COMPANY REGISTRATION NUMBER: 06852727

Leamside Ale Company Limited

Filleted Unaudited Financial Statements

For the year ended

30 April 2022

DEBERE LIMITED
Chartered Accountants
Swallow House
Parsons Road
Washington
Tyne and Wear
NE37 1EZ

Leamside Ale Company Limited

Financial Statements

Year ended 30 April 2022

Contents **Page**

Leamside Ale Company Limited

Officers and Professional Advisers

The board of directors	Mr D J Frankland Mr M Thompson Ms S T Jobling
Business address	Three Horseshoes Pithouse Lane Leamside Houghton le Spring County Durham DH4 6QQ
Registered office	Three Horseshoes Pithouse Lane Leamside Houghton le Spring County Durham DH4 6QQ
Accountants	Debere Limited Chartered Accountants Swallow House Parsons Road Washington Tyne and Wear NE37 1EZ
Bankers	National Westminster Bank plc 12 Market Place Durham DH1 3NG

Leamside Ale Company Limited

Chartered Accountants Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Leamside Ale Company Limited

Year ended 30 April 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Leamside Ale Company Limited for the year ended 30 April 2022, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Leamside Ale Company Limited, as a body, in accordance with the terms of our engagement letter dated 20 April 2021. Our work has been undertaken solely to prepare for your approval the financial statements of Leamside Ale Company Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Leamside Ale Company Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Leamside Ale Company Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Leamside Ale Company Limited. You consider that Leamside Ale Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Leamside Ale Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

debere Limited

DEBERE LIMITED
Chartered Accountants

Swallow House
Parsons Road
Washington
Tyne and Wear
NE37 1EZ

16 November 2022

Leamside Ale Company Limited

Statement of Financial Position

30 April 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible assets	6		215,671	*175,730*
Current assets				
Stocks		37,292		*23,694*
Debtors	7	65,252		*18,263*
Cash at bank and in hand		334,591		*154,251*
		437,135		*196,208*
Creditors: amounts falling due within one year	8	(306,317)		*(155,702)*
Net current assets			130,818	*40,506*
Total assets less current liabilities			346,489	*216,236*
Creditors: amounts falling due after more than one year	9		(207,741)	*(280,369)*
Provisions				
Taxation including deferred tax			(16,888)	*28,751*
Net assets/(liabilities)			121,860	*(35,382)*
Capital and reserves				
Called up share capital			200	*200*
Capital redemption reserve			10	*10*
Profit and loss account			121,650	*(35,592)*
Shareholders funds/(deficit)			121,860	*(35,382)*

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the income statement has not been delivered.

For the year ending 30 April 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.
The notes on pages 5 to 12 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 16 November 2022 and are signed on behalf of the board by:

Mr D J Frankland
Director

Company registration number: 06852727

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Three Horseshoes, Pithouse Lane, Leamside, Houghton le Spring, County Durham, DH4 6QQ.

2. Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

General Information

The principal activity of the company throughout the year was that of bars and restaurants.

The company is a private company limited by shares and is incorporated and domiciled in England.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

Going concern

The company meets its day-to-day working capital requirements through its bank facilities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

3. Accounting policies *(continued)*

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement after allowing for any trade discounts due.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

3. Accounting policies *(continued)*

Goodwill

The goodwill, which has arisen based on incorporating Mr D J Frankland's sole trader business, has been classified as an asset on the Balance Sheet and amortised over its useful economic life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years. The carrying amount at the date of revision is depreciated over the revised estimate of remaining useful economic life.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Improvements to property	-	20% straight line
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Equipment	-	20% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

3. Accounting policies *(continued)*

Government grants *(continued)*

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 79 (2021: 73).

5. Intangible assets

	Goodwill £
Cost	
At 1 May 2021 and 30 April 2022	49,999
Amortisation	
At 1 May 2021 and 30 April 2022	49,999
Carrying amount	
At 30 April 2022	–
At 30 April 2021	–

6. Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	**Total** **£**
Cost					
At 1 May 2021	273,691	150,966	17,800	10,827	453,284
Additions	30,493	30,235	21,950	3,348	86,026
Disposals	–	(15,849)	(8,100)	–	(23,949)
At 30 April 2022	304,184	165,352	31,650	14,175	515,361
Depreciation					
At 1 May 2021	178,368	81,236	12,505	5,445	277,554
Charge for the year	24,850	11,665	2,582	1,503	40,600
Disposals	–	(12,531)	(5,933)	–	(18,464)
At 30 April 2022	203,218	80,370	9,154	6,948	299,690
Carrying amount					
At 30 April 2022	100,966	84,982	22,496	7,227	215,671
At 30 April 2021	95,323	69,730	5,295	5,382	*175,730*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles **£**
At 30 April 2022	20,578
At 30 April 2021	–

7. Debtors

	2022	2021
	£	£
Trade debtors	29,691	*4,356*
Other debtors	35,561	*13,907*
	65,252	*18,263*

Short term debtors are measured at transaction price, less any impairment.

8. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	65,000	*46,429*
Trade creditors	114,431	*58,266*
Social security and other taxes	87,204	*16,119*
Other creditors	39,682	*34,888*
	306,317	*155,702*

The hire purchase and finance lease agreements of £4,185 (2021: £7,941) are secured by way of fixed charges over the assets on finance.

Short term creditors are measured at the transaction price.

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

	2022	2021
	£	£
Bank loans and overdrafts	200,417	*278,571*
Other creditors	7,324	*1,798*
	207,741	*280,369*

The hire purchase and finance lease agreements of £7,324 (2021: £1,798) are secured by way of fixed charges over the assets on finance.

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2021: £59,583) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Long term creditors are measured at the transaction price.

10. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	5,800	*47,700*
Later than 1 year and not later than 5 years	–	*80,600*
	5,800	*128,300*

11. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

		2022	
	Balance brought forward	Advances/ (credits) to the directors	**Balance outstanding**
	£	£	**£**
Mr D J Frankland	(3,526)	(636)	(4,162)
Mr M Thompson	–	101	101
Ms S T Jobling	(3,041)	(215)	(3,256)
	(6,567)	(750)	(7,317)

		2021	
	Balance brought forward	Advances/ (credits) to the directors	*Balance outstanding*
	£	£	£
Mr D J Frankland	(118,920)	115,394	*(3,526)*
Mr M Thompson	–	–	–
Ms S T Jobling	(8,388)	5,347	*(3,041)*
	(127,308)	120,741	*(6,567)*

12. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value	
	2022	2021
	£	£
Director	39,000	39,000
Pension scheme	31,450	31,200