

Registration number: IPO31175

Lyvennet Community Pub Limited
Members' Report and Unaudited Financial
Statements

31 December 2018

Draft

dodd&co

Lyvennet Community Pub Limited

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Lyvennet Community Pub Limited

Society Information

Members D K Henderson
D C Smith
D M Graham
C Smith
K Taylor
A S T Holroyd

Registered office 9-10 Stoneworks Garth
Crosby Ravensworth
PENRITH
CA10 3JE

Accountants Dodd & Co Limited
Chartered Accountants
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Lyvennet Community Pub Limited

Members' Report for the Year Ended 31 December 2018

The members present their report and the financial statements for the year ended 31 December 2018.

Members of the society

The members who held office during the year were as follows:

D K Henderson

D C Smith

D M Graham

C Smith

K Taylor

A S T Holroyd

Principal activity

The principal activity of the society is the ownership of a public house and community hub.

Approved by the members on and signed on its behalf by:

.....
D C Smith

Treasurer

Lyvennet Community Pub Limited

Statement of Members' Responsibilities

The committee members acknowledge their responsibilities for preparing the financial statements in accordance with applicable law and regulations.

The law governing Registered Societies requires the committee members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society and of the profit or loss of the society for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The committee members are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Chartered Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
Lyvennet Community Pub Limited
for the Year Ended 31 December 2018**

In order to assist you to fulfil your duties under the Cooperative & Community Benefit Societies Act 2014, we have prepared for your approval the accounts of Lyvennet Community Pub Limited for the year ended 31 December 2018 as set out on pages 5 to 12 from the society's accounting records and from information and explanations you have given us.

As a 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 <http://www.icaew.com/membershandbook>.

This report is made solely to the Committee of Management of Lyvennet Community Pub Limited, as a body, in accordance with the terms of our engagement letter dated 19 June 2018. Our work has been undertaken solely to prepare for your approval the accounts of Lyvennet Community Pub Limited and state those matters that we have agreed to state to them, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lyvennet Community Pub Limited and its Committee of Management as a body for our work or for this report.

It is your duty to ensure that Lyvennet Community Pub Limited has kept proper accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and surplus/deficit of Lyvennet Community Pub Limited. You consider that Lyvennet Community Pub 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 accounts of Lyvennet Community Pub 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 accounts.

Dodd & Co Limited
Chartered Accountants
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Date:.....

Lyvennet Community Pub Limited

Income Statement for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover		20,999	30,482
Cost of sales		<u>-</u>	<u>(9,215)</u>
Gross profit		20,999	21,267
Administrative expenses		(11,751)	(11,004)
Other operating income		<u>3,432</u>	<u>1,299</u>
Operating profit		<u>12,680</u>	<u>11,562</u>
Profit before tax		12,680	11,562
Taxation	4	<u>(361)</u>	<u>(41)</u>
Profit for the financial year		12,319	11,521
Retained earnings brought forward		7,619	5,416
Dividends paid		<u>(9,049)</u>	<u>(9,318)</u>
Retained earnings carried forward		<u><u>10,889</u></u>	<u><u>7,619</u></u>

The notes on pages 8 to 12 form an integral part of these financial statements.

Lyvennet Community Pub Limited
(Registration number: IPO31175)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	34,061	12,355
Investment property	6	<u>326,659</u>	<u>324,556</u>
		<u>360,720</u>	<u>336,911</u>
Current assets			
Debtors	7	150	1,016
Cash and cash equivalents		<u>6,832</u>	<u>22,321</u>
		6,982	23,337
Creditors: Amounts falling due within one year	8	<u>(5,150)</u>	<u>(13,710)</u>
Net current assets		<u>1,832</u>	<u>9,627</u>
Total assets less current liabilities		362,552	346,538
Creditors: Amounts falling due after more than one year	8	(41,188)	(30,154)
Provisions for liabilities		<u>(1,492)</u>	<u>(1,131)</u>
Net assets		<u>319,872</u>	<u>315,253</u>
Capital and reserves			
Allotted, called up and fully paid share capital		308,983	307,634
Profit and loss account		<u>10,889</u>	<u>7,619</u>
Total equity		<u>319,872</u>	<u>315,253</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

Lyvennet Community Pub Limited
(Registration number: IPO31175)
Balance Sheet as at 31 December 2018 (continued)

Approved and authorised by the Board on and signed on its behalf by:

.....
D C Smith
Treasurer

.....
D M Graham
Member

.....
C Smith
Member

Draft

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

Lyvennet Community Pub Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014.

The address of its registered office is:

9-10 Stoneworks Garth
Crosby Ravensworth
PENRITH
CA10 3JE

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

Basis of preparation

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

Revenue recognition

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

The society recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the society's activities.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

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

Asset class

Furniture, fittings and office equipment

Depreciation method and rate

15% reducing balance

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the members. The members use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Cash and cash equivalents

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

Trade debtors

Trade debtors are amounts due from customers for the sale of goods or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the society will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

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

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method where due after more than one year.

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

Share capital

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

3 Staff numbers

The average number of persons employed by the society (including members) during the year, was 6 (2017 - 7).

4 Taxation

Tax charged/(credited) in the profit and loss account

	2018 £	2017 £
Deferred taxation		
Arising from origination and reversal of timing differences	361	95
Arising from changes in tax rates and laws	-	(54)
Total deferred taxation	<u>361</u>	<u>41</u>

Lyvennet Community Pub Limited

**Notes to the Financial Statements for the Year Ended 31 December 2018
(continued)**

5 Tangible assets

	Furniture, fittings and office equipment £	Total £
Cost or valuation		
At 1 January 2018	29,719	29,719
Additions	25,419	25,419
At 31 December 2018	55,138	55,138
Depreciation		
At 1 January 2018	17,364	17,364
Charge for the year	3,713	3,713
At 31 December 2018	21,077	21,077
Carrying amount		
At 31 December 2018	34,061	34,061
At 31 December 2017	12,355	12,355

6 Investment properties

	2018 £
At 1 January	324,556
Additions	2,103
At 31 December	326,659

There has been no valuation of investment property by an independent valuer.

7 Debtors

	2018 £	2017 £
Trade debtors	-	866
Other debtors	150	150
	150	1,016

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Creditors

	2018 £	2017 £
Due within one year		
Taxation and social security	993	1,452
Other creditors	<u>4,157</u>	<u>12,258</u>
	<u>5,150</u>	<u>13,710</u>
Due after one year		
Other creditors	<u>41,188</u>	<u>30,154</u>

Lyvennet Community Pub Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2018

	2018 £	2017 £
Turnover	20,999	30,482
Cost of sales	<u>-</u>	<u>(9,215)</u>
Gross profit	<u>20,999</u>	<u>21,267</u>
Administrative expenses		
Establishment costs	-	(1,045)
General administrative expenses	(7,652)	(7,219)
Finance charges	(386)	(586)
Depreciation costs	<u>(3,713)</u>	<u>(2,154)</u>
	(11,751)	(11,004)
Other operating income	<u>3,432</u>	<u>1,299</u>
Operating profit	<u>12,680</u>	<u>11,562</u>
Profit before tax	<u>12,680</u>	<u>11,562</u>

Lyvennet Community Pub Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2018 (continued)

	2018 £	2017 £
Turnover		
Pub rent and recharges	20,999	14,577
Sale of inventory items	-	6,616
Pub takings	-	9,289
	20,999	30,482
	2018 £	2017 £
Cost of sales		
Purchases	-	9,215
	-	9,215
	2018 £	2017 £
Establishment costs		
Rates	-	271
Light, heat and power	-	774
	-	1,045
	2018 £	2017 £
General administrative expenses		
Repairs and maintenance	4,383	3,680
Telephone and fax	-	146
Printing, postage and stationery	155	119
Sundry expenses	515	639
Insurance	1,294	1,346
Advertising	55	40
Accountancy fees	1,250	1,214
Legal and professional fees	-	35
	7,652	7,219

This page does not form part of the statutory financial statements.

Lyvennet Community Pub Limited

**Detailed Profit and Loss Account for the Year Ended 31 December 2018
(continued)**

	2018	2017
	£	£
Finance charges		
Bank charges	386	586
	386	586
	2018	2017
	£	£
Depreciation costs		
Depreciation	3,713	2,154
	3,713	2,154
	2018	2017
	£	£
Other operating income		
Deferred grants written back	2,451	706
Other income	981	593
	3,432	1,299