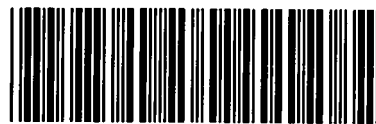


Registered number: 07105793

DOWNING PUB EIS ONE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

RPG CROUCH CHAPMAN LLP
Chartered Accountants
5th Floor
14-16 Dowgate Hill
London
EC4R 2SU

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30/06/2023

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COMPANIES HOUSE

DOWNING PUB EIS ONE LIMITED

COMPANY INFORMATION

Directors	M G Robertson C E G Corbally
Registered number	07105793
Registered office	6th Floor St Magnus House 3 Lower Thames Street London EC3R 6HD
Independent auditor	RPG Crouch Chapman LLP Chartered Accountants & Certified Auditors 5th Floor 14-16 Dowgate Hill London EC4R 2SU

DOWNING PUB EIS ONE LIMITED

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DOWNING PUB EIS ONE LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022

Introduction

The directors present their strategic report on the group for the year ended 30 June 2021.

Business review

After the COVID-19 pandemic, there was a slow return to normal life from our customers, but the Group had to face changing customer habits that have affected trade, issues with recruiting staffs and rising costs. Although trade was picking up, management believed it was becoming a very difficult market and disposed of the pubs owned by its subsidiaries on 11 November 2021. The Group sales to that date was £1,514k (2021 - £1,668k). The Group ceased trading as from 11 November 2021 and the directors are considering their options.

DOWNING PUB EIS ONE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Principal risks and uncertainties

Regulatory risks

The Group operates in a highly regulated sector where government legislation impacts much of the way the group trades and therefore the business model. Any significant changes in policy affecting the sale of alcohol could lead to a sudden change or the long term decline of the business.

The directors carefully monitor legislative developments and review sales trends and consumer habits to gauge the impact on the business. The directors continue to monitor ongoing dialogue between the Government and industry bodies and ensure staffs are properly trained to apply existing regulations.

Health and safety

The health and safety of the Group's employees and customers is a key concern. The Group is required to comply with health and safety legislation, including fire safety and food hygiene.

The Group endeavours to ensure that all reasonable standards of health and safety are met, by regularly updating its policies and training programme to ensure all risks are identified and properly assessed and that relevant regulation is adhered to. All accidents and near misses are reported and investigated. All staff receive food hygiene training as standard and regular kitchen audits/ checks ensure they comply with the standards expected from them.

Economic outlook

The Group aims to improve its customer offering continually, so that it remains competitively placed in the market in which it operates. Adverse economic conditions can theoretically have an effect on the Group's performance, although, historically, these effects have been muted.

Cost increases

Inflationary pressures on the Group's costs pose a risk to profits, although to date the group has been able to achieve satisfactory arrangements with its suppliers and expects to continue to do so in the future.

Capital risk management

The Group aims to maintain reasonable levels of capital and debt and whilst debt always involves risk, the group has been able to fulfil its obligations under its loan agreements and expects to continue to do so in the future. Sales, profitability, debt requirements and cash flow are regularly reviewed by the directors.

Liquidity risk

The Group regularly monitors cash flow forecasts and endeavours to ensure that there are enough funds to meet its business requirements and comply with banking covenants.

DOWNING PUB EIS ONE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Principal risks and uncertainties (continued)

Credit risk

The Group does not have a significant concentration of credit risk, as the majority of its revenue is in cash.

Interest rate risk

The objective is to minimise the group's interest cost and provide protection from adverse movements in interest rates. The Board does this by negotiating fixed interest rates loans.

Financial key performance indicators

	2022	2021
Turnover	£1.55m	£1.67m
Gross profit %	76.6%	70.9%
Ebitda (excluding one off income and impairment)	-£0.96m	-£0.67m

This report was approved by the board on 29th June 2023

and signed on its behalf.



.....
M G Robertson
Director

DOWNING PUB EIS ONE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report and the financial statements for the year ended 30 June 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group will continue in business.

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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £652,033 (2021 - loss £144,209).

There were no dividends paid and proposed during the year (2021: £nil).

Directors

The directors who served during the year were:

M G Robertson
C E G Corbally

Disclosure of information to auditor

Auditor

The auditor, RPG Crouch Chapman LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DOWNING PUB EIS ONE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

This report was approved by the board on 29th June 2023 and signed on its behalf.



.....
M G Robertson
Director

DOWNING PUB EIS ONE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOWNING PUB EIS ONE LIMITED

Opinion

We have audited the financial statements of Downing Pub EIS One Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 Group's and of the parent Company's affairs as at 30 June 2022 and of the Group's loss for the year 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In our evaluation of the directors' conclusions in note 2.3 to the financial statements, the directors are considering their options following the disposal of the properties. The group has ceased their operation of public houses and the financial statements have not been prepared on a going concern basis.

DOWNING PUB EIS ONE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOWNING PUB EIS ONE LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

DOWNING PUB EIS ONE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOWNING PUB EIS ONE LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 is 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

DOWNING PUB EIS ONE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOWNING PUB EIS ONE LIMITED (CONTINUED)

Auditor's 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 an Auditor's Report 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the legal and regulatory framework applicable to the entity through enquiry and discussion with management concerning their understanding of relevant laws and regulations, and the entity's policies and procedures regarding compliance, and through our understanding of the company's industry and regulations. These included but were not limited to compliance with Companies Act 2006 and FRS102.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment. We determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;

There are inherent limitations in the audit procedures described above and the further removed non compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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. This description forms part of our Auditor's Report.

DOWNING PUB EIS ONE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOWNING PUB EIS ONE LIMITED
(CONTINUED)**

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 an Auditor's Report 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.

RPG Crouch Chapman LLP

Steve Johnson BENG (HONS) FCCA (Senior Statutory Auditor)

for and on behalf of
RPG Crouch Chapman LLP

Chartered Accountants
Certified Auditors

5th Floor
14-16 Dowgate Hill
London
EC4R 2SU

Date: *29 June 2023*

DOWNING PUB EIS ONE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Turnover	4	1,514,000	1,668,077
Cost of sales		(354,207)	(484,265)
Gross profit		1,159,793	1,183,812
Administrative expenses		(1,306,731)	(2,181,933)
Exceptional administrative expenses		(243,381)	(3,172)
Other operating income	5	22,591	773,396
Operating loss		(367,728)	(227,897)
Interest payable and similar expenses	8	-	(43,103)
Loss before taxation		(367,728)	(271,000)
Tax on loss	9	(284,305)	126,791
Loss for the financial year		(652,033)	(144,209)
Unrealised (deficit)/surplus on revaluation of tangible fixed assets		(116,726)	44,542
Other comprehensive income for the year		(116,726)	44,542
Total comprehensive income for the year		(768,759)	(99,667)
(Loss) for the year attributable to:			
Owners of the parent Company		(652,033)	(144,209)
		(652,033)	(144,209)

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 31 form part of these financial statements.

DOWNING PUB EIS ONE LIMITED
REGISTERED NUMBER:07105793

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	-	9,756,800
		-	9,756,800
Current assets			
Stocks	13	-	42,769
Debtors: amounts falling due within one year	14	84,615	224,561
Cash at bank and in hand	15	9,973,676	874,900
		10,058,291	1,142,230
Creditors: amounts falling due within one year	16	(1,112,682)	(1,142,162)
Net current assets		8,945,609	68
Total assets less current liabilities		8,945,609	9,756,868
Creditors: amounts falling due after more than one year	17	-	(42,500)
Net assets		8,945,609	9,714,368
Capital and reserves			
Called up share capital	19	7,478,862	7,478,862
Share premium account	20	1,969,273	1,969,273
Revaluation reserve	20	-	886,210
Profit and loss account	20	(502,526)	(619,977)
		8,945,609	9,714,368

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29th June 2023



.....
M G Robertson
 Director

The notes on pages 18 to 31 form part of these financial statements.

DOWNING PUB EIS ONE LIMITED
REGISTERED NUMBER:07105793

COMPANY BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	12	14,768,996	14,768,996
		<u>14,768,996</u>	<u>14,768,996</u>
Current assets			
Debtors: amounts falling due within one year	14	6,468	56
Cash at bank and in hand	15	132	6,994
		<u>6,600</u>	<u>7,050</u>
Creditors: amounts falling due within one year	16	(8,408,617)	(8,265,330)
Net current liabilities		<u>(8,402,017)</u>	<u>(8,258,280)</u>
Total assets less current liabilities		6,366,979	6,510,716
Net assets		<u>6,366,979</u>	<u>6,510,716</u>
Capital and reserves			
Called up share capital	19	7,478,862	7,478,862
Share premium account	20	1,969,273	1,969,273
Profit and loss account	20	(3,081,156)	(2,937,419)
		<u>6,366,979</u>	<u>6,510,716</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29th June 2023



.....
M G Robertson
 Director

The notes on pages 18 to 31 form part of these financial statements.

DOWNING PUB EIS ONE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 July 2020	7,478,862	1,969,273	841,668	(475,768)	9,814,035	9,814,035
Comprehensive income for the year						
Loss for the year	-	-	-	(144,209)	(144,209)	(144,209)
Surplus on revaluation of freehold property	-	-	44,542	-	44,542	44,542
Total comprehensive income for the year	-	-	44,542	(144,209)	(99,667)	(99,667)
Total transactions with owners	-	-	-	-	-	-
At 1 July 2021	7,478,862	1,969,273	886,210	(619,977)	9,714,368	9,714,368
Comprehensive income for the year						
Loss for the year	-	-	-	(652,033)	(652,033)	(652,033)
Deficit on revaluation of freehold property	-	-	(116,726)	-	(116,726)	(116,726)
Total comprehensive income for the year	-	-	(116,726)	(652,033)	(768,759)	(768,759)
Shares issued during the year	769,484	-	-	-	769,484	769,484
Shares redeemed during the year	(769,484)	-	-	-	(769,484)	(769,484)
Transfer to/from profit and loss account	-	-	(769,484)	769,484	-	-
Total transactions with owners	-	-	(769,484)	769,484	-	-
At 30 June 2022	7,478,862	1,969,273	-	(502,526)	8,945,609	8,945,609

The notes on pages 18 to 31 form part of these financial statements.

DOWNING PUB EIS ONE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2020	7,478,862	1,969,273	(2,793,605)	6,654,530
Comprehensive income for the year				
Loss for the year	-	-	(143,814)	(143,814)
Total comprehensive income for the year	-	-	(143,814)	(143,814)
Total transactions with owners	-	-	-	-
At 1 July 2021	7,478,862	1,969,273	(2,937,419)	6,510,716
Comprehensive income for the year				
Loss for the year	-	-	(143,737)	(143,737)
Total comprehensive income for the year	-	-	(143,737)	(143,737)
Total transactions with owners	-	-	-	-
At 30 June 2022	7,478,862	1,969,273	(3,081,156)	6,366,979

The notes on pages 18 to 31 form part of these financial statements.

DOWNING PUB EIS ONE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(652,033)	(144,209)
Adjustments for:		
Depreciation of tangible assets	28,026	60,572
Loss on disposal of tangible assets	(144,761)	-
Government grants	12,395	(729,725)
Interest paid	-	43,103
Taxation charge	284,305	(126,791)
Decrease/(increase) in stocks	42,769	(4,673)
Decrease in debtors	22,915	627,849
Decrease in amounts owed by joint ventures	42,590	53,418
(Decrease)/increase in creditors	(192,164)	261,005
(Decrease)/increase in amounts owed to joint ventures	(103,535)	71,312
Corporation tax received/(paid)	51,460	(385,087)
Net cash generated from operating activities	(608,033)	(273,226)
Cash flows from investing activities		
Purchase of tangible fixed assets	(140,466)	(272,829)
Sale of tangible fixed assets	9,897,275	-
Government grants received	-	754,979
Net cash from investing activities	9,756,809	482,150
Cash flows from financing activities		
New secured loans	-	50,000
Repayment of loans	(50,000)	-
Interest paid	-	(43,103)
Net cash used in financing activities	(50,000)	6,897
Net increase in cash and cash equivalents	9,098,776	215,821
Cash and cash equivalents at beginning of year	874,900	659,079
Cash and cash equivalents at the end of year	9,973,676	874,900
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,973,676	874,900
	<u>9,973,676</u>	<u>874,900</u>

The notes on pages 18 to 31 form part of these financial statements.

DOWNING PUB EIS ONE LIMITED**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2022**

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	874,900	9,098,776	9,973,676
Debt due after 1 year	(42,500)	42,500	-
Debt due within 1 year	(8,432)	7,500	(932)
	<u>823,968</u>	<u>9,148,776</u>	<u>9,972,744</u>

The notes on pages 18 to 31 form part of these financial statements.

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. General information

The company and its subsidiaries are all private limited companies incorporated in the UK. The registered office for the Group is 6th Floor St Magnus House, 3 Lower Thames Street, London EC3R 6HD.

The principal activity of the group was that of operating public houses.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

2.3 Going concern

The trade and assets of the subsidiary companies were sold in November 2021 and as such the subsidiaries ceased trading as at that date while the directors investigate new opportunities. The Group will continue to provide funds as required to settle any remaining liabilities. As a result, the directors have not prepared the financial statements on a going concern basis.

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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 Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.6 Sale and leaseback

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transition is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

2.7 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 Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.8 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.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Taxation

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 and the Group operate and generate income.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	See below
Plant and machinery	-	20%
Fixtures and fittings	-	20%
Computer equipment	-	20%

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.

Freehold land is not depreciated. Freehold buildings are depreciated so as to write off the difference between their carrying value and residual value over their useful economic life. An annual assessment of residual values is performed and there is no depreciable amount if residual values are the same as, or more than, the book value. Residual values are based on the estimated amount that would be currently obtainable from disposal of the asset net of disposal costs if the asset were already at the age and condition expected at the end of its useful life.

Property, fixtures and fittings are reviewed annually for indications of impairment. Where any indications are identified, assets are assessed fully for impairment. Impairment occurs where the recoverable amount of the asset is less than its carrying amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment loss is treated as a revaluation decrease to the extent that a surplus exists for the same asset, and thereafter as an expense in the profit and loss account.

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.13 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 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.

2.17 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 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.

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.19 Financial instruments

The Group 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 the Consolidated Statement of Comprehensive Income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Group makes judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision effects both current and future periods.

The estimates and assumptions that have a significant effect on the amounts recognised in the financial statements are those related to the estimates in relation to future cash flows and going concern.

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Sales	<u>1,514,000</u>	<u>1,668,077</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Other operating income	1,654	692
Net rents receivable	20,937	42,979
Grants receivable	-	729,725
	<u>22,591</u>	<u>773,396</u>

6. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the consolidated and parent Company's financial statements	10,250	10,250

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7. Employees

Staff costs were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	546,251	1,293,235	-	-

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Staffs	62	124	2	2

8. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	-	990
Other loan interest payable	-	25,360
Other interest payable	-	16,753
	-	43,103

9. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	300,000	(10,698)
Adjustments in respect of previous periods	(15,695)	(15,583)
Total current tax	284,305	(26,281)
Deferred tax		
Origination and reversal of timing differences	-	(29,328)
Revaluation of property	-	(71,182)
Total deferred tax	-	(100,510)
Taxation on profit/(loss) on ordinary activities	284,305	(126,791)

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(367,728)	(271,000)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(69,868)	(51,490)
Effects of:		
Unrelieved tax losses carried forward	354,173	(75,301)
Total tax charge for the year	284,305	(126,791)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Exceptional income

	2022 £	2021 £
Exceptional admin	243,381	3,172

The exceptional income related to the sale of pubs owned by the group.

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
At 1 July 2021	8,994,362	599,921	616,211	333	10,210,827
Additions	43,661	-	96,805	-	140,466
Disposals	(9,038,023)	(599,921)	(713,016)	(333)	(10,351,293)
At 30 June 2022	-	-	-	-	-
At 1 July 2021	-	-	453,694	333	454,027
Charge for the year on owned assets	-	-	28,026	-	28,026
Disposals	-	-	(481,720)	(333)	(482,053)
At 30 June 2022	-	-	-	-	-
Net book value					
At 30 June 2022	-	-	-	-	-
At 30 June 2021	8,994,362	599,921	162,517	-	9,756,800

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2021	14,768,996
At 30 June 2022	14,768,996

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Pabulum Pubs Limited	Public house	Ordinary	100%
Augusta Pub Company Ltd	Public House	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Pabulum Pubs Limited	12,585,626	(385,412)
Augusta Pub Company Ltd	4,234,501	(122,887)

13. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	-	42,769
	<u>-</u>	<u>42,769</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

14. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	20,764	794	-	-
Amounts owed by connected parties	9,784	52,374	-	-
Other debtors	42,434	130,254	6,468	56
Prepayments and accrued income	11,633	28,744	-	-
Grants receivable	-	12,395	-	-
	<u>84,615</u>	<u>224,561</u>	<u>6,468</u>	<u>56</u>

15. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	<u>9,973,676</u>	<u>874,900</u>	<u>132</u>	<u>6,994</u>

16. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	-	7,500	-	-
Trade creditors	348,268	290,950	323,374	161,687
Amounts owed to group undertakings	-	-	2,698,892	7,996,179
Amounts owed to connected parties	72,601	176,136	-	-
Corporation tax	273,719	-	-	-
Other taxation and social security	-	89,544	-	55,543
Other creditors	333,191	426,324	5,346,233	3,754
Accruals and deferred income	84,903	151,708	40,118	48,167
	<u>1,112,682</u>	<u>1,142,162</u>	<u>8,408,617</u>	<u>8,265,330</u>

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

	Group 2022 £	Group 2021 £
Bank loans	-	42,500

In 2021 the group obtained a bounce back loan which was repaid in full in the current financial year.

18. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £
Bank loan		
Amounts falling due within one year	-	7,500
Amounts falling due 2-5 years	-	42,500
	-	50,000

19. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
7,478,862 (2021 - 7,478,862) Ordinary shares of £1.00 each	7,478,862	7,478,862

20. Reserves

Share premium account

Share premium account represents the amount subscribed for shares capital in excess of nominal value less costs directly attributable to the issue of shares.

Revaluation reserve

Revaluation reserve is a non-cash and a non-distributable reserve reflecting the excess in the Group's assets' market value over its book value.

Profit and loss account

Retained profits are the cumulative net gains recognised in the statement of comprehensive income.

DOWNING PUB EIS ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

21. Related party transactions

The company has taken advantage of the exemption with FRS 102 33.1A not to disclose related party transactions with other group companies as its voting rights are wholly controlled within the group.

22. Controlling party

There was no controlling party during the period to 8th June 2022. On the 9th of June 2023, Craft Beer Pub Co Ltd became the controlling party of Downing Pub EIS One Limited and Mr T McGing became the ultimate controlling party.