

Registration number: 31175R

**Lyvennet Community Pub
Limited**

**Directors' Report and Unaudited
Financial Statements**

31 December 2012

Draft

d@dd&co

Lyvennet Community Pub Limited
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Lyvennet Community Pub Limited
Society Information

Directors D C Smith
D M Graham
C Smith
A S T Holroyd
J Raine
D K Henderson

Registered office Glebe House
Silver Street
Crosby Ravensworth
PENRITH
CA10 3JA

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

Lyvennet Community Pub Limited
Directors' Report for the Year Ended 31 December 2012

The directors present their report and the unaudited financial statements for the year ended 31 December 2012.

Directors of the company

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

D C Smith
D M Graham
C Smith
A S T Holroyd
J Raine
D K Henderson

Principal activity

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

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

.....
D C Smith
Director

**Chartered Accountants' Report to the Committee of Management on the
Preparation of the Unaudited Statutory Accounts of
Lyvennet Community Pub Limited
for the Year Ended 31 December 2012**

In order to assist you to fulfil your duties under the Friendly and Industrial and Provident Societies Act 1968, we have prepared for your approval the accounts of Lyvennet Community Pub Limited for the year ended 31 December 2012 set out on pages 4 to 14 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 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. Our work has been undertaken solely to prepare for your approval the financial statements of Lyvennet Community Pub Limited and state those matters that we have agreed to state to them, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Committee of Management of Lyvennet Community Pub Limited, as a body, for our work or for this report.

It is your duty to ensure that Lyvennet Community Pub Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and surplus 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
Chartered Accountants
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW
Date:.....

Lyvennet Community Pub Limited
Profit and Loss Account for the Year Ended 31 December 2012

	Note	Year ended 31 December 2012 £	(As restated) 10 February 2011 to 31 December 2011 £
Turnover		11,907	3,415
Administrative expenses		(10,033)	(18,504)
Other operating income		5,344	14,054
Operating profit/(loss)	2	7,218	(1,035)
Interest payable and similar charges		(851)	(1,089)
Profit/(loss) on ordinary activities before taxation		6,367	(2,124)
Tax on profit/(loss) on ordinary activities	3	(1,352)	568
Profit/(loss) for the financial year	11	5,015	(1,556)
Profit and loss reserve brought forward		(1,556)	-
Profit and loss reserve carried forward		3,459	(1,556)

Turnover and operating profit derive wholly from continuing operations.

The notes on pages 8 to 14 form an integral part of these financial statements.

Lyvennet Community Pub Limited
Statement of Total Recognised Gains and Losses for the Year Ended 31
December 2012

	Note	Year ended 31 December 2012 £	(As restated) 10 February 2011 to 31 December 2011 £
Profit/(loss) for the financial year		5,015	(1,556)
Prior period adjustment		3,461	-
Total recognised gains and losses since last annual report		<u>8,476</u>	<u>(1,556)</u>

Lyvennet Community Pub Limited
(Registration number: 31175R)
Balance Sheet at 31 December 2012

	Note	31 December 2012 £	(As restated) 31 December 2011 £
Fixed assets			
Tangible fixed assets	4	340,359	342,589
Current assets			
Debtors	5	-	654
Cash at bank and in hand		17,560	15,333
		17,560	15,987
Creditors: Amounts falling due within one year	6	(19,991)	(23,006)
Net current liabilities		(2,431)	(7,019)
Total assets less current liabilities		337,928	335,570
Creditors: Amounts falling due after more than one year	7	(33,685)	(37,126)
Provisions for liabilities	9	(784)	-
Net assets		303,459	298,444
Capital and reserves			
Called up share capital	10	300,000	300,000
Profit and loss account	11	3,459	(1,556)
Shareholders' funds		303,459	298,444

The notes on pages 8 to 14 form an integral part of these financial statements.

Lyvennet Community Pub Limited
(Registration number: 31175R)
Balance Sheet at 31 December 2012

..... *continued*

These accounts have been prepared in accordance with the Friendly and Industrial and Provident Society Act 1968, the Industrial and Provident Society Acts 1965 to 1978 and the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

The society was entitled to exemption from audit under the Friendly and Industrial and Provident Societies Act 1968 (Audit Exemption) (Amendment) Order 2006 and the members have not required the society to obtain an audit.

The directors acknowledge their responsibilities for complying with the requirements of the Industrial and Provident Society Acts with respect to accounting records and the preparation of accounts.

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

.....
D C Smith
Director

.....
D M Graham
Director

.....
C Smith
Director

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The society has net current liabilities at 31 December 2012 and meets its day to day working capital requirements through the use of a short term loan. On the basis of this support, the directors consider it appropriate to prepare the financial statements on the going concern basis.

However, should the society not have this loan facility, and therefore be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Other grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Fixed assets

Fixed assets are recognised at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	15 % reducing balance basis

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

Investment properties

Certain of the company's properties are held for long-term investment. Investment properties are accounted for in accordance with the FRSSE, as follows:

No depreciation is provided in respect of investment properties and they are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This treatment as regards the company's investment properties may be a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	Year ended 31 December 2012 £	(As restated) 10 February 2011 to 31 December 2011 £
Depreciation of tangible fixed assets	2,730	1,056

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

3 Taxation

Tax on profit/(loss) on ordinary activities

	Year ended 31 December 2012 £	10 February 2011 to 31 December 2011 £
Deferred tax		
Origination and reversal of timing differences	1,352	(568)
	1,352	(568)

4 Tangible fixed assets

	Investment properties £	Fixtures and fittings £	Total £
Cost			
At 1 January 2012	324,556	19,089	343,645
Additions	-	500	500
At 31 December 2012	324,556	19,589	344,145
Depreciation			
At 1 January 2012	-	1,056	1,056
Charge for the year	-	2,730	2,730
At 31 December 2012	-	3,786	3,786
Net book value			
At 31 December 2012	324,556	15,803	340,359
At 31 December 2011	324,556	18,033	342,589

Investment property

The committee have reviewed the treatment of the property in the accounts and have found it more appropriate to classify it as an investment property.

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

5 Debtors

	31 December 2012 £	31 December 2011 £
Trade debtors	-	83
Other debtors	-	3
Deferred tax	-	568
	-	654
	-	654

6 Creditors: Amounts falling due within one year

	31 December 2012 £	31 December 2011 £
Bank loans and overdrafts	2,734	20,000
Other taxes and social security	151	-
Other creditors	15,000	-
Accruals and deferred income	2,106	3,006
	19,991	23,006
	19,991	23,006

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	31 December 2012 £	31 December 2011 £
Bank loans and overdrafts	-	15,000
	-	15,000

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

7 Creditors: Amounts falling due after more than one year

	31 December 2012 £	31 December 2011 £
Bank loans and overdrafts	-	2,734
Accruals and deferred income	33,685	34,392
	<u>33,685</u>	<u>37,126</u>

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

8 Capital grants

	31 December 2012 £	31 December 2011 £
Balance as at year start	35,098	-
Grants received	-	35,313
Grants released	(706)	(215)
Balance as at year end	<u>34,392</u>	<u>35,098</u>

Capital grants balance carried forward is included in accruals and deferred income falling due within one year and after more than one year.

9 Provisions

	Deferred tax £	Total £
At 1 January 2012	(568)	(568)
Charged to the profit and loss account	<u>1,352</u>	<u>1,352</u>
At 31 December 2012	<u>784</u>	<u>784</u>

Analysis of deferred tax

	31 December 2012 £	31 December 2011 £
Difference between accumulated depreciation and amortisation and capital allowances	11,368	12,342
Tax losses available	<u>(10,584)</u>	<u>(12,910)</u>
	<u>784</u>	<u>(568)</u>

Lyvennet Community Pub Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

10 Share capital

Allotted, called up and fully paid shares

	31 December 2012		31 December 2011	
	No.	£	No.	£
Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

Members were invited to purchase shares in the company in order to raise funds for the purchase of the freehold of the community pub.

Members can withdraw shares upon giving three month notice to the society, however they may not be withdrawn in the first 12 months of ownership.

11 Reserves

	Profit and loss account £	Total £
At 1 January 2012	(5,017)	(5,017)
Prior year adjustment	<u>3,461</u>	<u>3,461</u>
At 1 January 2012 as restated	(1,556)	(1,556)
Profit for the year	<u>5,015</u>	<u>5,015</u>
At 31 December 2012	<u><u>3,459</u></u>	<u><u>3,459</u></u>

12 Prior period adjustments

The prior period adjustment relates to the reclassification of a freehold property as an investment property. Depreciation previously charged of £3,461 has been written back to the profit and loss reserve.

13 Control

Day-to-day running of the society is managed by the directors, however the ultimate control of the society lies with the members.

Lyvennet Community Pub Limited
Detailed Profit and Loss Account for the Year Ended 31 December 2012

	Year ended 31 December 2012		(As restated) 10 February 2011 to 31 December 2011	
	£	£	£	£
Turnover		11,907		3,415
Administrative expenses				
Establishment costs	-		123	
General administrative expenses	7,292		17,015	
Finance charges	11		310	
Depreciation costs	2,730		1,056	
		(10,033)		(18,504)
Other operating income		5,344		14,054
Interest payable and similar charges		(851)		(1,089)
Profit/(loss) on ordinary activities before taxation		<u>6,367</u>		<u>(2,124)</u>

Lyvennet Community Pub Limited
Detailed Profit and Loss Account for the Year Ended 31 December 2012

	31 December 2012 £	(As restated) 31 December 2011 £
Turnover		
Pub rent and recharges	11,907	3,415
	<u>11,907</u>	<u>3,415</u>
Establishment costs		
Light, heat and power	-	123
	<u>-</u>	<u>123</u>
General administrative expenses		
Telephone and fax	-	89
Printing, postage and stationery	273	1,576
Sundry expenses	378	1,815
Insurance	1,337	1,274
Accountancy fees	2,050	2,300
Legal and professional fees	1,910	5,284
Advertising	40	459
Repairs and maintenance	1,304	4,218
	<u>7,292</u>	<u>17,015</u>
Finance charges		
Bank charges	11	310
	<u>11</u>	<u>310</u>
Depreciation costs		
Depreciation	2,730	1,056
	<u>2,730</u>	<u>1,056</u>
Other operating income		
Grants and subsidies receivable	2,587	11,316
Other income	2,757	2,738
	<u>5,344</u>	<u>14,054</u>
Interest payable and similar charges		
Bank loan interest payable	851	1,089
	<u>851</u>	<u>1,089</u>