 3 March 2017. This personal guarantee is still in place.

**K S Yeardley FCB Limited Pension Scheme - Director's Pension Scheme**

The company leased premises owned by K S Yeardley FCB Limited Pension Scheme on normal commercial terms. Rent payable during the year was £338,261 (2018 - £312,591).

At the balance sheet date K S Yeardley FCB Pension Scheme owed the company £440, this is included in trade debtors. As at 1 April 2018 the company owed K S Yeardley FCB Pension Scheme £150,035 and this balance was included in trade creditors.

**27. POST BALANCE SHEET EVENTS**

On 6 April 2019 the company issued a dividend of £300,000.

**28. ULTIMATE CONTROLLING PARTY**

The controlling party is K S Yeardley.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 2 APRIL 2018 TO 31 MARCH 2019**

29. **RECONCILIATION OF PROFIT FOR THE FINANCIAL PERIOD TO CASH GENERATED FROM OPERATIONS**

	Period 2.4.18 to 31.3.19 £	Period 27.3.17 to 1.4.18 £
Profit for the financial period	40,751	462,917
Depreciation charges	530,166	608,529
Loss/(profit) on disposal of fixed assets	32,582	(11,354)
Finance costs	35,691	37,667
Finance income	(2,500)	(1,344)
Taxation	50,753	149,241
	<u>687,443</u>	<u>1,245,656</u>
Increase in stocks	(14,391)	(21,194)
Increase in trade and other debtors	(483,350)	(44,598)
Increase in trade and other creditors	312,701	16,094
<b>Cash generated from operations</b>	<u>502,403</u>	<u>1,195,958</u>

30. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 31 March 2019**

	31.3.19 £	2.4.18 £
Cash and cash equivalents	63,791	98,148
Bank overdrafts	(213,165)	(2)
	<u>(149,374)</u>	<u>98,146</u>

**Period ended 1 April 2018**

	1.4.18 £	27.3.17 £
Cash and cash equivalents	98,148	70,637
Bank overdrafts	(2)	(191,670)
	<u>98,146</u>	<u>(121,033)</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.