

REGISTERED NUMBER: SC093587 (Scotland)

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2018
for
PUB ENTERPRISES LIMITED**

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

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for the year ended 31 December 2018**

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PUB ENTERPRISES LIMITED
Company
Information
for the year ended 31 December 2018

Directors:

P Burns
W F Smith

Secretary:

Brunton Miller

Registered office:

Room 19
St James Business Centre
PAISLEY
PA3 3AT

Registered number:

SC093587 (Scotland)

Auditors:

Haines Watts Manchester Limited, Statutory Auditor
Northern Assurance Buildings
9-21 Princess Street
Manchester
M2 4DN

**Group Strategic Report
for the year ended 31 December 2018**

The directors present their strategic report of the company and the group for the year ended 31 December 2018.

Review of business

On 3 April 2017 the company acquired 100% of the share capital of The Single End Pub Company Limited. The results of the company from that date have been incorporated into these financial statements. The 2018 results are, therefore, the first to include The Single End Pub Company Limited for a full year.

Turnover for Pub Enterprises itself has again increased and now stands at almost £4m. Despite competitive pressures the company has maintained its gross margin at 65.3%. Profit before tax has fallen slightly to £160,000. Consolidated sales are approaching £5m and a gross profit rate of 65.3% has been achieved. Profit before tax is almost £430,000.

The directors continue to review overheads to ensure costs are minimised.

Principal risks and uncertainties

The licensed premises trade continues to see a marked downturn with several public houses closing every month. The company is subject to competition from other licensed premises operators and also from alternative outlets such as supermarkets.

The group is well placed to resist these pressures and to continue to improve its performance for the foreseeable future.

On behalf of the board:

P Burns - Director

26 September 2019

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

Report of the Directors for the year ended 31 December 2018

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2018.

Principal activity

The principal activity of the group in the year under review was that of the operation of licensed premises. This is also the principal activity of the company.

Dividends

The total distribution of dividends for the year ended 31 December 2018 was £226,000.

Future developments

The group and company are always looking to make further purchases if appropriate premises appear on the market.

Directors

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

P Burns
W F Smith

Financial instruments

The company's activities expose it to a number of financial risks including credit risk and liquidity risk. The company does not use derivative financial instruments.

CREDIT RISK

The group's principal financial assets are bank balances and cash, trade and other receivables. The main purpose of these is to finance the business' operations.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

LIQUIDITY RISK

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

In respect of bank and brewery balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the group's cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

Political donations and expenditure

Charitable donations in the year amounted to £8,328.

Going concern

The directors consider it appropriate to adopt the going concern basis of accounting in the preparation of these financial statements.

**Report of the Directors
for the year ended 31 December 2018**

Statement of directors' responsibilities

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, Haines Watts Manchester Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

P Burns - Director

26 September 2019

Report of the Independent Auditors to the Members of Pub Enterprises Limited

Opinion

We have audited the financial statements of Pub Enterprises Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, 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 group's and of the parent company affairs as at 31 December 2018 and of the group's profit 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

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 group'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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other 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.

Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Pub Enterprises Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 group's and the parent 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 group or the parent 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 a Report of the Auditors 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. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.

David M Fort FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Manchester Limited, Statutory Auditor
Northern Assurance Buildings
9-21 Princess Street
Manchester
M2 4DN

26 September 2019

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Consolidated Statement of Comprehensive Income
for the year ended 31 December 2018**

		2018	2017
	Notes	£	£
Turnover		4,921,644	4,567,500
Cost of sales		<u>(1,706,950)</u>	<u>(1,577,684)</u>
Gross profit		3,214,694	2,989,816
Administrative expenses		<u>(2,727,886)</u>	<u>(2,584,036)</u>
		486,808	405,780
Other operating income		<u>78,620</u>	144,038
Operating profit	5	565,428	549,818
Interest payable and similar expenses	6	<u>(136,575)</u>	<u>(121,939)</u>
Profit before taxation		428,853	427,879
Tax on profit	7	<u>(9,298)</u>	<u>(16,589)</u>
Profit for the financial year		419,555	411,290
Other comprehensive income			
Revaluation		844,682	-
Income tax relating to other comprehensive income		<u>(106,250)</u>	-
Other comprehensive income for the year, net of income tax		738,432	-
Total comprehensive income for the year		1,157,987	411,290
Profit attributable to:			
Owners of the parent		<u>419,555</u>	<u>411,290</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>1,157,987</u>	<u>411,290</u>

The notes on pages 14 to 26 form part of these financial statements

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Consolidated Balance Sheet
31 December 2018**

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10	21,902		28,641	
Tangible assets	11	7,313,154		6,472,961	
Investments	12	<u>-</u>		<u>-</u>	
		7,335,056		6,501,602	
Current assets					
Stocks	13	119,646	126,643		
Debtors	14	156,447	259,848		
Cash at bank and in hand		<u>451,213</u>	<u>316,559</u>		
		727,306	703,050		
Creditors					
Amounts falling due within one year	15	<u>1,197,005</u>	<u>1,092,959</u>		
Net current liabilities		(469,699)		(389,909)	
Total assets less current liabilities		6,865,357		6,111,693	
Creditors					
Amounts falling due after more than one year	16	(3,581,535)		(3,866,108)	
Provisions for liabilities	20	(278,250)		(172,000)	
Net assets		3,005,572		2,073,585	
Capital and reserves					
Called up share capital	21	2		2	
Revaluation reserve	22	2,494,868		1,756,436	
Capital redemption reserve	22	1		1	
Retained earnings	22	<u>510,701</u>		<u>317,146</u>	
Shareholders' funds		3,005,572		2,073,585	

The financial statements were approved by the Board of Directors on 26 September 2019 and were signed on its behalf by:

P Burns - Director

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Company Balance
Sheet
31 December 2018**

			2018		2017
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10		-		-
Tangible assets	11		5,594,025		5,362,146
Investments	12		<u>1,152,401</u>		<u>1,152,401</u>
			6,746,426		6,514,547
Current assets					
Stocks	13	88,790		93,665	
Debtors	14	112,001		209,286	
Cash at bank and in hand		<u>80,144</u>		<u>109,670</u>	
		280,935		412,621	
Creditors					
Amounts falling due within one year	15	<u>1,291,653</u>		<u>1,056,747</u>	
Net current liabilities			(1,010,718)		(644,126)
Total assets less current liabilities			5,735,708		5,870,421
Creditors					
Amounts falling due after more than one year	16		(3,581,535)		(3,866,108)
Provisions for liabilities	20		(178,250)		(172,000)
Net assets			<u>1,975,923</u>		<u>1,832,313</u>
Capital and reserves					
Called up share capital	21		2		2
Revaluation reserve	22		1,974,768		1,756,436
Capital redemption reserve	22		1		1
Retained earnings	22		<u>1,152</u>		<u>75,874</u>
Shareholders' funds			<u>1,975,923</u>		<u>1,832,313</u>
Company's profit for the financial year			<u>151,278</u>		<u>170,017</u>

The financial statements were approved by the Board of Directors on 26 September 2019 and were signed on its behalf by:

P Burns - Director

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Consolidated Statement of Changes in Equity
for the year ended 31 December 2018**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2017	2	70,856	1,756,436	1	1,827,295
Changes in equity					
Dividends	-	(165,000)	-	-	(165,000)
Total comprehensive income	-	411,290	-	-	411,290
Balance at 31 December 2017	2	317,146	1,756,436	1	2,073,585
Changes in equity					
Dividends	-	(226,000)	-	-	(226,000)
Total comprehensive income	-	419,555	738,432	-	1,157,987
Balance at 31 December 2018	2	510,701	2,494,868	1	3,005,572

The notes on pages 14 to 26 form part of these financial statements

**Company Statement of Changes in Equity
for the year ended 31 December 2018**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2017	2	70,857	1,756,436	1	1,827,296
Changes in equity					
Dividends	-	(165,000)	-	-	(165,000)
Total comprehensive income	-	170,017	-	-	170,017
Balance at 31 December 2017	2	75,874	1,756,436	1	1,832,313
Changes in equity					
Dividends	-	(226,000)	-	-	(226,000)
Total comprehensive income	-	151,278	218,332	-	369,610
Balance at 31 December 2018	2	1,152	1,974,768	1	1,975,923

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Consolidated Cash Flow Statement
for the year ended 31 December 2018**

		2018	2017
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	634,011	735,832
Interest paid		(136,575)	(121,939)
Tax paid		(16,384)	(32,171)
Net cash from operating activities		<u>481,052</u>	<u>581,722</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(33,695)
Purchase of tangible fixed assets		(80,209)	(1,336,705)
Net cash from investing activities		<u>(80,209)</u>	<u>(1,370,400)</u>
Cash flows from financing activities			
New loans in year		-	3,461,118
Loan repayments in year		(227,888)	(1,673,115)
Amount introduced by directors		129,000	18,295
Amount withdrawn by directors		(29,405)	6,131
Equity dividends paid		(226,000)	(165,000)
Net cash from financing activities		<u>(354,293)</u>	<u>1,647,429</u>
Increase in cash and cash equivalents		<u>46,550</u>	<u>858,751</u>
Cash and cash equivalents at beginning of year	2	128,142	(730,609)
Cash and cash equivalents at end of year	2	<u>174,692</u>	<u>128,142</u>

The notes on pages 14 to 26 form part of these financial statements

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Notes to the Consolidated Cash Flow Statement
for the year ended 31 December 2018**

1. Reconciliation of profit before taxation to cash generated from operations

	2018	2017
	£	£
Profit before taxation	428,853	427,879
Depreciation charges	91,438	87,884
Finance costs	136,575	121,939
	656,866	637,702
Decrease/(increase) in stocks	6,997	(48,768)
Decrease/(increase) in trade and other debtors	14,827	(65,777)
(Decrease)/increase in trade and other creditors	(44,679)	212,675
Cash generated from operations	<u>634,011</u>	<u>735,832</u>

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	451,213	316,559
Bank overdrafts	(276,521)	(188,417)
	<u>174,692</u>	<u>128,142</u>

Year ended 31 December 2017

	31/12/17	1/1/17
	£	£
Cash and cash equivalents	316,559	117,627
Bank overdrafts	(188,417)	(848,236)
	<u>128,142</u>	<u>(730,609)</u>

**Notes to the Consolidated Financial Statements
for the year ended 31 December 2018**

1. Statutory information

Pub Enterprises Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

2. Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2018.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are not considered to be any critical judgements in applying the group's accounting policies.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities within the next financial year are addressed below.

(i) Property valuations

The valuation of properties requires management's best estimate of the open market value of the relevant assets. They are assisted in preparing these estimates by periodic professional valuations.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of food and drink to customers. Turnover is recognised at the point of sale.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of five years.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

3. Accounting policies - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% straight line and 2% straight line
Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Computer equipment	- 10% straight line

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Freehold property is stated at open market valuation which is reviewed by the directors annually. A revaluation surplus is recorded in other operating income and credited to the asset revaluation reserve in equity. A revaluation deficit is recognised in the statement of profit and loss except to the extent that it offsets an existing surplus on the same asset.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

There are no assets which are initially measured at fair value.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies 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 receipts discounted at a market rate of interest.

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. Accounts 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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

3. Accounting policies - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

4. Employees and directors

	2018	2017
	£	£
Wages and salaries	1,273,032	1,207,078
Social security costs	57,612	56,985
Other pension costs	11,245	5,412
	<u>1,341,889</u>	<u>1,269,475</u>

The average number of employees during the year was as follows:

	2018	2017
Administration and support	3	3
Sales	96	96
	<u>99</u>	<u>99</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 16 (2017 - 17) .

	2018	2017
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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There are not considered to be any key management personnel other than the directors.

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Hire of plant and machinery	28,434	23,654
Depreciation - owned assets	84,699	82,829
Goodwill amortisation	6,739	5,054
Auditors' remuneration	<u>9,400</u>	<u>6,150</u>

6. Interest payable and similar expenses

	2018 £	2017 £
Bank interest	7,177	6,177
Bank loan interest	<u>129,398</u>	<u>115,762</u>
	<u>136,575</u>	<u>121,939</u>

7. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	34,065	16,589
(Over)/under provision PY	<u>(24,767)</u>	<u>-</u>
Tax on profit	<u>9,298</u>	<u>16,589</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>428,853</u>	<u>427,879</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.247%)	<u>81,482</u>	82,354
Effects of:		
Expenses not deductible for tax purposes	7,543	4,949
Capital allowances in excess of depreciation	(5,998)	(28,507)
Utilisation of tax losses	(48,962)	(42,207)
Adjustments to tax charge in respect of previous periods	<u>(24,767)</u>	<u>-</u>
Total tax charge	<u>9,298</u>	<u>16,589</u>

Tax effects relating to effects of other comprehensive income

	Gross £	Tax £	2018 Net £
Revaluation	<u>844,682</u>	<u>(106,250)</u>	<u>738,432</u>

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

8. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

9. Dividends

	2018	2017
	£	£
Ordinary shares of £1 each		
Interim	<u>226,000</u>	<u>165,000</u>

10. Intangible fixed assets

Group

Goodwill
£

Cost

At 1 January 2018
and 31 December 2018

223,695

Amortisation

At 1 January 2018
Amortisation for year
At 31 December 2018

195,054
6,739
201,793

Net book value

At 31 December 2018
At 31 December 2017

21,902
28,641

Company

Goodwill
£

Cost

At 1 January 2018
and 31 December 2018

190,000

Amortisation

At 1 January 2018
and 31 December 2018

190,000

Net book value

At 31 December 2018
At 31 December 2017

-
-

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

11. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost or valuation					
At 1 January 2018	5,961,089	527,398	736,277	14,103	7,238,867
Additions	-	19,452	60,757	-	80,209
Revaluations	799,583	-	-	-	799,583
At 31 December 2018	<u>6,760,672</u>	<u>546,850</u>	<u>797,034</u>	<u>14,103</u>	<u>8,118,659</u>
Depreciation					
At 1 January 2018	32,563	339,050	383,330	10,963	765,906
Charge for year	22,600	20,695	40,870	534	84,699
Revaluation adjustments	(45,100)	-	-	-	(45,100)
At 31 December 2018	<u>10,063</u>	<u>359,745</u>	<u>424,200</u>	<u>11,497</u>	<u>805,505</u>
Net book value					
At 31 December 2018	<u>6,750,609</u>	<u>187,105</u>	<u>372,834</u>	<u>2,606</u>	<u>7,313,154</u>
At 31 December 2017	<u>5,928,526</u>	<u>188,348</u>	<u>352,947</u>	<u>3,140</u>	<u>6,472,961</u>

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2018	2,346,877	-	-	-	2,346,877
Cost	4,413,795	546,850	797,034	14,103	5,771,782
	<u>6,760,672</u>	<u>546,850</u>	<u>797,034</u>	<u>14,103</u>	<u>8,118,659</u>

If freehold properties had not been revalued they would have been included at the following historical cost:

	2018 £	2017 £
Cost	3,288,795	3,244,929
Aggregate depreciation	<u>519,597</u>	<u>453,821</u>

Freehold land and buildings were valued on an open market basis on 31 December 2018 by the directors .

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

11. Tangible fixed assets - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost or valuation					
At 1 January 2018	4,836,089	525,331	729,106	14,103	6,104,629
Additions	-	18,417	49,407	-	67,824
Revaluations	224,583	-	-	-	224,583
At 31 December 2018	<u>5,060,672</u>	<u>543,748</u>	<u>778,513</u>	<u>14,103</u>	<u>6,397,036</u>
Depreciation					
At 1 January 2018	10,063	338,844	382,613	10,963	742,483
Charge for year	-	20,404	39,590	534	60,528
At 31 December 2018	<u>10,063</u>	<u>359,248</u>	<u>422,203</u>	<u>11,497</u>	<u>803,011</u>
Net book value					
At 31 December 2018	<u>5,050,609</u>	<u>184,500</u>	<u>356,310</u>	<u>2,606</u>	<u>5,594,025</u>
At 31 December 2017	<u>4,826,026</u>	<u>186,487</u>	<u>346,493</u>	<u>3,140</u>	<u>5,362,146</u>

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2018	1,776,877	-	-	-	1,776,877
Cost	<u>3,283,795</u>	<u>543,748</u>	<u>778,513</u>	<u>14,103</u>	<u>4,620,159</u>
	<u>5,060,672</u>	<u>543,748</u>	<u>778,513</u>	<u>14,103</u>	<u>6,397,036</u>

If freehold properties had not been revalued they would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>3,283,795</u>	<u>3,244,929</u>
Aggregate depreciation	<u>519,497</u>	<u>453,821</u>

Freehold properties were valued on an open market basis on 31 December 2018 by the directors .

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

12. Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2018	
and 31 December 2018	<u>1,152,401</u>
Net book value	
At 31 December 2018	<u>1,152,401</u>
At 31 December 2017	<u>1,152,401</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

The Single End Pub Company Limited

Registered office: Room 19, St James Business Centre, Paisley PA3 3AT

Nature of business: Operation of licenced premises

Class of shares:	%
Ordinary	holding 100.00

The shares in this company are 100% held by Forty Eight Shelf (279) Limited.

Forty Eight Shelf (279) Limited

Registered office: Room 19, St James Business Centre, Paisley PA3 3AT

Nature of business: Holding company

Class of shares:	%
Ordinary	holding 100.00

13. Stocks

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Stocks	<u>119,646</u>	<u>126,643</u>	<u>88,790</u>	<u>93,665</u>

The amount of inventories recognised as an expense during the year is £1,691,232 (2017 - £1,577,684).

14. Debtors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	-	17,342	-	7,316
Other debtors	133,747	143,363	92,129	105,302
Directors' current accounts	-	88,574	-	88,574
Prepayments	<u>22,700</u>	<u>10,569</u>	<u>19,872</u>	<u>8,094</u>
	<u>156,447</u>	<u>259,848</u>	<u>112,001</u>	<u>209,286</u>

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

14. Debtors: amounts falling due within one year - continued

Financial assets that are debt instruments measured at amortised cost include trade debtors, other debtors and directors' current accounts.

15. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (see note 17)	474,795	416,306	474,795	416,306
Other loans (see note 17)	86,300	-	86,300	-
Trade creditors	272,645	394,969	214,284	318,739
Amounts owed to group undertakings	-	-	194,407	86,607
Corporation tax	34,065	41,151	34,065	41,151
Social security and other taxes	27,428	18,304	24,275	14,125
VAT	97,133	89,639	71,340	59,189
Other creditors	99,672	1,732	99,672	1,571
Directors' current accounts	11,021	-	11,021	-
Accrued expenses	93,946	130,858	81,494	119,059
	<u>1,197,005</u>	<u>1,092,959</u>	<u>1,291,653</u>	<u>1,056,747</u>

Financial liabilities measured at amortised cost include trade creditors and other creditors.

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans (see note 17)	2,928,735	3,127,008	2,928,735	3,127,008
Other loans (see note 17)	652,800	739,100	652,800	739,100
	<u>3,581,535</u>	<u>3,866,108</u>	<u>3,581,535</u>	<u>3,866,108</u>

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

17. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	276,521	188,417	276,521	188,417
Bank loans	198,274	227,889	198,274	227,889
Other loans	86,300	-	86,300	-
	<u>561,095</u>	<u>416,306</u>	<u>561,095</u>	<u>416,306</u>
Amounts falling due between one and two years:				
Bank loans	203,811	198,274	203,811	198,274
Other loans	86,300	-	86,300	-
	<u>290,111</u>	<u>198,274</u>	<u>290,111</u>	<u>198,274</u>
Amounts falling due between two and five years:				
Bank loans	2,724,924	2,928,734	2,724,924	2,928,734
Other loans	258,900	739,100	258,900	739,100
	<u>2,983,824</u>	<u>3,667,834</u>	<u>2,983,824</u>	<u>3,667,834</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Other loans	<u>307,600</u>	<u>-</u>	<u>307,600</u>	<u>-</u>

18. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	78,263	78,101
Between one and five years	307,429	300,320
In more than five years	478,880	540,346
	<u>864,572</u>	<u>918,767</u>

Company

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	78,263	78,101
Between one and five years	307,429	300,320
In more than five years	478,880	540,346
	<u>864,572</u>	<u>918,767</u>

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

19. Secured debts

The following secured debts are included within creditors:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank overdrafts	276,521	188,417	276,521	188,417
Bank loans	3,127,009	3,354,897	3,127,009	3,354,897
Other loans	739,100	739,100	739,100	739,100
	<u>4,142,630</u>	<u>4,282,414</u>	<u>4,142,630</u>	<u>4,282,414</u>

Bank loans and overdrafts and other loans are secured by charges over the freehold properties and by a bond and floating charge over the assets of the company. The bank loans are repayable in 59 monthly instalments with the remaining balance payable in the 60th month. Interest is charged at 2.5% over LIBOR.

Other loans are repayable at £7,192 plus interest per month with interest charged at 3% over base rate.

20. Provisions for liabilities

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Deferred tax				
Accelerated capital allowances	172,000	172,000	172,000	172,000
Other timing differences	106,250	-	6,250	-
	<u>278,250</u>	<u>172,000</u>	<u>178,250</u>	<u>172,000</u>

Group

	Deferred tax
	£
Balance at 1 January 2018	172,000
Provided during year	106,250
Balance at 31 December 2018	<u>278,250</u>

Company

	Deferred tax
	£
Balance at 1 January 2018	172,000
Charge to Statement of Comprehensive Income during year	6,250
Balance at 31 December 2018	<u>178,250</u>

The net deferred tax liability expected to reverse in 2019 is £XX,000. This primarily relates to the reversal of timing differences on capital allowances.

21. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
		£1	£	£
2	Ordinary		<u>2</u>	<u>2</u>

PUB ENTERPRISES LIMITED (REGISTERED NUMBER: SC093587)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

21. Called up share capital - continued

All shares rank pari passu.

22. Reserves

Group

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2018	317,146	1,756,436	1	2,073,583
Profit for the year	419,555	-	-	419,555
Dividends	(226,000)	-	-	(226,000)
Revaluation	-	744,682	-	744,682
Deferred tax	-	(6,250)	-	(6,250)
At 31 December 2018	<u>510,701</u>	<u>2,494,868</u>	<u>1</u>	<u>3,005,570</u>

Company

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2018	75,874	1,756,436	1	1,832,311
Profit for the year	151,278	-	-	151,278
Dividends	(226,000)	-	-	(226,000)
Revaluation	-	224,582	-	224,582
Deferred tax	-	(6,250)	-	(6,250)
At 31 December 2018	<u>1,152</u>	<u>1,974,768</u>	<u>1</u>	<u>1,975,921</u>

23. Directors' advances, credits and guarantees

The following advances and credits to directors subsisted during the years ended 31 December 2018 and 31 December 2017:

	2018 £	2017 £
P Burns and W F Smith		
Balance outstanding at start of year	88,574	113,000
Amounts advanced	42,405	59,869
Amounts repaid	(142,000)	(84,295)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(11,021)</u>	<u>88,574</u>

The above loans are interest free and repayable on demand.

During the year the directors received dividends of £97,000 (2017 - £165,000) and rent of £11,750 (2017 - £6,800).

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2018**

24. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Other related parties

	2018	2017
	£	£
Purchases	62,500	62,500
Rent	<u>9,400</u>	<u>9,400</u>

25. Ultimate controlling party

The company is controlled by the directors who own 100% of the called up share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.