

Proud Inns (The Falcon) Ltd

Financial Statements

Year ended 31 May 2017

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Proud Inns (The Falcon) Ltd
Officers and Professional Advisers

The board of directors

B Proud
M Proud

Registered office

Proud Inns (The Falcon) Ltd
4 Duxbury Park
Washington
Tyne & Wear
United Kingdom
NE38 8BJ

Accountants

Elta Partnership Limited

Thursby House
1 Thursby Road
Croft Business Park
Bromborough
Wirral
CH62 3PW

Proud Inns (The Falcon) Ltd

Directors' Report

Year ended 31 May 2017

The directors present their report and the unaudited financial statements of the company for the year ended 31 May 2017.

Principal activities

The principal activity of the company during the year was that of public house.

Directors

The directors who served the company during the year were as follows:

B Proud
M Proud

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 7 December 2018 and signed on behalf of the board by:

B Proud
Director


B Proud (Dec 31, 2018)

Registered office:
Proud Inns (The Falcon) Ltd
4 Duxbury Park
Washington
Tyne & Wear
United Kingdom
NE38 8BJ

Proud Inns (The Falcon) Ltd

Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Proud Inns (The Falcon) Ltd

Year ended 31 May 2017

As described on the statement of financial position, the directors of the company are responsible for the preparation of the financial statements for the year ended 31 May 2017, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes.

You consider that the company is exempt from an audit under the Companies Act 2006.

In accordance with your instructions we have compiled these financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and from information and explanations supplied to us.

ELTA PARTNERSHIP LIMITED

Thursby House
1 Thursby Road
Croft Business Park
Bromborough
Wirral
CH62 3PW

ELTA Partnership Ltd.

Proud Inns (The Falcon) Ltd
Statement of Comprehensive Income
Year ended 31 May 2017

	Note	2017 £	2016 £
Turnover		722,933	646,723
Cost of sales		<u>292,259</u>	<u>278,909</u>
Gross profit		430,674	367,814
Distribution costs		206,291	177,728
Administrative expenses		200,804	179,371
Other operating income		<u>231</u>	<u>92</u>
Operating profit		23,810	10,807
Other interest receivable and similar income		—	7
Interest payable and similar expenses		<u>3,699</u>	<u>1,982</u>
Profit before taxation	4	20,111	8,832
Tax on profit		<u>4,762</u>	<u>1,766</u>
Profit for the financial year and total comprehensive income		<u>15,349</u>	<u>7,066</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 11 to 12 form part of these financial statements.

Proud Inns (The Falcon) Ltd

Statement of Financial Position

31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	59,723	66,953
Current assets			
Stocks		8,651	9,919
Debtors	6	141,727	134,308
Cash at bank and in hand		7,944	23,577
		<u>158,322</u>	<u>167,804</u>
Creditors: amounts falling due within one year	7	<u>128,660</u>	<u>159,540</u>
Net current assets		<u>29,662</u>	<u>8,264</u>
Total assets less current liabilities		<u>89,385</u>	<u>75,217</u>
Creditors: amounts falling due after more than one year	8	60,440	66,383
Provisions			
Taxation including deferred tax		6,528	1,766
Net assets		<u>22,417</u>	<u>7,068</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		22,415	7,066
Shareholders funds		<u>22,417</u>	<u>7,068</u>

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

For the year ending 31 May 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

The statement of financial position
continues on the following page.

The notes on pages 11 to 12 form part of these financial statements.

Proud Inns (The Falcon) Ltd

Statement of Financial Position *(continued)*

31 May 2017

These financial statements were approved by the board of directors and authorised for issue on 7 December 2018, and are signed on behalf of the board by:

B Proud
Director

B Proud
B Proud (Dec 31, 2018)

Company registration number: 09601310

The notes on pages 11 to 12 form part of these financial statements.

Proud Inns (The Falcon) Ltd

Statement of Changes in Equity

Year ended 31 May 2017

	Called up share capital £	Profit and loss account £	Total £
At 1 June 2015	—	—	—
Profit for the year	—	7,066	7,066
Total comprehensive income for the year	—	7,066	7,066
Issue of shares	2	—	2
Total investments by and distributions to owners	2	—	2
At 31 May 2016	2	7,066	7,068
Profit for the year	—	15,349	15,349
Total comprehensive income for the year	—	15,349	15,349
At 31 May 2017	2	22,415	22,417

The notes on pages 11 to 12 form part of these financial statements.

Proud Inns (The Falcon) Ltd

Accounting Policies

Year ended 31 May 2017

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The directors have taken advantage of the exemptions in FRS 102 7.1B from including a cash flow statement on the grounds the company is a small entity.

Advantage has also been taken in respect of financial instruments not being presented.

Revenue recognition

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

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

Income tax

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

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

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

Tangible assets

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

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

Proud Inns (The Falcon) Ltd

Accounting Policies *(continued)*

Year ended 31 May 2017

Depreciation

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

Fixtures and Fittings	- 15% straight line
Equipment	- 15% straight line

Impairment of fixed assets

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

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

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

Stocks

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

Provisions

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

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

Proud Inns (The Falcon) Ltd

Accounting Policies *(continued)*

Year ended 31 May 2017

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Proud Inns (The Falcon) Ltd

Notes to the Financial Statements

Year ended 31 May 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Proud Inns (The Falcon) Ltd, 4 Duxbury Park, Washington, Tyne & Wear, NE38 8BJ, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Employee numbers

The average number of persons employed by the company during the year amounted to 21 (2016: 21).

4. Profit before taxation

Profit before taxation is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	<u>12,067</u>	<u>11,111</u>

5. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 June 2016	68,450	9,614	78,064
Additions	<u>875</u>	<u>3,962</u>	<u>4,837</u>
At 31 May 2017	<u>69,325</u>	<u>13,576</u>	<u>82,901</u>
Depreciation			
At 1 June 2016	10,267	844	11,111
Charge for the year	<u>10,371</u>	<u>1,696</u>	<u>12,067</u>
At 31 May 2017	<u>20,638</u>	<u>2,540</u>	<u>23,178</u>
Carrying amount			
At 31 May 2017	<u>48,687</u>	<u>11,036</u>	<u>59,723</u>
At 31 May 2016	<u>58,183</u>	<u>8,770</u>	<u>66,953</u>

6. Debtors

	2017 £	2016 £
Other debtors	<u>108,269</u>	<u>122,685</u>
	<u>33,458</u>	<u>11,623</u>
	<u>141,727</u>	<u>134,308</u>

Proud Inns (The Falcon) Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 May 2017

7. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	93,843	80,895
Social security and other taxes	30,883	54,329
Other creditors	3,934	24,316
	<u>128,660</u>	<u>159,540</u>

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

	2017	2016
	£	£
Other creditors	<u>60,440</u>	<u>66,383</u>

9. Directors' advances, credits and guarantees

At the balance sheet date the company owed £15,000 (2017: £6,145) by the directors.

10. Related party transactions

The company was under the control of B Proud and M Proud throughout the current year.

Proud Inns (The Falcon) Ltd
Management Information
Year ended 31 May 2017

The following pages do not form part of the financial statements.

Proud Inns (The Falcon) Ltd

Detailed Income Statement

Year ended 31 May 2017

	2017 £	2016 £
Turnover	722,933	646,723
Cost of sales		
Opening stock - Wet	5,599	—
Opening stock - Dry	3,959	—
Wet Purchases	181,080	172,928
Dry Purchases	110,272	115,900
	<u>300,910</u>	<u>288,828</u>
Closing stock - Wet	(4,692)	(5,599)
Closing stock -Dry	(3,959)	(4,320)
	<u>292,259</u>	<u>278,909</u>
Gross profit	430,674	367,814
Overheads		
Distribution costs	206,291	177,728
Administrative expenses	200,804	179,371
	<u>407,095</u>	<u>357,099</u>
Other operating income	231	92
Operating profit	23,810	10,807
Other interest receivable and similar income	—	7
Interest payable and similar expenses	(3,699)	(1,982)
Profit before taxation	<u>20,111</u>	<u>8,832</u>

Proud Inns (The Falcon) Ltd

Notes to the Detailed Income Statement

Year ended 31 May 2017

	2017 £	2016 £
Distribution costs		
Bar Staff Wages	<u>206,291</u>	<u>177,728</u>
Administrative expenses		
Commercial Rent	42,008	37,952
Water Rates	5,203	5,165
General Rates	23,595	23,547
Electricity & Heat	33,589	29,236
General Insurance	4,272	4,013
Repairs and Renewals	32,290	12,271
Small Kitchen Equipment	3,863	12,071
Menu Cards & Napkins	1,986	1,830
Uniforms	97	414
Cleaning	7,793	6,064
Service Charges	—	73
Flowers and Garden Expenses	1,494	128
VAT Penalties	53	—
Promotional Food & Drink	2,192	—
Licenses	430	—
Refuse Collection	814	4,155
Window Cleaning	483	—
Motor expenses	190	2,365
AWP Machine Rental & Duty	4,991	4,441
Telephone and Fax	581	1,080
Books & Newspapers	5	—
Printing Postage and Stationery	1,129	1,913
Sundry expenses	1,422	1,773
Satellite	—	30
Team Expenses	—	61
Beer Gas	1,170	2,498
PRS	133	260
Advertising	1,465	113
Entertainment	11,264	7,941
Stock Taking Fee	2,080	2,285
Accountancy fees	770	2,850
Equipment Depreciation	12,067	11,111
Credit Card Charges	2,532	2,192
Bank Charges and Interest	843	1,539
	<u>200,804</u>	<u>179,371</u>
Other operating income		
Other Income	<u>231</u>	<u>92</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>—</u>	<u>7</u>
Interest payable and similar expenses		
Interest on bank loans and overdrafts	<u>3,699</u>	<u>1,982</u>