

**COMPANY REGISTRATION NUMBER: 09359735**

**THE PIONEER (CITY) PUB COMPANY LIMITED**  
**FILLETED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**28 MARCH 2021**



**THE PIONEER (CITY) PUB COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**PERIOD FROM 30 MARCH 2020 TO 28 MARCH 2021**

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**THE PIONEER (CITY) PUB COMPANY LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

Mr A Bruce  
Mr J Watson  
Mr P McDonald  
Mr R Prickett

**Registered office**

1st Floor  
2 Wardrobe Place  
London  
United Kingdom  
EC4V 5AH

**Auditor**

BSG Valentine (UK) LLP  
Chartered Accountants & Statutory Auditor  
Lynton House  
7 - 12 Tavistock Square  
London  
WC1H 9BQ

**THE PIONEER (CITY) PUB COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**28 MARCH 2021**

	Note	28 Mar 21 £	£	29 Mar 20 £	£
<b>FIXED ASSETS</b>					
Tangible assets	6		2,491,650		2,722,904
<b>CURRENT ASSETS</b>					
Stocks		41,841		73,293	
Debtors	7	248,635		561,111	
Cash at bank and in hand		1,276,390		94,275	
		<u>1,566,866</u>		<u>728,679</u>	
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(742,972)</u>		<u>(594,289)</u>	
<b>NET CURRENT ASSETS</b>			<u>823,894</u>		<u>134,390</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,315,544		2,857,294
<b>CREDITORS: amounts falling due after more than one year</b>	9		<u>(1,337,421)</u>		<u>(1,459,135)</u>
<b>NET ASSETS</b>			<u>1,978,123</u>		<u>1,398,159</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			72,948		48,084
Share premium account			5,420,833		4,582,647
Profit and loss account			<u>(3,515,658)</u>		<u>(3,232,572)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,978,123</u>		<u>1,398,159</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

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.

These financial statements were approved by the board of directors and authorised for issue on ..22<sup>nd</sup> December 2021, and are signed on behalf of the board by:



Mr J Watson  
Director

Company registration number: 09359735

**The notes on pages 3 to 11 form part of these financial statements.**

# **THE PIONEER (CITY) PUB COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **PERIOD FROM 30 MARCH 2020 TO 28 MARCH 2021**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1st Floor, 2 Wardrobe Place, London, EC4V 5AH, 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. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

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

The financial period represents the 52 weeks to 28 March 2021 (prior period 52 weeks ended 29 March 2020).

##### **Going concern**

The company made an operating loss for the period to 28 March 2021, and as at the period end has accumulated losses of £3,515,658 (2020: £3,232,572) as the balance of its profit and loss account.

Since the declaration of the Covid-19 pandemic during March 2020, the activities of the company have been severely disrupted by government mandated lockdowns and social distancing restrictions. For approximately five months during the year ended March 2021, hospitality businesses, including public houses were unable to trade. In addition, when trading was permitted, the industry was impacted by social distancing restrictions limiting patrons, and the fall in the footfall in town and city centres. During the year, the directors have taken steps to manage cash flow by renegotiating supplier deals, negotiating rent reductions, offering suppliers discounted settlements, reducing wages, and the use of the Coronavirus Job Retention Scheme. The company has also benefited from the VAT reduction to 5% on soft drinks and food, VAT deferral, business rates waiver, local government grants and the Eat Out To Help Out scheme.

At the period end the company has net current assets of £823,894 (2020: £134,390) and has total shareholders' funds of £1,978,123 (2020: £1,398,159). Furthermore, the company has significant freehold and long leasehold assets which can either be realised or used to raise finance if required.

The company continues to have the support of its investors and has successfully issued shares during the period, recognising an increase in share capital and a net share premium totalling £863,050. As a result of this demonstrable continued support of investors, the directors believe the company would be able to raise further funding if required.

**THE PIONEER (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 30 MARCH 2020 TO 28 MARCH 2021**

**3. Accounting policies** *(continued)*

The outlook for the medium term continues to be uncertain with a number of potential headwinds for the industry. These headwinds being: the potential for further lockdowns and or social distancing, changes to public behaviours and working patterns, and the impact of any wider economic downturn. At the time of writing the government has introduced measures, which whilst not directly affecting the industry, could see a fall in demand due to reduced footfall.

The directors have prepared a cashflow forecast to 31 December 2022, and a trading forecast for the year to 31 March 2023, both incorporating the anticipated impact of Covid-19. The cashflow forecast shows the company having sufficient cash to meet its obligations as they fall due. The forecast assumes that the company will be able to continue to trade throughout the forecast period. Forecasting in the current climate is inherently uncertain, however headroom is expected to be comfortable throughout. Due to the impact as yet being unknown and not possible to quantify, the directors have not prepared revised forecasts incorporating the impact of the recently emerged Omicron variant and 'Plan B' being instigated in England. At the time of writing, the company has significant funds at its disposal, which are considered by the directors to provide more than sufficient headroom, should there be disruption to trading.

The directors are satisfied that the company has adequate resources to enable it to meet its liabilities as they fall due for the foreseeable future. Despite the emergence of the Omicron variant, this assessment is unchanged. Due to the reasons mentioned above, the directors consider that the company has sufficient resources to weather any additional disruption to its trade.

Accordingly, the directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**THE PIONEER (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 30 MARCH 2020 TO 28 MARCH 2021**

**3. Accounting policies** *(continued)*

**Judgements and key sources of estimation uncertainty** *(continued)*

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Going concern - as detailed in the accounting policy above, the directors judge that the company is a going concern;
- Impairment review of fixed assets - the directors have performed an impairment review on the company's assets, treating each pub site along with any related goodwill as an income generating unit. In performing this impairment review the directors have estimated the value of each site by applying a profit multiple to their estimate of the sustainable profit of the site once trade resumes (the company's public houses, as mandated at the time, were closed at the reporting date, reopening May 2021). Where the estimated value of the site is less than the carrying value, an impairment has been recognised. Impairments are allocated firstly to any goodwill allocated to the income generating unit, and then to the other assets of the income generating unit. The directors have made judgements in both the selection of the profit multiple to be applied and in estimating the sustainable profit. The assessment of sustainable profit includes a number of judgements regarding the resumption of trade, including the wider macro-economic environment, future trading restrictions, and consumer behaviours, all of which are uncertain. Ultimately, the directors judge that, having seen consumers return post year end, the carrying value of the company's assets will be recovered;
- Rent concessions - the directors judge that rent concessions granted to the company during the year are intended to compensate the company for Covid-19 disruption during the period. They also judge that these concessions meet the criteria detailed in the accounting policy below, allowing recognition of the concessions over the period for which they are intended to compensate the company; and
- Depreciation of land - the land forming part of the company's trading sites is depreciated along with the buildings upon it. This is on the basis that the directors judge this approach to be normal industry practice.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

- Tangible fixed assets - tangible fixed assets are initially recorded at cost and are then depreciated over their estimated useful economic lives, as detailed in the below accounting policy;
- Deferred tax - deferred tax assets are recognised based upon the estimated timing and level of future taxable profits. Where there are uncertainties over the timing and availability of future taxable profits, no asset is recognised, and should the availability of future taxable profits become more certain, then an asset may be recognised; and
- Accruals - accruals have been calculated by management based upon their estimate of expenses incurred by the company up to the period end, which have not been invoiced or paid. Their estimate is based upon past billing history and estimated usage over the period.

**THE PIONEER (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 30 MARCH 2020 TO 28 MARCH 2021**

**3. Accounting policies** *(continued)*

**Revenue recognition**

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

Turnover is primarily derived from pub operations, including food and beverage sales and the hosting of private function events. Turnover in relation to food and beverage sales is recognised at the point of sale, turnover in relation to private function events is recognised when the event is held.

**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.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Temporary rent concessions received as a direct consequence of the Covid-19 pandemic, that meet the following conditions, are recognised on a systematic basis over the periods that the change in lease payments is intended to compensate. Conditions:

- the change in lease payments results in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no significant change to other terms and conditions of the lease.

**Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.



**THE PIONEER (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 30 MARCH 2020 TO 28 MARCH 2021**

**3. Accounting policies** *(continued)*

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	Over 8 years
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

**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.

**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:

Freehold property	-	2% straight line
Long leasehold property	-	2% straight line
Short leasehold property	-	Over the lease term
Fixtures and fittings	-	12% straight line
Equipment	-	50% 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.

**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.

**THE PIONEER (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 30 MARCH 2020 TO 28 MARCH 2021**

**3. Accounting policies** *(continued)*

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Government grants are recognised in the income statement as other operating income.

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

**Loans and borrowings**

Borrowings are initially recorded at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method.

**Exceptional items**

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

**4. Employee numbers**

The average number of persons employed by the company during the period amounted to 57 (2020: 81).

**THE PIONEER (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 30 MARCH 2020 TO 28 MARCH 2021**

**5. Intangible assets**

	Goodwill £
<b>Cost</b>	
At 30 March 2020 and 28 March 2021	<u>100,000</u>
<b>Amortisation</b>	
At 30 March 2020 and 28 March 2021	<u>100,000</u>
<b>Carrying amount</b>	
At 28 March 2021	<u>—</u>
At 29 March 2020	<u>—</u>

**6. Tangible assets**

	Freehold property £	Long leasehold property £	Short leasehold property £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>						
At 30 Mar 2020	782,862	1,561,692	463,583	3,390,939	42,541	6,241,617
Additions	—	500	6,230	82,713	—	89,443
Disposals	(3,000)	—	—	—	—	(3,000)
<b>At 28 Mar 2021</b>	<u>779,862</u>	<u>1,562,192</u>	<u>469,813</u>	<u>3,473,652</u>	<u>42,541</u>	<u>6,328,060</u>
<b>Depreciation</b>						
At 30 Mar 2020	263,216	588,121	227,640	2,397,195	42,541	3,518,713
Charge for the period	11,692	21,798	10,086	274,121	—	317,697
<b>At 28 Mar 2021</b>	<u>274,908</u>	<u>609,919</u>	<u>237,726</u>	<u>2,671,316</u>	<u>42,541</u>	<u>3,836,410</u>
<b>Carrying amount</b>						
At 28 Mar 2021	<u>504,954</u>	<u>952,273</u>	<u>232,087</u>	<u>802,336</u>	<u>—</u>	<u>2,491,650</u>
At 29 Mar 2020	<u>519,646</u>	<u>973,571</u>	<u>235,943</u>	<u>993,744</u>	<u>—</u>	<u>2,722,904</u>

**7. Debtors**

	28 Mar 21 £	29 Mar 20 £
Other debtors	<u>248,635</u>	<u>561,111</u>

The debtors above include the following amounts falling due after more than one year:

	28 Mar 21 £	29 Mar 20 £
Other debtors	<u>18,722</u>	<u>31,198</u>

**THE PIONEER (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 30 MARCH 2020 TO 28 MARCH 2021**

**8. Creditors: amounts falling due within one year**

	28 Mar 21	29 Mar 20
	£	£
Bank loans and overdrafts	119,543	58,200
Trade creditors	47,449	136,451
Social security and other taxes	77,373	96,320
Other creditors	498,607	303,318
	<u>742,972</u>	<u>594,289</u>

See note 9 for details of secured liabilities.

**9. Creditors: amounts falling due after more than one year**

	28 Mar 21	29 Mar 20
	£	£
Bank loans and overdrafts	<u>1,337,421</u>	<u>1,459,135</u>

The bank loan is secured upon the properties of the company and by a fixed and floating charge over the assets of the company. The bank loan security contains a negative pledge.

**10. Government grants**

The amounts recognised in the financial statements for government grants are as follows:

	28 Mar 21	29 Mar 20
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>695,623</u>	<u>23,697</u>

Government grants comprise amounts received under the Coronavirus Job Retention Scheme, along with various local authority grants which were provided in response to Coronavirus.

**11. Operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	28 Mar 21	29 Mar 20
	£	£
Not later than 1 year	61,250	61,250
Later than 1 year and not later than 5 years	245,000	245,000
Later than 5 years	1,747,813	1,809,063
	<u>2,054,063</u>	<u>2,115,313</u>

**12. Summary audit opinion**

The auditor's report for the year was unqualified.

The following paragraph was included in the auditor's report describing an emphasis of matter.

We draw attention to note 3 of the financial statements, which under significant judgements, describes assumptions made in the directors' review of the company's assets for impairment. Our opinion is not modified in respect of this matter.

The senior statutory auditor was Luke Richardson BSc FCA, for and on behalf of BSG Valentine (UK) LLP.

**THE PIONEER (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 30 MARCH 2020 TO 28 MARCH 2021**

**13. Related party transactions**

At the period end the company was owed £1,999 (2020:£257,844) by companies under common control and with directors in common. These balances are unsecured, short term and non-interest bearing.

At the period end the company owed £71,043 (2020:£103,029) to a company under common control with directors in common. This balance is unsecured, short term and non-interest bearing.