

LT Pub Management Plc

Report and Financial Statements

Year Ended

1 January 2018

Company Number 7139073



LT Pub Management Plc

**Report and financial statements
for the year ended 1 January 2018**

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Directors

W Buchanan
I Robinson

Secretary and registered office

N Turpin, 31 Haverscroft Industrial Estate, New Road, Attleborough, NR17 1YE

Company number

7139073

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

LT Pub Management Plc

Strategic report for the year ended 1 January 2018

Results

The consolidated income statement for the period is set out on page 7. Revenues amounted to £26,185,000 (2017 - £13,164,000) and profit after taxation amounted to £254,000 (2017 - £54,000).

The group balance sheet at 1 January 2018 showed net assets of £1,327,000 (2017 - £1,473,000).

The company paid dividends totalling £400,000 (2017 - £150,000) during the year.

Principal activities, review of the business and future developments

The principal activities of LT Pub Management Plc ("the company") and its subsidiaries ("the group") comprise the following:

- The direct management of pubs for other pub owners on a temporary basis
- Provision of head office support for freehold pubs under a service level agreement
- Provision of caretaking services for other pub companies to manage closed sites

The management of pubs for other pub owners generates income from a number of different arrangements including management fees and profit share arrangements. The entitlement to revenues and the responsibility for costs varies by agreement.

Business review

The consolidated income statement for the period is set out on page 8. Revenues amounted to £26,185,000 (2017 - £13,164,000) and operating profit before depreciation and amortisation amounted to £431,000 (2017 - £179,000). Operating profit after depreciation of £89,000 (2017 - £76,000) and amortisation of £49,000 (2017 - £49,000) was £293,000 (2017 - £54,000). The directors consider these measures to be the key performance indicators of the Group.

LT Pub Management Plc

Strategic report for the year ended 1 January 2018 (*continued*)

Principal risks and uncertainties

Economic climate

The economic environment, particularly with regard to consumer confidence and spending, remains very uncertain and any further increases in VAT and duty on alcohol will put additional pressure on revenues. However, there are many other factors involved in the ability of individual pubs to attract customers and the Group continues to work with its managers to enhance the trading potential of each site.

Recruitment and retention of managers

The recruitment and retention of highly skilled and professional managers continues to be a principal focus of the Group's management team since this is a key driver for the overall quality and profitability of the business. The market for good managers is very competitive and the Group continues to work closely with current and prospective managers to ensure the Group offers the right physical and business environment for all parties to prosper.

Information technology

The daily operation of the group is reliant on information technology for accounting, reporting and communications. There is a risk that serious disruption could occur if any of these systems were to fail for a significant period of time.

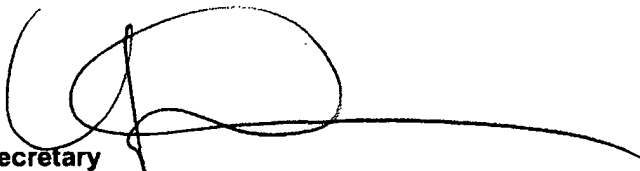
The risk is mitigated by business continuity plans to allow the business to function in the event of a major systems failure. The Group has controls in place to protect data including off site back up of data.

Approval

This strategic report was approved by order of the Board on ²⁶June 2018

N Turpin

Company Secretary

A large, stylized handwritten signature in black ink, consisting of a large loop and a long horizontal stroke extending to the right.

LT Pub Management Plc

Report of the directors for the year ended 1 January 2018

Directors

The directors during the period were:

W Buchanan	(Chief Executive Officer)
I Robinson	(Chairman)

Charitable donations

The group made no charitable donations during the period.

Creditor payment policy

The group's policy for the period to 1 January 2018, for all suppliers, is to abide by the agreed terms of payment. The number of day's purchases represented by period-end trade creditors at 1 January 2018 was 70 days (2017 - 60 days).

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- 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 group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LT Pub Management Plc

Report of the directors for the year ended 1 January 2018 *(continued)*

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



N Turpin

Company Secretary

26 June 2018

LT Pub Management Plc

Independent auditors report

TO THE MEMBERS OF LT PUB MANAGEMENT PLC

Opinion

We have audited the financial statements of LT Pub Management plc ("the Company") and its subsidiaries ("the Group") for the year ended 1 January 2018 which comprise the income statement, the statement of financial position, the statement of changes in equity 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 Group's and Company's affairs as at 1 January 2018 and of its profit 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 and 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 Group or 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 included in the annual report, other than the financial statements and our auditor's report 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.

LT Pub Management Plc

Independent auditors report (*continued*)

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic and directors' report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's 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, 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.

LT Pub Management Plc

Independent auditors report (*continued*)

Responsibilities of Directors

As explained more fully in the Directors' report, 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 determines 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 and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



*Geraint Jones, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London*

Date *26 June 2018*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

LT Pub Management Plc

Consolidated income statement for the year ended 1 January 2018

	Note	2018 £'000	2017 £'000
Turnover	4	26,185	13,164
Cost of sales		(21,180)	(9,505)
Gross profit		5,005	3,659
Administrative expenses	5	(4,712)	(3,605)
Operating profit	6	293	54
Interest payable and similar charges	7	-	-
Profit on ordinary activities before taxation		293	54
Taxation on profit on ordinary activities	8	(39)	-
Profit on ordinary activities after taxation		254	54

All amounts relate to continuing activities

There are no other items of recognised gains or losses other than those shown in the income statement, and there was no other comprehensive income for the period.

The notes on pages 14 to 23 form part of these financial statements.

LT Pub Management Plc

Consolidated statement of financial position at 1 January 2018

Company number 7139073	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Property, plant and equipment	9		99		74
Goodwill	10		584		633
			<u>683</u>		<u>707</u>
Current assets					
Stock	11	1,514		156	
Debtors	12	5,942		3,425	
Cash at bank and in hand		3,605		736	
		<u>11,061</u>		<u>4,317</u>	
Creditors: amounts falling due within one year	13	<u>(10,417)</u>		<u>(3,551)</u>	
Net current assets			<u>644</u>		<u>766</u>
Net assets			<u>1,327</u>		<u>1,473</u>
Equity					
Share capital	14		55		55
Share premium			470		470
Profit and loss account			802		948
Shareholders' funds			<u>1,327</u>		<u>1,473</u>

The financial statements were approved by the Board and authorised for issue on 26 June 2018



W Buchanan
Director

The notes on pages 14 to 23 form part of these financial statements.

LT Pub Management Plc

Consolidated statement of changes in equity for the year ended 1 January 2018

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 2 January 2017	470	55	948	1,473
Total comprehensive income	-	-	254	254
Dividend paid	-	-	(400)	(400)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2018	470	55	802	1,327
	<hr/>	<hr/>	<hr/>	<hr/>
	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 28 December 2015	470	55	1,044	1,569
Total comprehensive income	-	-	54	54
Dividend paid	-	-	(150)	(150)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2017	470	55	948	1,473
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 14 to 23 form part of these financial statements.

LT Pub Management Plc
Consolidated statement of cash flows
for the year ended 1 January 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Profit for the financial year		254	54
Adjustments for:			
Depreciation and amortisation of assets	9,10	138	125
Net interest payable			-
Taxation expense	8		-
(Increase) in trade and other debtors		(2,518)	(867)
(Increase)/decrease in stocks		(1,358)	38
Increase in trade and other creditors		6,890	32
Cash from operations			
Interest paid		-	-
Taxation paid		(24)	-
Net cash generated from operating activities		3,382	(618)
Cash flows from investing activities			
Purchases of tangible fixed assets		(113)	19
Net cash from investing activities		3,269	19
Cash flows from financing activities			
Equity dividends paid		(400)	(150)
Net cash used in financing activities		(400)	(150)
Net decrease in cash and cash equivalents		2,869	(749)
Cash and cash equivalents at beginning of year		736	1,485
Cash and cash equivalents at end of year		3,605	736
Cash and cash equivalents comprise:			
Cash at bank and in hand		3,605	736

The notes on pages 14 to 23 form part of these financial statements.

LT Pub Management Plc

Company financial position at 1 January 2018

Company number 7139073	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Investment in subsidiary undertakings	10		987		987
Current assets					
Debtors	12	189		602	
Cash at bank and in hand		-		1	
		<u>189</u>		<u>603</u>	
Creditors: amounts falling due within one year	13	-		(15)	
		<u>-</u>		<u>(15)</u>	
Net current assets			189		588
Net assets			<u>1,176</u>		<u>1,575</u>
Capital and reserves					
Share capital	14		55		55
Share premium			470		470
Retained earnings		1,050		1,197	
(Loss)/profit for the period		(399)		(147)	
		<u>651</u>		<u>1,050</u>	
Shareholders' funds			<u>1,176</u>		<u>1,575</u>

The financial statements were approved by the Board and authorised for issue on 26 June 2018



W Buchanan
Director

The notes on pages 14 to 23 form part of these financial statements.

LT Pub Management Plc

Company statement of changes in equity for the year ended 1 January 2018

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 2 January 2017	470	55	1,050	1,575
Total comprehensive income	-	-	1	1
Dividend paid	-	-	(400)	(400)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2018	470	55	651	1,176
	<hr/>	<hr/>	<hr/>	<hr/>
	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 28 December 2015	470	55	1,197	1,722
Total comprehensive income	-	-	3	3
Dividend paid	-	-	(150)	(150)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2017	470	55	1,050	1,575
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 14 to 23 form part of these financial statements.

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 1 January 2018

1 Accounting policies

LT Pub Management Plc is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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 judgement in applying the Group's accounting policies.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of LT Pub Management Plc and its subsidiaries ("the group") as if they formed 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 consolidated statement of financial position, 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 28 December 2015.

The company has taken the exemption under section 408 of the Companies Act from the requirement to publish its own profit and loss account. A profit of £1,000 (2017 - £3,000) arose in the year.

Goodwill

Goodwill arising on an acquisition of a subsidiary is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of the useful economic life which is 20 years. Impairment tests are undertaken at the end of the first full year after acquisition or if circumstances change which may indicate an impairment.

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 1 January 2018 (continued)

1 Accounting policies (continued)

Goodwill (continued)

The need for any amortisation or impairment of goodwill or intangible assets will be assessed by considering the higher of its original acquisition value compared to its current fair value. These assessments will be carried out annually or when there are any other adverse events or changes in circumstances that cast doubt on the recoverability of the capitalised value of goodwill or intangible asset.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rate:

Fixtures and fittings	- 3-10 years
Leasehold office building	- 10 years

Stock

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Investments

Parent company investments in subsidiaries are stated at cost less provision for any impairment

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on such assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 1 January 2018 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Critical accounting policies, estimates and judgements

The Group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate are set out below.

- Determine whether agreement entered into by the group result in it acting as principal. These decisions depend on an assessment of whether the risks and rewards of operations have been transferred.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether there are specific debtor provisions required. Factors taken into consideration in reaching such a decision include the assessment of the legal and commercial recoverability of the individual debtor.
- Consider the estimated future profitability of the group to support the carrying value of the group's deferred tax asset.

3 Financial Risk Management

The Directors are responsible for ensuring that the Group's risks are appropriately monitored and, to the extent that elements of this are delegated to third party service providers, the Directors are responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of the relevant agreements.

The Directors are responsible for the operational risk oversight of the Group and the maintenance of the Group's assets, ensuring the establishment of appropriate and consistent procedures for effective management of the Group's resources.

The significant types of risk that the Group is exposed to are detailed below.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due or can only do so at a significantly increased cost.

The Group receives management fees on a monthly basis.

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 1 January 2018 (continued)

3 Financial Risk Management (continued)

A detailed analysis of the maturity profile of the Group's financial assets and financial liabilities is shown below.

	Less than 12 months
Financial assets:	
Debtors	4,154
Cash and cash equivalents	3,605
	<hr/>
	7,759
	<hr/>
Financial liabilities:	
Creditors	9,304
	<hr/>
	(1,545)
	<hr/>

Financial liabilities (maturity)

The maturity groupings are based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay. Financial liabilities comprise trade and other payables, accruals, and deferred income.

Financial assets (maturity)

The maturity groupings are based on the period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realised. Financial assets comprise cash, trade and other receivables

Credit risk

The balance sheet at 1 January 2018 shows trade receivables and other receivables of £4,154,000. The majority of the debt is management fees that is paid after the balance sheet date at contractually agreed points.

Capital risk management

The capital of the Group is regarded as the called-up share capital on ordinary shares and retained earnings. The Group's objective when managing capital is to safeguard the ability to continue as a going concern in order to provide returns to shareholders and to maintain a strong capital base to support the activities of the Group.

The Directors regularly review expenses and cash flow forecasts in order to maintain a strong capital base.

LT Pub Management Plc

Notes forming part of the financial statements
for the year ended 1 January 2018 (continued)

4 Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of the business, net of discounts and VAT. Turnover has arisen during the period as follows

United Kingdom - £26,177,000 (2017 - £13,085,000)
Republic of Ireland - £8,000 (2017 - £79,000)

- Drink and food sales*

Revenue in respect of drink and food sales is recognised at the point at which the goods are provided, net of discounts or volume rebates allowed.

- Machine income*

The Group's share of net machine income is recognised in the period to which it relates.

- Management services income*

Revenue earned in respect of the management of premises for owners is recognised in the period to which it relates.

5 Employees and directors

	2018 £'000	2017 £'000
Staff costs consist of:		
Wages and salaries	8,522	4,137
Social security costs	547	295
	<u>9,069</u>	<u>4,432</u>

The directors received aggregate emoluments of £300,017 (2017 - £305,702) during the year. The emoluments of the highest paid director was £236,683 (2017 - £255,702).

6 Group operating profit

	2018 £'000	2017 £'000
This has been arrived at after charging:		
Depreciation of fixed assets	89	76
Amortisation of goodwill	49	49
Auditors' remuneration - parent	4	4
Auditors' remuneration - subsidiaries	26	26
Auditors' remuneration - corporate tax compliance services	13	13
	<u></u>	<u></u>

LT Pub Management Plc

Notes forming part of the financial statements
for the year ended 1 January 2018 (*continued*)

7 Interest payable and similar charges

	2018 £'000	2017 £'000
Bank charges	-	-

8 Taxation on profit from ordinary activities

	2018 £'000	2017 £'000
Analysis of tax charge in period:		
<i>Current tax:</i>		
UK corporation tax on profit for the period	15	-
<i>Deferred tax</i>		
Origination of timing differences	24	-
Taxation on profit on ordinary activities	39	-

A deferred tax asset has been recognised to the extent that the Directors regard it likely that there will be sufficient taxable profits to permit the utilisation of tax losses. The asset has been disclosed within the current assets as the Directors are confident the losses can be utilised within 12 months.

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	254	54
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2017 - 20%)	48	11
Effects of:		
Expenses not deductible for tax purposes	15	-
Utilisation of tax losses and other deductions	(48)	(11)
Current tax charge for period	15	-

LT Pub Management Plc

Notes forming part of the financial statements
for the year ended 1 January 2018 (*continued*)

9 Tangible fixed assets

Group	Fixtures fittings and equipment £'000	Leasehold buildings £'000	Total £'000
<i>Cost</i>			
At 2 January 2017	373	114	487
Additions	100	15	115
	<hr/>	<hr/>	<hr/>
At 1 January 2018	473	128	601
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 2 January 2017	336	77	413
Provided for the year	77	12	89
	<hr/>	<hr/>	<hr/>
At 1 January 2018	413	89	502
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 1 January 2018	60	39	99
	<hr/>	<hr/>	<hr/>
At 2 January 2017	37	37	74
	<hr/>	<hr/>	<hr/>

LT Pub Management Plc

Notes forming part of the financial statements
for the year ended 1 January 2018 (*continued*)

10 Goodwill

Group	Goodwill £'000
<i>Cost</i>	
At 2 January 2017 and 1 January 2018	975
<i>Amortisation</i>	
At 2 January 2017	342
Provided for the period	49
At 1 January 2018	391
<i>Net book value</i>	
At 1 January 2018	584
At 2 January 2017	633

The goodwill carried forward of £584,000 relates to the acquisition of the business.

Company

	Investments in group undertakings £'000
<i>Cost</i>	
At 2 January 2017	987
<i>Net book value</i>	
At 1 January 2018	987
At 2 January 2017	987

The subsidiary undertakings at the balance sheet date were:

Company	Country of registration	Nature of business	Shares held Class	%
Subsidiary undertakings:				
<i>Directly held:</i>				
Milton Pubs and Taverns Limited	England	Pub management	Ordinary	100
LT Pub Support Services Limited	England	Pub management	Ordinary	100
LT Management Services Limited	England	Pub management	Ordinary	100

The registered office of all the subsidiaries is 31 Haverscroft Industrial Estate, New Road, Attleborough, NR17 1YE

LT Pub Management Plc

Notes forming part of the financial statements
for the year ended 1 January 2018 (continued)

11 Stock

	Group 2018 £'000	Group 2017 £'000
Goods held for resale	1,514	156

12 Debtors

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Trade debtors	2,834	1,763	-	-
Other debtors	1,360	619	-	3
Prepayments and accrued income	1,560	855	-	-
Amounts due from group undertakings	-	-	189	599
Deferred tax asset	188	188	-	-
	<u>5,942</u>	<u>3,425</u>	<u>189</u>	<u>602</u>

13 Creditors: amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Trade creditors	6,714	2,739	-	15
Other creditors	2,590	351	-	-
Accruals and deferred income	1,098	445	-	-
Corporation tax	15	16	-	-
	<u>10,417</u>	<u>3,551</u>	<u>-</u>	<u>15</u>

LT Pub Management Plc

Notes forming part of the financial statements
for the year ended 1 January 2018 (continued)

14 Share capital

	2018 £	2017 £
<i>Authorised</i>		
Equity interests		
500,000 ordinary shares of £1 each	500,000	500,000
<i>Issued, called up and fully paid</i>		
Equity interests		
Ordinary shares of £1 each	55,001	55,001

14 Ultimate controlling party

The ultimate controlling party is Lord Ashcroft KCMG PG.

15 Related party transactions

The company has taken advantage of the exemption allowed not to disclose any transactions with wholly owned subsidiaries that are included in the consolidated financial statements of LT Pub Management Plc.

The Group earned management fees of £200,000 for the year, from Dominion Hospitality Limited and W Buchanan is a common director of this company. There were no amounts outstanding as at the period end.

Michael Ashcroft is the ultimate controlling party of LT Pub Management Plc. During the period the group has provided services to the Devonshire Club Limited, a company connected with Michael Ashcroft, to the value of £341,971 (2017 - £165,750). As at 1 January 2018, £9,600 was outstanding to the group.

16 Operating lease commitments

The group has the following operating lease commitments:

	2018 £	2017 £
Less than 1 year	33	29
From 2-4 years	99	99
More than 5 years	-	14
	132	142