

Company registration number 05337316 (England and Wales)

LANCASTER BREWERY COMPANY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023
PAGES FOR FILING WITH REGISTRAR

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LANCASTER BREWERY COMPANY LIMITED

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LANCASTER BREWERY COMPANY LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF LANCASTER BREWERY COMPANY LIMITED FOR THE YEAR ENDED 31 JANUARY 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Lancaster Brewery Company Limited for the year ended 31 January 2023 which comprise, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

This report is made solely to the board of directors of Lancaster Brewery Company Limited, as a body, in accordance with the terms of our engagement letter dated 24 June 2021. Our work has been undertaken solely to prepare for your approval the financial statements of Lancaster Brewery Company Limited and state those matters that we have agreed to state to the board of directors of Lancaster Brewery Company Limited, as a body, 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 Lancaster Brewery Company Limited and its board of directors as a body, for our work or for this report.

It is your duty to ensure that Lancaster Brewery Company Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Lancaster Brewery Company Limited. You consider that Lancaster Brewery Company 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 financial statements of Lancaster Brewery Company 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 financial statements.

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30 Oct 23

Fleet House
New Road
Lancaster
United Kingdom
LA1 1EZ

LANCASTER BREWERY COMPANY LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	3		207,175		247,975
Current assets					
Stocks		166,313		137,861	
Debtors	4	1,667,292		1,570,123	
Cash at bank and in hand		8,035		116,008	
		<u>1,841,640</u>		<u>1,823,992</u>	
Creditors: amounts falling due within one year	5	<u>(2,018,856)</u>		<u>(2,131,806)</u>	
Net current liabilities			<u>(177,216)</u>		<u>(307,814)</u>
Total assets less current liabilities			29,959		(59,839)
Provisions for liabilities	6		<u>(46,039)</u>		<u>(55,385)</u>
Net liabilities			<u>(16,080)</u>		<u>(115,224)</u>
Capital and reserves					
Called up share capital	7		200		200
Share premium account			29,996		29,996
Profit and loss reserves			<u>(46,276)</u>		<u>(145,420)</u>
Total equity			<u>(16,080)</u>		<u>(115,224)</u>

The directors of the company have elected not to include a copy of the profit and loss account and directors' report within the financial statements.

For the financial year ended 31 January 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

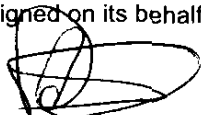
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

LANCASTER BREWERY COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2023

The financial statements were approved by the board of directors and authorised for issue on 25.10.23 and are signed on its behalf by:



Mr P A Simpson
Director

Company Registration No. 05337316

LANCASTER BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

Company information

Lancaster Brewery Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lancaster Leisure Park, Wyresdale Road, Lancaster, Lancashire, United Kingdom, LA1 3LA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements and notwithstanding the net liabilities of £16,080, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

LANCASTER BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

Depreciation is recognised on a usage basis so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Equipment	10% - 25% straight line
Fixtures and fittings	25% straight line
Computer equipment	33% straight line
Motor vehicles	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LANCASTER BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

LANCASTER BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Finance costs

Finance costs are charged to the Profit and loss account 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.

LANCASTER BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	28	27

3 Tangible fixed assets

	Equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 February 2022	471,164	69,973	35,410	69,026	645,573
Additions	10,431	5,176	431	10,000	26,038
At 31 January 2023	481,595	75,149	35,841	79,026	671,611
Depreciation and impairment					
At 1 February 2022	275,726	55,824	26,310	39,738	397,598
Depreciation charged in the year	43,302	5,244	3,542	14,750	66,838
At 31 January 2023	319,028	61,068	29,852	54,488	464,436
Carrying amount					
At 31 January 2023	162,567	14,081	5,989	24,538	207,175
At 31 January 2022	195,438	14,149	9,100	29,288	247,975

4 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	175,824	161,683
Amounts owed by group undertakings	1,472,541	1,396,514
Other debtors	3,079	4,396
Prepayments and accrued income	15,848	7,530
	1,667,292	1,570,123

LANCASTER BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

5 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	51,107	
Trade creditors	145,470	154,229
Amounts owed to group undertakings	1,453,223	1,539,652
Corporation tax	19,595	34,690
Other taxation and social security	159,230	247,934
Other creditors	56,189	59,514
Accruals and deferred income	134,042	95,787
	<u>2,018,856</u>	<u>2,131,806</u>

6 Provisions for liabilities

	2023 £	2022 £
Deferred tax liabilities	<u>46,039</u>	<u>55,385</u>

7 Called up share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary 'A' shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

8 Financial commitments, guarantees and contingent liabilities

Bank loans and overdrafts in C2 Investment Limited are secured by an unlimited inter-company composite guarantee between Lancaster Brewery Holdings Limited, C2 Investment Limited, Lancaster Brewery Company Limited, Lancaster Brewery Inns Limited, Barrow Pub Company Limited and Lancaster Distillery & Spirits Company Ltd, and a debenture including a fixed and floating charge over all the current and future assets of the company. At the year end the potential liability under this guarantee amounted to £2,091,464 (2022: £2,330,488).

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2023 £	2022 £
	<u>385,667</u>	<u>431,082</u>

LANCASTER BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

10 Related party transactions

Transactions with related parties

During the year the company was invoiced management charges of £48,752 (2022: £40,533) and equipment rental charges of £8,511 (2022: £12,911) from C2 Investment Limited.

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	1,453,223	1,539,652

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts due from related parties		
Other related parties	1,427,541	1,396,514

11 Parent company

The ultimate parent company is Lancaster Brewery Holdings Limited.

The smallest and largest group for which consolidated financial statements are prepared, which include the results of this company, is that headed by Lancaster Brewery Holdings Limited, whose registered office is Lancaster Brewery, Lancaster Leisure Park, Wyresdale Road, Lancaster, Lancashire, LA1 3LA.