

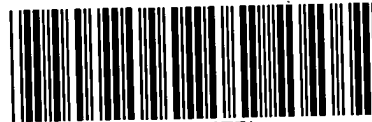
# Financial Statements

## 333 Estates Limited

For the year ended 30 June 2017

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COMPANIES HOUSE

Registered number: 03205737

**333 Estates Limited**

## Company Information

<b>Directors</b>	P Dyson A Langlands Pearse
<b>Company secretary</b>	P Dyson
<b>Registered number</b>	03205737
<b>Registered office</b>	Studios C & D 209 St. John's Hill London SW11 1TH
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 30 Finsbury Square London EC2P 2YU

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## Directors' report

For the year ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

### Principal activity

The company is principally engaged in the operation and development of pubs.

### Results and dividends

The loss for the year, after taxation, amounted to £129,455 (2016 - loss £73,852).

The directors do not recommend the payment of a dividend for the year (2016: £nil).

### Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued support of the ultimate parent company Cirrus Inns Holdings Limited. The directors have received confirmation that Cirrus Inns Holdings Limited intend to support the company for at least one year after these financial statements are signed.

### Future developments

The future of the business continues to be operating the leasehold public house, The Admiral Codrington in South Kensington, London.

### Directors

The directors who served during the year were:

P Dyson

A Langlands Pearse

## Directors' report (continued)

For the year ended 30 June 2017

### Directors' responsibilities statement

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 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Employee involvement

333 Estates Limited values the contribution of its employees at all levels, encourages, and facilitates all employees to have meaningful learning and development plans with appropriate development opportunities identified at all levels to help reinforce this focus on employee engagement. The company provides regular and up-to-date information about its products, services and operations to employees in a variety of ways. Regular meetings are held with employees to consult, explain and discuss matters affecting employee's interests.

### Employment of disabled persons

All applicants for employment, transfer and promotion of disabled persons and employees who become disabled are viewed on the same term as other employees. Reasonable adjustments are considered and appropriate training or retraining is provided as necessary.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Post balance sheet events

There have been no significant events affecting the Company since the year end.

## Directors' report (continued)

For the year ended 30 June 2017

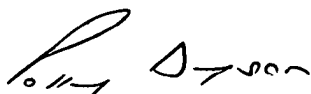
### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 19 March 2018 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'P Dyson', is written above the printed name.

**P Dyson**  
Director

## Independent auditor's report to the members of 333 Estates Limited

### Opinion

We have audited the financial statements of 333 Estates Limited for the year ended 30 June 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the 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 Company's affairs as at 30 June 2017 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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.

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.

### 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 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.

## Independent auditor's report to the members of 333 Estates Limited (continued)

### **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 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.

### **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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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.





## Independent auditor's report to the members of 333 Estates Limited (continued)

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 2, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

*Grant Thornton UK LLP*

Gary Jones (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Senior Statutory Auditor  
London Finsbury

19 March 2018

## Statement of comprehensive income

For the year ended 30 June 2017

	Note	2017 £	2016 £
Turnover	4	1,353,983	1,379,172
Cost of sales		(393,489)	(377,983)
<b>Gross profit</b>		<b>960,494</b>	<b>1,001,189</b>
Administrative expenses		(1,017,336)	(1,018,901)
<b>Operating loss</b>	5	<b>(56,842)</b>	<b>(17,712)</b>
Interest payable and expenses	8	(87,029)	(67,945)
<b>Loss before tax</b>		<b>(143,871)</b>	<b>(85,657)</b>
Tax on loss	9	14,416	11,805
<b>Loss for the financial year</b>		<b>(129,455)</b>	<b>(73,852)</b>

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 10 to 21 form part of these financial statements.

## Statement of financial position

As at 30 June 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	10	432,118	423,868
		<u>432,118</u>	<u>423,868</u>
<b>Current assets</b>			
Stocks	11	17,285	21,420
Debtors: amounts falling due within one year	12	108,107	114,525
Cash at bank and in hand	13	67,674	86,160
		<u>193,066</u>	<u>222,105</u>
Creditors: amounts falling due within one year	14	(1,373,391)	(1,264,725)
<b>Net current liabilities</b>		<u>(1,180,325)</u>	<u>(1,042,620)</u>
<b>Total assets less current liabilities</b>		<u>(748,207)</u>	<u>(618,752)</u>
<b>Net liabilities</b>		<u>(748,207)</u>	<u>(618,752)</u>
<b>Capital and reserves</b>			
Called up share capital	16	100,000	100,000
Profit and loss account	17	(848,207)	(718,752)
<b>Shareholders' deficit</b>		<u>(748,207)</u>	<u>(618,752)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



P Dyson

Director

Date: 19 March 2018

The notes on pages 10 to 21 form part of these financial statements.

## Statement of changes in equity

For the year ended 30 June 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2016	100,000	(718,752)	(618,752)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(129,455)	(129,455)
<b>Total comprehensive income for the year</b>	-	(129,455)	(129,455)
<b>Total transactions with owners</b>	-	-	-
<b>At 30 June 2017</b>	<b>100,000</b>	<b>(848,207)</b>	<b>(748,207)</b>

## Statement of changes in equity

For the year ended 30 June 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	100,000	(644,900)	(544,900)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(73,852)	(73,852)
<b>Total comprehensive income for the year</b>	-	(73,852)	(73,852)
<b>Total transactions with owners</b>	-	-	-
<b>At 30 June 2016</b>	<b>100,000</b>	<b>(718,752)</b>	<b>(618,752)</b>

The notes on pages 10 to 21 form part of these financial statements.

# Notes to the financial statements

For the year ended 30 June 2017

## 1. General information

Cirrus Inns Limited is a private limited company, limited by shares incorporated in England. The registered office is Studios C & D, 209 St. John's Hill, London, SW11 1TH.

## 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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cirrus Inns Holdings Limited as at 30 June 2017 and these financial statements may be obtained from Companies House.

## Notes to the financial statements

For the year ended 30 June 2017

### 2. Accounting policies (continued)

#### 2.3 Going concern

The company has received an undertaking of financial support from its ultimate parent company, Cirrus Inns Holdings Limited, sufficient to enable it to trade for the foreseeable future being at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on the financial support and expected future profitability, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the directors also consider that there can be no certainty in relation to these matters, which may cast significant doubt on the company's ability to continue as a going concern.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amount and to provide for any additional liabilities that may arise.

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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.

#### 2.5 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.

## Notes to the financial statements

For the year ended 30 June 2017

### 2. Accounting policies (continued)

#### 2.5 Tangible fixed assets (continued)

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:

Short-term leasehold property	- over the period of the lease
Fixtures and fittings	- 10%-25% straight line basis

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 the Statement of Comprehensive Income.

#### 2.6 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 reporting 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.

#### 2.7 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.

#### 2.8 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.

## Notes to the financial statements

For the year ended 30 June 2017

### 2. Accounting policies (continued)

#### 2.9 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of comprehensive income.

#### 2.10 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.

#### 2.11 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

#### 2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.



## Notes to the financial statements

For the year ended 30 June 2017

### 2. Accounting policies (continued)

#### 2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

#### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Notes to the financial statements

For the year ended 30 June 2017

## 2. Accounting policies (continued)

### 2.15 Impairment of assets

The carrying values of property and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net realisable value and its value in use.

Net realisable value is assessed with reference to the current market value of the pub. Value in use is assessed by reference to the estimated future cash flows, which are discounted to present value using an appropriate pre tax discount rate. Impairment losses are recognised in the profit and loss account.

For property assets, impairment is assessed on the basis of the individual pub. The fair value of the asset is assumed to be the market value of the property.

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

The following are the key judgements that management have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

### (a) Estimated impairment of property and equipment

The company is required to review property and equipment for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations or the fair value (market value), which are prepared on the basis of management's assumptions and estimates.

### (b) Taxation

Tax benefits are not recognised unless it is probable that they will be obtained. Tax provisions are made if it is probable that a liability will arise. The company reviews each significant tax liability or benefit to assess the appropriate accounting treatment.

## 4. Turnover

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	<u>1,353,983</u>	<u>1,379,172</u>

## Notes to the financial statements

For the year ended 30 June 2017

**5. Operating loss**

The operating loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	47,100	77,749
Operating lease rentals - plant and machinery	4,568	3,529
Operating lease rentals - land and buildings	162,000	158,077

During the year, no director received any emoluments (2016 - £NIL).

**6. Auditor's remuneration**

	2017	2016
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	-	5,600
Fees payable to the Company's auditor for all other services	-	2,500

**7. Employees**

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	337,133	339,767
Social security costs	32,826	34,678

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

	2017	2016
	No.	No.
Pub Staff	17	19

**8. Interest payable and similar charges**

	2017	2016
	£	£
Interest payable on intercompany balances	87,029	67,945

## Notes to the financial statements

For the year ended 30 June 2017

## 9. Taxation

	2017 £	2016 £
Group taxation relief	(18,718)	-
<b>Total current tax</b>	<b>(18,718)</b>	<b>-</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	4,063	(12,283)
Effect of increased tax rate on opening liability	239	478
<b>Total deferred tax</b>	<b>4,302</b>	<b>(11,805)</b>
<b>Taxation on loss on ordinary activities</b>	<b>(14,416)</b>	<b>(11,805)</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.75% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	(143,871)	(85,657)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	(28,416)	(17,131)
<b>Effects of:</b>		
Fixed assets differences	5,520	4,848
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	395	-
Capital allowances for year in excess of depreciation	-	10,701
Group relief	18,718	-
Receipt for group relief	(18,718)	-
Adjust closing deferred tax to average rate	1,184	-
Adjust opening deferred tax to average rate	(418)	-
Deferred tax not recognised	7,319	-
Other fixed asset differences, adjustments and movements	-	(664)
Unrelieved tax losses carried forward	-	2,246
Deferred taxation	-	(11,805)
<b>Total tax credit for the year</b>	<b>(14,416)</b>	<b>(11,805)</b>

## Notes to the financial statements

For the year ended 30 June 2017

**10. Tangible fixed assets**

	Short-term leasehold property £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 July 2016	673,448	278,649	952,097
Additions	27,522	27,828	55,350
At 30 June 2017	<u>700,970</u>	<u>306,477</u>	<u>1,007,447</u>
<b>Depreciation</b>			
At 1 July 2016	294,905	233,324	528,229
Charge for the period on owned assets	20,185	26,915	47,100
At 30 June 2017	<u>315,090</u>	<u>260,239</u>	<u>575,329</u>
<b>Net book value</b>			
At 30 June 2017	<u>385,880</u>	<u>46,238</u>	<u>432,118</u>
At 30 June 2016	<u>378,543</u>	<u>45,325</u>	<u>423,868</u>

**11. Stocks**

	2017 £	2016 £
Finished goods and goods for resale	<u>17,285</u>	<u>21,420</u>

**12. Debtors**

	2017 £	2016 £
Trade debtors	-	19,038
Other debtors	108,107	91,185
Deferred taxation	-	4,302
	<u>108,107</u>	<u>114,525</u>

## Notes to the financial statements

For the year ended 30 June 2017

**13. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	<u>67,674</u>	<u>86,160</u>

**14. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	145,193	139,323
Amounts owed to group undertakings	1,176,923	1,035,899
Other taxation and social security	26,088	51,092
Other creditors	25,187	38,411
	<u>1,373,391</u>	<u>1,264,725</u>

All amounts owed to group undertakings are repayable on demand. Trading balances are unsecured and interest free. Balances used for financing purposes, including balances owed to the ultimate controlling party, Cirrus Inns Holdings Limited, are charged an interest rate of 10% per annum.

**15. Deferred taxation**

	2017 £	2016 £
At beginning of year	4,302	(7,503)
Charged to profit or loss	<u>(4,302)</u>	<u>11,805</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	<u>-</u>	<u>4,302</u>

# Notes to the financial statements

For the year ended 30 June 2017

## 16. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
75,000 Ordinary Longshot shares of £1 each	75,000	75,000
25,000 Ordinary Non-Longshot shares of £1 each	25,000	25,000
	<u>100,000</u>	<u>100,000</u>

The Ordinary Longshot and Ordinary Non-Longshot shares of £1 each both have attached to them full voting, dividend and capital distribution (including winding up) rights. They do not confer any rights of redemption.

## 17. Reserves

### Profit and loss account

Includes all current and prior period retained profits and losses.

## 18. Commitments under operating leases

At 30 June 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	162,000	162,641
Later than 1 year and not later than 5 years	648,000	648,000
Later than 5 years	<u>796,685</u>	<u>958,500</u>

## 19. Related party transactions

The company has taken advantage of the exemptions to 100% owned subsidiaries under FRS 102 Section 33 (previously FRS 8) not to disclose transactions with other wholly owned companies within the group.

## Notes to the financial statements

For the year ended 30 June 2017

### **20. Controlling party**

The immediate parent undertaking is Farm Street Inns Limited.

The company's ultimate parent undertaking is Cirrus Inns Holdings Limited, a company registered in England and Wales (company registration number: 07680490). The consolidated financial statements of Cirrus Inns Holdings Limited can be obtained from Companies House.

The controlling party is Charlene Carvalho.